



## Finance and Accounting Manual

### Non-Allowable Expense Procedures

Approved by Chief Operating Officer and DVC on 4 December 2007

Date of effect: 4 December 2007

#### OVERVIEW

**1. Purpose**

This procedure applies to expenses that are viewed to be personal or private in nature and are not an allowable University expense.

**2. Coverage**

This procedure applies to all University activities including foundations, centres, associations and institutes not separately incorporated and all University funds.

#### PRINCIPLES

**3. General**

The list of specific expenses that are non-allowable does not include all items that are personal or private in nature. A general awareness and judgement of what is appropriate and inappropriate is vital.

**4. Specific Expenses that are Non-Allowable**

The following expenses are considered to be private/personal in nature and are not an allowable University expense:

<i>Non-Allowable Expense</i>	<i>Background</i>
Airline club life memberships  <i>(Note: this is life membership, not annual membership)</i>	These are a personal expense. <b>Note:</b> Up to two annual or biennial (two year period) business airline lounge memberships (with Qantas Club [One World] and Star Alliance) is an allowable University expense for travellers who travel two or more University business trips each year.
Airline frequent flyer memberships	These are a personal expense
Alcohol for a staff members personal consumption, unless it is for the legitimate entertainment of visitors on University business	Alcohol may be purchased for the legitimate entertainment of visitors, but not for the purpose of staff entertainment. Staff members are not permitted to take home alcohol purchased from University funds. <b>Note:</b> Two annual staff functions, including a Christmas function, is an allowable University expense (including alcohol) subject to a function limit of \$55 per head plus Fringe Benefits Tax from University funds and formal approval by a Head of School or Head of Administrative Unit. For information on Fringe Benefits Tax refer to section 7 in the <a href="#">FBT Guide</a> . <b>Note:</b> Reasonable food and drink whilst travelling on University business is an allowable expense.

<i>Non-Allowable Expense</i>	<i>Background</i>
Childminding expenses	These are a personal expense
Entertainment of staff at restaurants, unless it includes the legitimate entertainment of visitors on University business	<p>Entertainment at restaurants is allowable for the legitimate entertainment of visitors, but not for the purpose of staff entertainment. Functions for staff members should be funded from personal staff contributions.</p> <p><b>Note:</b> Two annual staff functions, including a Christmas function, is an allowable University expense (including alcohol) subject to a function limit of \$55 per head plus Fringe Benefits Tax from University funds and formal approval by a Head of School or Head of Administrative Unit. For information on Fringe Benefits Tax refer to section 7 in the <a href="#">FBT Guide</a>.</p> <p><b>Note:</b> Light meals and non-alcoholic drinks for staff attending working meetings on University business premises is allowable, as are the costs associated with staff working/planning retreats, award dinners, conferences and seminars that are “eligible seminars” or “exempt training seminars” under FBT.</p>
Entertainment of family/friends, unless it includes the legitimate entertainment of visitors on University business	Entertainment including family/friends is not a legitimate expense against University funds.
Equipment for the private use of a staff member	<p>Any equipment purchased by the University remains the property of the University even if it is located at the home of the staff member. Any University equipment removed from University premises must be recorded in a loans register and accounted for during the annual asset stocktake.</p> <p><b>Note:</b> The University will not pay for damage or loss to personal property, unless written approval has been given by a Principal Officer sanctioning that the equipment is required for University duties.</p>
Expenses while absent for special studies program purposes	<p>Staff are absent from normal duties while on approved special studies program purposes and therefore cannot claim reimbursement for any University business expenses, with the exception of the financial support approved under the Special Studies Program Policy or Procedures.</p> <p><i>Note: This does not apply to expenses that can expressly be reimbursed under the Special Studies Program Policy.</i></p> <p>Additional University expenses will only be allowed if the staff member has received prior approval to perform an official duty during the special studies program absence.</p>

<i>Non-Allowable Expense</i>	<i>Background</i>
Fines, such as parking or library fines (staff members and visitors)	Any fine for the breach of any rule or regulation is the personal responsibility of the staff member or visitor
Flowers and gifts for staff members	These are not a legitimate University expense and should be paid personally or through personal staff contributions. <b>Note:</b> Flowers sent offering condolences (for serious illness or death) on behalf of the University, or flowers sent offering congratulations on the birth of a child, as well as flowers for official functions/ceremonies/ exhibitions are allowable expenses.
Parking permit fees, unless this is specifically included in a staff members employment contract	These are a personal expense
Personal clothing or apparel, unless it is a requirement of OH&S legislation, uniform or academic ceremony	These are a personal expense
Private telephone calls	The cost of private calls on University owned phones, including mobile phones, should be paid to the University Cashier. <b>Note:</b> Limited minor and incidental personal use of University telephones and other ICT resources may be allowed but it is a privilege. Refer to the Policy on the use of University Information and Communication Technology Resources.
Private travel, including normal travel to and from work, E-tags for motor vehicles, air travel for family or friends accompanying a staff member who is on approved University business	These are a personal expense. <b>Note:</b> Approved workers compensation return to work travel is an allowable University expense.
Personal insurance policies, including professional indemnity, for work outside normal University duties, such as private outside earnings	Staff are covered by professional indemnity insurance for work performed in accordance with their normal University duties. Insurance to cover work outside normal University duties, such as private outside earnings, is the responsibility of the individual.
Professional membership subscriptions	Two professional membership subscriptions are an allowable annual expense for a staff member providing it can be shown that the membership is essential for the performance of the staff member's duties and approval has been given by the Head of School or Administrative Unit. Professional membership subscriptions required for University research purposes are allowable expenses.

<i>Non-Allowable Expense</i>	<i>Background</i>
Staff functions, such as Melbourne Cup, birthdays, farewells	<p>Functions for staff members should be funded from personal staff contributions.</p> <p><b>Note:</b> Two annual staff functions, including a Christmas function, is an allowable University expense (including alcohol) subject to a function limit of \$55* per head plus Fringe Benefits Tax from University funds and formal approval by a Head of School or Head of Administrative Unit.</p> <p>For information on Fringe Benefits Tax refer to section 7 in the <a href="#">FBT Guide</a>.</p> <p>* Benchmarked on USU Venue Collection prices.</p>
Subscriptions to periodicals that are not required to carry out University business	These are a personal expense
Subscriptions to sporting bodies or fitness clubs, golf clubs or other bodies that are not required to carry out University business	These are a personal expense
Tickets to entertainment events including sporting events	These are a personal expense
Tipping in Australia above 10%	Tipping up to 10% of the cost is an allowable expense, however, tipping above 10% is a personal expense
Tipping overseas above 15%	Tipping up to 15% of the cost is an allowable expense, however, tipping above 15% is a personal expense
Travel luggage or personal effects	These are a personal expense

## 5. Exceptions

Exceptions may be permitted in specific circumstances, where it is demonstrated that the expenditure is required for the performance of approved University business and prior approval has been formally given by the relevant Principal Officer or Dean.

## CONTACTS AND REVIEW

### 6. Contacts

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### 7. Review

The Finance and Accounting Manual will be reviewed annually and on an ad hoc basis if required.

Changes to policy will be approved by the Senior Executive Group and other amendments will be approved by the Chief Operating Officer and DVC.

Amendments to forms, schedules and weblinks will be processed by Financial Operations and Systems.

Amendments to the Finance and Accounting Manual procedures and forms are listed in the FS website under:-

- [FAM Amendments](#)
- [Amendments to Forms](#)

Please forward suggestions and comments on the Finance and Accounting Manual via the [Feedback Form](#).