Hospitality, Recognition, Gift & Employee Expenses Policy

Strategic Reference	Outcome 5 – Leadership Strategy 3.5 – Council reports openly and transparently on its performance. Strategy 3.12 – Recognise staff in their contribution to business excellence.
File reference	AR24/6515
Responsibility	Community & Corporate Department
Revision Number	1
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Applicable Legislation	Fringe Benefits Tax Assessment Act 1986 Independent Commissioner Against Corruption Act 2012 Local Government Act 1999 Local Government (General) (Employee Code of Conduct) Variation Regulations 2018 Local Government (General) Regulations 2013
Related Policies	Corporate Credit Card Policy
Related Documents	Gifts & Benefits Register for Employees Employee Behavioural Standards (under development) Ombudsman SA – Report into Employee Recognition Practices (April 2023) Local Government Association – Employee Recognition Guideline (November 2023) Reward and Recognition – Good practice guide for South Australian Public Sector managers

1. Purpose

This Policy sets out the provisions for when it is appropriate to receive a gift, to provide hospitality for official purposes (at Council's expense) and/or reward/recognise employees for their contribution, significant efforts and achievements related to key outcomes or deliverables for our community. In certain circumstances, hospitality is provided to stakeholders of Council and in limited circumstances, to Council employees as a part of an official corporate function.

This Policy also clarifies the circumstances where it is appropriate for an employee to claim an expense. It defines the types of employee expenses that may be incurred and the allocated expense limits.

2. Objectives

2.1 Council is committed to the efficient and responsible use of public resources. This Policy sets out when it is appropriate to both receive and provide gifts, benefits & hospitality and recognise achievement using public resources. Where a transaction is considered 'sensitive type expenditure' there must be a greater awareness of the perception of the community and higher levels of scrutiny regarding an acceptable business purpose.

2.2 In alignment with Council's organisational values and ways of working, coupled with a strong focus on delivering exceptional customer experience, Council recognises and values its employees. Council is committed to acknowledging and rewarding the work performance and behaviours of employees and teams that support and contribute to our vision and values. Recognition occurs in many ways and sometimes may require the use of public funds to administer.

3. Principles

The following principles must be met for the use of public funds to be considered appropriate:

(a) The business purpose of the expenditure is clearly justified, at the time the expenditure is necessary for Council to carry out its functions and to realise its strategic and business planning objectives;

(b) The transaction is compliant with relevant Council policies and within financial delegations;

(c) The transaction is reasonable for the circumstances and publicly defensible;

(d) The transaction record is properly documented and explains the nature of the expense.

4. Scope

This Policy is applicable to all employees of Coorong District Council and applies to all functions, held both on and off Council premises.

This Policy is not applicable to:

- Events and activities funded personally by employees (ie. social clubs)
- Volunteers

Note: Hospitality provisions for Council Members are outlined in the Council Members Allowance, Benefits & Support Policy

5. Policy Statement

5.1 Approval Authority

All employee expenditure must be approved in line with financial delegations prior to being incurred. Approval authority refers to:

- An employee's Manager/Coordinator;
- A Director, in the case of a Manager/Coordinator;
- The Chief Executive Officer, in the case of Directors; and
- The Mayor, in the case of the Chief Executive Officer

If expenditure is likely to vary from this Policy, prior approval in writing is required from the Chief Executive Officer, or in the case of the Chief Executive Officer, by the Mayor.

Any request for approval must clearly explain how the principles are met including those attending, expected benefits to Council and relevant budget costings in line with any expenditure limits prescribed. If approval is not obtained in accordance with the above, the funds will need to be reimbursed by the employee.

Table 1: Hospitality and Employee Related Expenditure Funded/Not Funded Checklist

Expenditure Type (limits apply)	Funded
Advocacy/strategic relationships (on or off premises)	✓
Alternate transport (ie. ride share) or accommodation only, as within confines of business unit accommodation/travel expenses budget line	✓
Meetings with external clients/stakeholders (on or off premises) up to limits defined in Table 2	✓
Staff planning days, including team building activities, up to limits defined in Table 2	✓
Employee reward/recognition, as per criteria defined in Table 2	✓
Meal allowance as per respective Enterprise Bargaining Agreements	✓
Food and refreshments for community meetings/community engagement sessions	✓
Staff sustenance/refreshments (ie. coffee, tea, sugar, milk)	✓
Staff sustenance for internal working meetings over four (4) hours (over lunch period), no alcohol	✓
Venue hire (only with approval)	✓
Any other event approved by the Chief Executive Officer	✓
Flowers for life changing event – be that a birth, death in the family or a life-threatening illness (Council to employee), up to limit defined in Table 2	✓
Staff retirements/corporate farewells >= 20 years of service	✓
Employee years of service recognition >= 20 years	✓
Flowers for birth, bereavement or life-threatening illness (Council to Council Member [current or former]), up to limit defined in Table 2	✓
Greeting cards for bereavement or other significant occasion (Council to Council Member [current or former])	✓
Alcohol (except when required for catering/resale at community events)	×
Other recognition/celebration events (birthday, new employee etc)	×
Parties and employee social functions (including Christmas parties)	×
Employee only meetings (on or off premises), including takeaway coffee	×
Staff retirements/corporate farewell < 20 years of service	×
Employee social functions (ie. Melbourne Cup, employee achievement, end of year celebration)	×
Morning or afternoon tea for employees only (excluding those for approved reward/recognition/years of service)	×
Greeting cards (ie. farewell, birthday, anniversary), employee to employee	×
Staff gift cards and loyalty programs	×

Table 2: Types of Employee Expenses and Expenditure Limits

Employee expenses will be based on the following maximum expenditure levels outlined in Table 2 below:

Expenditure Description	Details
Employee reward/recognition approved by Director	Maximum catering for morning/afternoon tea $5.50 per person (to a maximum cap of $100)
Corporate farewells/retirement >=20 years of service	Maximum catering for morning/afternoon tea $5.50 per person (to a maximum cap of $100)
Years of service recognition >=20 years	Maximum catering for morning/afternoon tea $5.50 per person (to a maximum cap of $100)
Working meetings over lunch period and greater than four (4) hour duration (approved by Director)	Sustenance/light refreshments recommended in this instance; $8.00 per person (to a maximum cap of $150)
Flowers – life changing event (be that a birth, death in the family or a life-threatening illness) (refer clause 5.2.6)	Maximum of $100 (excluding delivery fee)*

** While Table 2 refers to Employee Expenses and Expenditure Limits, the value stipulated here also applies to flowers issued by Council to Council Members (current or former).*

5.2 Types of Hospitality and Employee Expenses

5.2.1 Working Meetings

Standard work meetings conducted over the lunch period are generally not funded by Council. Lunch can be provided to working meetings that are over four (4) hours in duration and carry over into the lunch period (between 12:00 and 2:00pm). This catering recognises that employees have been required to forgo their lunch break. Working meetings between employees only that are less than four (4) hours will not be funded by Council.

5.2.2 External Meetings

External meetings between employees (ie. in coffee shops) will not be funded by Council. This also includes the purchase of takeaway coffees for meetings held on-site. Only when an external stakeholder is present is there a legitimate expense of this nature. In this instance, the nature of the business discussion and the number of internal employees and external stakeholders must be recorded with the expense claim.

5.2.3 Corporate Farewell/Retirement

An event may be held by Council for an employee who is resigning or retiring/resigning with 20 or more years of service. For all other farewell events, costs will not be met by Council.

5.2.4 Years of Service Recognition

In recognition of a staff member's long-term commitment to Council and where the employee has achieved 20 years of service, a morning/afternoon tea event may be held, at which a certificate of appreciation will be presented by the Chief Executive Officer.

5.2.5 Council and Committee Meetings

Considering the varying nature of the timing of meetings; food and light refreshments may be provided in-house. Alcohol will not be provided.

5.2.6 Flowers

When an employee experiences a life changing event (be that a birth, death in the family or a life-threatening illness), Council likes to show that the people within care, by sending flowers.

As a local government authority using ratepayer funds, this type of expenditure must be exercised cautiously.

In the event of the death of an employee or their direct relation (parent, partner or child), it is considered appropriate that flowers are sent on behalf of Council within an agreed limit as per Table 2. For all other occasions other than a birth, death or life-threatening illness, employees have the option to send flowers by way of a collection of donation from employees.

In the event where it is deemed that flowers are sent to a current or former Council Members, the value stipulated at Table 2 also applies.

5.2.7 Working Late (outside normal span of hours)

When an employee is directed to work outside of their normal span of hours, the employee can claim a meal allowance in accordance with their relevant Enterprise Agreement. If Council has arranged for a meal to be provided, the employee is unable to claim a meal allowance.

5.2.8 Food and Refreshments associated with Community Gatherings/Engagement

Where Council holds an event (outside of a meeting/workshop/information session) for community members/businesses/ratepayers to attend, Council may provide reasonable food and light refreshments.

5.2.9 Employee Refreshments

Employee refreshments supplied by Council for common use will be restricted to tea, coffee, sugar, milk and general condiments (ie. sauce).

5.2.10 Purchase of Alcohol

Alcohol will not be provided at employee or Council only events.

5.3 Gifts & Benefits

The following indicates the circumstances where it is inappropriate to use Council funds for the provision of gifts:

- **Employee to employee** – gifts of any kind from employee to employee using Council funds are not permitted. This includes giving of cards, cakes, flowers for the birth of a baby, birthdays and social functions.
- **Third party to employee** – section 119A of the *Local Government Act 1999* makes provision for employees of a council who receive a gift or benefit. An employee must not accept any benefit from any individual or entity if there may be a real or potential risk of compromise or conflict of interest.

Benefits with a value in excess of $50 must be declared and may be accepted only when approved by the Chief Executive Officer; and in the case of the Chief Executive Officer, the Mayor. The Chief Executive Officer (or Mayor in the case of a benefit received by the Chief Executive Officer) will determine if it should be retained by Council, the employee or distributed in some other manner.

Where approval cannot be gained, the employee has the responsibility to politely refuse the gift. If refusal has the potential to damage Council's relationship with the person, company or organisation making the offer, then the gift may be accepted but must be reported immediately to the Chief Executive Officer. They will determine if the gift that has been accepted will become Council property, or whether arrangements should be made to donate it to a charitable institution in the name of the person, company or organisation that provided the gift. The Chief Executive Officer will use their discretion when to advise the Mayor or Council of such action.

Under no circumstances are employees to either accept or receive cash, or to solicit or accept discounted goods, points from loyalty rewards programs (in the course of expending Council funds) or services from any Council supplier.

Benefits are not to be accepted under any circumstance by an employee who is aware that the benefit is being offered by a supplier who is in the process of tendering for the supply of goods and services to Council.

Hospitality associated with networking may be accepted by an employee where there can be no real or perceived conflict of interest. The employee should ensure that the venue is appropriate and should suggest an alternate venue if it is thought that the venue could cause embarrassment to Council.

6. Reporting

Provisions are made within the budget for expenditure relating to hospitality, gifts & employee expenses and are reviewed annually as part of budget deliberations. If a gift, benefit or expenses is not listed in this policy or associated procedures, it is not permitted, unless prior approval has been granted by the Chief Executive Officer.

All gifts, benefits or hospitality with a value in excess of $50 offered to or received by employees are to be reported to the Chief Executive Officer.

A Gifts & Benefits Register is administered by the Executive Officer. Benefits received and refused by employees (or refused by the employee's supervisor) with a value in excess of $50 will be recorded in the Register. Details must include:

- Date received
- Receiver of benefit
- Benefit description
- Approximate value
- Provider of the benefit
- Reason for giving the benefit
- Who approved the receipt or refusal of the gift or benefit

The Register will be available for inspection at Council's principal office during ordinary business hours and on Council's website www.coorong.sa.gov.au

Where an employee believes that an offer of a benefit is an attempt to influence that outcome of Council business, details are to be provided to the Chief Executive Officer as a matter of urgency.

In accordance with the *Independent Commissioner Against Corruption Act 2012,* employees are required to report serious or systemic corruption, misconduct or maladministration that has either occurred, or has come to their attention.

7. Budget

Financial delegations outlined in Council's Delegations Register apply to expenditure incurred under this policy.

8. Availability/Accessibility

This Policy is available for inspection at Council's offices during normal business hours and Council's website and will be emailed to interested parties on request (please lodge request in writing via email to council@coorong.sa.gov.au).

9. Document History

This Policy will be reviewed at least every three (3) years or more frequently if legislation or Council requires.

Version	Adopted	Minute No	Description of change(s)
1	20 August 2024	198/24	New policy