



Version	Approved by	Approval date	Effective date	Next full review
1.1	Director of Governance	13 February 2018	13 February 2018	November 2020
Procedure Statement				
Purpose	This Procedure supports the UNSW <i>Business Expense Policy</i> and provides clear direction and examples on what UNSW considers acceptable and unacceptable business expenses.			
Scope	This Procedure applies to all University employees.			
Are Local Documents on this subject permitted?	<input type="checkbox"/> Yes, however local Documents must be consistent with this University-wide Document		<input checked="" type="checkbox"/> No	
Procedure Processes and Actions				

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1. Introduction

This procedure has been developed to enable UNSW Staff members to apply the UNSW [Business Expense Policy](#). Staff members are expected to use the four guiding principles set out in the Policy in their assessment if business expenses are acceptable or not.

All expenses must be for a legitimate University purpose, meaning they should meet the following principles: necessary, reasonable, appropriate and allowable.

2. Business Expense expectations

Staff members are expected to exercise prudent judgment and use the principles as described in the [Business Expense Policy](#) when using UNSW funds.

The table below provides examples (but not an exhaustive list) of the most common types of expenses. These examples should always be read in conjunction with the relevant policy and/or procedure and should merely be seen as an example of what UNSW's Executive Team (ET) considers appropriate.

The allowable expenses outlined below are subject to budget availability.

Where business expenses (including travel) are required for conducting research, the researcher must acquaint themselves with the rules of the research grant, or consult with your research accountant, and ensure costs are within budget and as per grant guidelines.

Expense Type

UNSW Expectations

Expense Type	UNSW Expectations
1.	Travel Expenses
1.1 Airfares	<p>Airfares are only allowable for University business.</p> <p>Economy class must be used for all air travel within Australia and for international travel. The traveller must endeavour to use the lowest fare class appropriate for the required travel.</p> <p>When travelling on University business, all travellers must:</p> <ol style="list-style-type: none">use the most direct and economical route from the University to the location of their University business, within the allowable class of travel, andreturn via the most direct and economical routenot direct the choice of a flight or route based on their private travel needs, subject to clause 1.4 below. <p>Premium Economy or equivalent is allowable for flights of more than five hours for staff members who report to ET members or who are granted exemption by their ET member. Approval should be in writing, provide justifiable reason and be filed for future audit reference. Further flight upgrades, ie: to business class, may be approved by ET members for their direct reports where exceptional reasons (i.e. medical reasons) exist. Such approval should be justified in a written note which should be stored for future audit reference. Where short-haul flight of less than five hours is considered part of a larger international itinerary to a final destination, then such flight even though less than five hours may be by Premium Economy. For such short-haul flight to be considered part of an international itinerary it must be taken within 24 hours of landing in the country.</p> <p>Full travel itinerary showing travel class and TR1 form must be attached to the expense claim / credit card statement.</p> <p>Excess baggage costs are only allowable where it can be demonstrated that the excess baggage was unavoidable due to the business reason of the trip.</p>
1.2 Private travel	<p>The University does allow private travel when combined with a business trip. However, it is never considered appropriate to incur costs for the University related to private travel. The University will incur costs if the private travel is not incidental to the trip.</p> <p>When undertaking a business trip that is combined with a private component (e.g. annual leave) and the private portion is equal to or greater than 50% of the trip, the private portion is deemed not to be incidental to the trip and becomes subject to Fringe Benefits Tax (FBT).</p> <p>In this case, the traveller must do one of the following:</p> <ol style="list-style-type: none">Reduce the private component to be less than 50 percent of the duration of the trip, orPay 50% of the flights' cost out of personal funds directly at the time of booking, orPay FBT on the private component of the trip out of personal funds (approx. 50% of costs). <p>Please refer to the Travel Diary template for guidance on Private Travel.</p>

<p>1.3 Airline lounge/ club memberships</p>	<p>One airline lounge membership will be paid by the University for staff members who travel more than five times per annum domestically or twice internationally.</p>
<p>1.4 Loyalty and frequent flyer programs</p>	<p>It is accepted that work-related travel will attract loyalty and frequent flyer rewards for the individual. Such loyalty however must not cause the University to incur a higher airfare or accommodation (or similar service) cost.</p>
<p>1.5 Accommodation</p>	<p>Staff travellers are expected to obtain accommodation which is fair and reasonable and provides value for money. For domestic travel staff are expected to stay within the range of costs set out in the Australian Taxation Office (ATO) travel expense guide. At all times staff members must use their judgment to obtain the best rate based on quality and location of accommodation, reducing UNSW costs wherever possible.</p> <p>Where a Staff traveller is travelling with a member of the University Executive Team or Senior Leadership group for the same business purpose, it is permissible for the staff traveller to stay in the same hotel as the Executive Team or Senior Leadership group member.</p>
<p>1.6 Data roaming and international phone calls</p>	<p>Staff travellers must endeavour to reduce the high costs of using their Australian SIM / data cards overseas by either purchasing an international data pack in Australia or purchase in-country SIM cards for phone and data. Reasonable data pack / in-country SIM cards will be reimbursed</p> <p>Use of Australian SIM / data cards overseas is discouraged.</p>
<p>1.7 On ground transport – public transport and taxis</p>	<p>All travellers should consider the use of public transport for University business travel if practical and safe. Prudent business judgement is to be applied when using taxis.</p> <p>Expense claims for public transport/taxis to and from one's primary residence to one's normal place of work for the usual daily commute are not permitted. It is acceptable to charge for trips from home to work for other specific work-related reasons – such as an additional trip out of hours or if a work commitment required leaving a car at work the previous day.</p> <p>Opal card top-up expenditure is required to be supported by a description of destinations travelled.</p>
<p>1.7.1 On ground transport – Rail travel</p>	<p>Staff members are permitted to travel economy class via rail or bus internationally. Direct reports to ET members may travel business class.</p>
<p>1.7.2 On ground transport – parking</p>	<p>Parking fees are permitted for work-related travel of less than 24 hours. Parking costs above 24 hours are only acceptable in the case of delays or where the cost of parking is less than the cost of taxis to and from the staff members' place of residence.</p>
<p>1.8 Meals</p>	<p>All expenses relating to meals whilst travelling will be paid as a per diem and capped at 70% of the applicable ATO rates.</p> <p>Per diem may not be claimed for meals which will be expensed for entertainment purposes, see 2.1. In the circumstance where a staff member has paid for a meal by credit card with UNSW guest, staff</p>

<p>1.9 Incidentals</p>	<p>member, customer and/or stakeholder whilst receiving a per diem, staff member's portion of the total is required to be reimbursed to UNSW.</p> <p>All expenses relating to incidentals whilst travelling will be paid as an allowance and capped at 70% of the applicable ATO rates.</p> <p>Incidentals include expenses incidental to staff member's travel that otherwise could not be claimed as a business expense (i.e. newspaper, coffee, private telephone calls, etc.).</p> <p>Travel insurance cannot be claimed as an incidental expense as all approved business travel is automatically covered by UNSW travel insurance policy</p>
<p>2.</p> <p>2.1 Entertainment</p> <p>2.2 Catering for lunches</p> <p>2.3 Hospitality and/or entertainment</p> <p>2.4 Tipping</p> <p>3.</p> <p>3.1 Donations or similar outgoings</p> <p>3.2 Sponsorships</p>	<p>Food and Beverage Expenses</p> <p>All entertainment expenses relating to food and drinks should be reasonable and may only be incurred for legitimate University-related business reasons. The total cost of food and beverages should be commensurate with the status or rank of the guest(s). Entertainment planned at high-end restaurants is considered reasonable and appropriate only for particularly high-status guests and should be cleared with the relevant line manager in advance. Particular attention is drawn to the need to avoid excessive expenditure on wine and other alcohol. If expensive bottles of wine (> AUD \$75 excl. GST) are purchased this should be at the personal expense of the member of staff.</p> <p>The most senior member of staff must pay the bill on their credit card unless impractical (relates only to where the senior member of staff is the owner of the event and is not a guest). Names of the attendees must be listed on the expense claim for FBT purposes.</p> <p>Catering for lunches is recommended when the meeting is scheduled across the 2-hour lunch period, being 12.00pm – 2.00pm. The total cost should be no more than AUD \$25 (excl. GST) per head.</p> <p>Recurring hospitality and/or entertainment (i.e. monthly, fortnightly, weekly morning teas, lunches) is not considered appropriate. This includes hospitality extended to providers of goods and services.</p> <p>It is recognised that tipping culture differs between countries. Tipping at the average/median % for individual countries is permissible and is allowed within the guidelines of the applicable ATO meal and incidentals.</p> <p>Tipping for other services including taxis would form part of the ATO incidentals rate. Travellers should acquaint themselves with customary tipping percentages for the countries they are visiting.</p> <p>Other examples</p> <p>Not allowed (including charitable or political) without permission of the President and Vice-Chancellor.</p> <p>Not allowed without permission from the Vice President, External Relations. This does not apply to sponsorships which form part of</p>

	the normal activities of researchers attending conferences. This guide covers payments to third parties which are not part of normal University operations but are discretionary and usually are linked to marketing or community goodwill activities.
3.3 Fines, including parking or library fines	Not permissible.
3.4 Flowers and gifts for staff members	Not permissible, except in the case of the birth of a child, significant birthdays, weddings, exits, condolences or serious illnesses.
3.5 Personal clothing, apparel or items for personal use	Not permissible.
3.6 Subscriptions	One professional subscription is allowed as a university expense. This is usual for most staff. Where a staff member, professional or academic, can demonstrate the necessity for subscribing to more than one entity and which is clearly advantageous to the University and with the permission of the Dean or Divisional Head, multiple subscriptions are permitted.
3.7 Professional memberships	One professional membership is allowed as a university expense. Where a staff member, professional or academic, can demonstrate the necessity for membership of more than one entity and which is clearly advantageous to the University and with the permission of the Office of the Dean or Divisional Head, multiple memberships are permitted.
3.8 UNSW Parking permits	Not permissible.

3. Monitoring of Business Expense

Business expenses will be monitored on a regular basis to review the compliance with the Policy and Procedure.

Periodically, Finance generates exception reports highlighting potential non-compliant expenses. The Faculties and Divisions will be asked to respond to the exceptions highlighted in the reports. Based on the nature of the exceptions identified a quarterly report will be submitted to the Chief Financial Officer. Subsequent enforcement procedures will be decided in consultation with the Chief Financial Officer and the related Dean and/or Divisional Head.

Periodic audits may be conducted into compliance with the *Business Expense Procedure* by Internal Audit.

Accountabilities	
Responsible Officer	Vice President, Finance & Operations
Contact Officer	Chief Financial Officer
Supporting Information	
Legislative Compliance	Nil

Parent Document (Policy)	Business Expense Policy			
Supporting Documents	Nil			
Related Documents	UNSW Code of Conduct Procurement Policy Procurement Procedure Fraud and Corruption Prevention Policy Travel Policy Travel Procedure Gifts and Benefits Procedure Credit Card Policy Credit Card Procedure			
Superseded Documents	Business Expense Procedure, v1.0			
File Number	2017/26601			
Definitions and Acronyms				
ATO	Australian Taxation Office			
FBT	Fringe Benefits Tax			
Revision History				
Version	Approved by	Approval date	Effective date	Sections modified
1.0	President and Vice-Chancellor	30 November 2017	30 November 2017	This is a new Procedure
1.1	Director of Governance	13 February 2018	13 February 2018	Aligned content with Travel procedure in section 1.8; 1.9; clarified the meaning of Section 2.3