

## **Hospitality Policy**

### **Policy Statement**

Generator Property Management Pty Ltd (GPM) implements standards regarding the provision of official hospitality and the expenditure of funds for business purposes. This policy has been developed to ensure GPM's business is conducted on an ethical basis and potential reputational damage is avoided.

### **Scope**

This policy applies to all staff and contractors of GPM including temporary and casual staff, private contractors and consultants engaged by the company when performing any role for GPM.

This policy relates to situations in which GPM staff provide hospitality to clients and others external to the company. In situations where staff participate in hospitality provided to a client, the Australian Taxation Office (ATO) recognises this staff benefit as a liability for Fringe Benefits Tax (FBT).

Where staff receive benefits in the form of hospitality and/or entertainment, the company's gifts and benefits policy also applies.

This policy applies to official hospitality as described in the definition section below. For the avoidance of doubt, hospitality will not be provided in any circumstances where there could be a perceived or actual conflict of interest.

### **1. Principles of Providing Hospitality and Entertainment**

Any provision of hospitality and/or entertainment must:

- a) be for official purposes only;
- b) be properly documented;
- c) generate direct benefits to GPM. The hospitality must result in, or be reasonably expected to contribute to, achieving the company / business objectives and should not be used merely for social occasions;
- d) be reasonable for the circumstances, publicly defensible and incurred by GPM staff without self-interest or dishonesty; and
- e) be approved by the Chief Executive Officer (CEO) in writing (email is acceptable), where possible prior to incurring the expenditure. The CEO may refuse to reimburse any expenditure he deems unacceptable where approval was not sought before the hospitality and/or entertainment.

### **2. Examples of Appropriate and Inappropriate Hospitality**

The following lists examples of appropriate and inappropriate hospitality. Individual circumstances should have regard to the above principles and GPM's Code of Ethics.

#### **Appropriate Expenditure Examples**

- a) Expenditure on a working meal during a formal meeting at which official business is being conducted is acceptable where the purpose of the meal is to provide refreshments to enable participants to continue working, and/or is attended by people outside of the company, again with the purpose of enabling official business to continue..
- b) A meal or activity provided to GPM staff inside or outside of work hours for the purpose of a team building exercise, in conjunction with training or introducing a new member of staff to the broader GPM team. An example might include providing a meal to all staff when coming together at one of the sites to undertake a specific training or team building exercise. Such meal or activity must be by approval of the CEO and will be occasional in nature.

#### Inappropriate Expenditure Examples

- a) Non-official entertainment.
- b) Tea, coffee, lunches, morning and afternoon teas for staff for social purposes, rather than in conjunction with a formal meeting in which official business is being conducted.
- c) Gratuities (tips/surcharges) over and above the charge levied by the provider. These are a personal choice and as such must be funded by the employee, except where the gratuity is included as a specified component of the bill or receipt.
- d) Purchase of alcohol not related to a meal.
- e) Dinners/functions at a staff member's private residence.
- f) Hospitality and/or entertainment provided to any organisation involved with the company in formal tender or expression of interest proceedings.
- g) Hospitality and/or entertainment extended to contractors, consultants or other providers of goods and services (e.g. staff of audit or legal firms, computer service suppliers, advertising agencies, printers).
- h) Hospitality and/or entertainment extended to regulators, political parties, councils and / or politicians.

### **3. Approval of hospitality expenditure**

Authority to approve expenditure on official hospitality is consistent with the company's Administrative and Financial Delegations. Managers are authorised to approve expenditure on official hospitality provided it is consistent with the appropriate expenditure examples above.

### **4. Documentation**

All official company hospitality and/or entertainment expenditure requires sufficient documentation to record and justify the expenditure claim, in accordance with minimum substantiation requirements of the ATO for FBT and GST purposes. This will include copies of receipts/tax invoices and may also include details of staff, clients and others in attendance and referencing the original approval (as applicable).

### **5. Fringe Benefits Tax (FBT)**

Fringe Benefits Tax (FBT) may apply to the staff component of hospitality expenditure.

## **Roles and responsibilities**

### **Managers**

- Determine whether or not proposed company expenditure on hospitality and/or entertainment is appropriate and obtain approval prior to the activity.
- Ensure the amount, nature and frequency of incidental hospitality and/or entertainment expenditure is not excessive and reasonable.
- Promote best conduct in accordance with GPM's Code of Ethics.
- Take appropriate action in relation to any reported corrupt or un-ethical conduct.

### **Chief Executive Officer**

- Review and maintain policy.
- Provide guidance to staff as required.
- Ensure awareness of this hospitality policy and ensure it communicated effectively to all staff.

### **All staff**

- Adhere to this policy when involved with hospitality and/or entertainment.
- Maintain awareness of their responsibility for probity.

## **Breaches**

A Breach of this policy will result in disciplinary action and may include the requirement for the employee to reimburse the company for the inappropriate or unapproved expenditure. Serious breaches may result in dismissal.

## **Safety considerations**

### **Wellbeing**

This policy promotes the wellbeing of staff by providing a clear framework by which to manage official hospitality expenditure. This serves to protect staff from possible stress resulting from the risk of perceived improper conduct or loss of reputation in the absence of this policy.

### **Review:**

This document will be subject to review every 2 years or as required to meet GPM's business requirements. Internal audits will also be conducted.

Authorised:



David Wood  
Chief Executive Officer