

# Gifts, Benefits and Hospitality Procedure

## Section 1 - Summary

(1) This Procedure outlines Victoria University's (VU) process, when:

- a. responding to offers of gifts, benefits and hospitality; and
- b. providing gifts, benefits and hospitality.

(2) This Procedure is intended to support Staff member's and VU to avoid conflicts of interest and maintain high levels of integrity and public trust.

## Section 2 - Accountability

Accountable/Responsible Officer	Role
Accountable Officer	Vice-President, Planning and Registrar
Responsible Officer	Manager, Policy and Compliance Services

## Section 3 - Scope

(3) This Procedure applies to all Staff. For the purpose of this policy, this includes:

- a. all employees of the University, on all domestic and offshore locations, including student residences, and while engaged in all work-related activities such as conferences and work-sponsored social occasions;
- b. all contractors and consultants performing work on University sites or on behalf of the University;
- c. visiting academics, honorary, adjunct and exchange Staff;
- d. the Council and its committees;
- e. any volunteer in the workplace and study environment.

## Section 4 - Definitions

(4) Business Associate: an external individual or entity which the VU has, or plans to establish, some form of business relationship, or who may seek commercial or other advantage from VU by offering gifts, benefits or hospitality.

(5) Benefits

(6) Conflicts of Interest:

- a. Actual conflict of interest: There is a real conflict between a Staff member's University duties and private interests.
- b. Potential conflict of interest: a Staff member has private interests that could conflict with their University duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk.
- c. Perceived conflict of interest: the public or a third party could form the view that a Staff member's private interests could improperly influence their decisions or actions, now or in the future.

(7) Entertainment: Specifically defined in tax legislation as entertainment by way of food; drink; recreation; and, accommodation or travel associated with the provision of food, drink or recreation.

(8) Gifts

(9) Hospitality

(10) Legitimate Business Benefit: gifts, benefits and hospitality accepted or provided for a business purpose, in that it furthers the conduct of official business or other legitimate goals of the University.

(11) Non-Reportable Offer: is an offer of a gift, benefit or hospitality that is offered as a courtesy or is of inconsequential or trivial value to both the person making the offer and the Staff member. Whilst the primary determinant of a non-reportable offer is that it would not be reasonably perceived within or outside the organisation as influencing a Staff member or raising an actual, potential or perceived conflict of interest, it cannot be worth more than \$200 (including cumulative offers from the same source over a 12 month period).

(12) Register: is a record of all declarable gifts, benefits and hospitality. It records the date a reportable offer was made and by whom, the nature of the reportable offer, its estimated value, the raising of any actual, potential or perceived conflicts of interest or reputational risks and how the reportable offer was managed. For accepted reportable offers, it details the business reason for acceptance.

(13) Reportable Offer: is an offer of a gift, benefit or hospitality that is, or may be perceived to be by the recipient, the person making the offer or by the wider community, of more than inconsequential value. All offers worth more than \$200 (including cumulative offers from the same source over a 12 month period), are reportable offers and must be recorded on the Gift, Benefit and Hospitality register.

(14) Staff

## Section 5 - Policy/Regulation

(15) [Gifts, Benefits and Hospitality Policy](#)

## Section 6 - Procedures

### Part A - Roles and Responsibilities

Roles	Responsibility
Compliance Audit and Risk Committee	Receive a report annually on the administration and quality control of the gifts, benefits and hospitality policy, processes and register.

Roles	Responsibility
Vice Chancellor and Senior Executive Group	<p>Establish and maintain a Register that, at a minimum, records sufficient information to effectively monitor, assess and report on the minimum responsibilities.</p> <p>Communicate and make clear within the University that a breach of the Policy or Procedure may constitute a breach of other relevant university policies and may amount to constitute criminal or corrupt conduct, resulting in possible disciplinary action.</p> <p>Report at least annually to the Compliance, Audit and Risk Committee on the administration and quality control of the Policy, the Procedure and the Register.</p> <p>The Vice-Chancellor and President will report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission.</p> <p>SEG members will approve exceptions to rules regarding the payment of farewell or other special event gifts to Staff.</p> <p>Receive the Gifts, Benefits and Hospitality Register on a biannual basis for oversight and quality control.</p>
Staff (including Council)	<p>Accept or decline offers in line with this procedure.</p> <p>Monitor the total of cumulative offers from the same source over a 12 month period.</p> <p>Transfer to VU official gifts or any gift of cultural significance or significant value (over \$200).</p> <p>Report any offers of a bribe or inducement to the Vice-Chancellor and President via their Senior Executive Group member. Council members will report to the Chancellor and Vice-Chancellor and President.</p> <p>Offer gifts, benefits and hospitality in line with this procedure.</p> <p>Contain costs involved in the provision of gifts, benefits and hospitality wherever possible.</p>
Supervisors and Managers	<p>Responsible for overseeing compliance of direct reports with this procedure.</p> <p>Report any offers of a bribe or inducement to their direct reports to the Vice-Chancellor and President via their Senior Executive Group member.</p>
Policy and Compliance Services	<p>Maintain the University's Gifts, Benefits and Hospitality Register.</p> <p>Report to the Compliance, Audit and Risk Committee annually on the administration and quality control of the gifts, benefits and hospitality policy, processes and register.</p> <p>Forward the Gifts, Benefits and Hospitality Register to the Senior Executive Group on a biannual basis for oversight and quality control.</p>
Finance	<p>Determine FBT implications for gifts provided to Staff by the University valued over \$300.</p>

## Part B - Management of offers of gifts, benefits and hospitality

(16) This section sets out the process for accepting, declining and recording offers of gifts, benefits and hospitality.

### Non-Reportable offers

(17) Whilst the primary determinant of a non-reportable offer is that it would not be reasonably perceived within or outside the University as influencing a Staff member or raising an actual, potential or perceived conflict of interest, it cannot be worth more than \$200.

(18) If non-reportable offers are made regularly by the same person or organisation, the cumulative value of the offers, or the perception that they may influence the recipient, may result in the offers becoming reportable.

(19) Individuals may accept non-reportable offers of gifts, benefits and hospitality without approval or declaring the offer on VU's Register.

(20) Individuals are to refuse all offers (excluding non-reportable hospitality, such as sandwiches over a lunchtime meeting; modest box of chocolates as a token of thanks):

- a. made by a current or prospective supplier; or,
- b. made during a procurement or tender process by a person or organisation involved in the process.

### Requirement for refusing reportable offers

(21) Individuals should consider the [Acceptance of Gifts, Benefits and Hospitality Decision Table](#); [GIFT test](#) and the

requirements below when responding to a reportable offer.

(22) Individuals are to refuse reportable offers:

- a. likely to influence them, or be perceived to influence them, in the course of their duties or raise an actual, potential or perceived conflict of interest;
- b. by a person or organisation about which they will likely make a decision (also applies to processes involving grants, sponsorship, regulation, enforcement or licensing);
- c. likely to be a bribe or inducement to make a decision or act in a particular way;
- d. that extend to their relatives or friends;
- e. with no legitimate business benefit;
- f. of money, or used in a similar way to money, or something easily converted to money;
- g. where, in relation to hospitality and events, VU will already be sufficiently represented to meet its business needs;
- h. where acceptance could be perceived as endorsement of a product or service, or acceptance would unfairly advantage the individual or organisation in future procurement decisions;
- i. made by a person or organisation with a primary purpose to lobby the University; and
- j. made in secret.

(23) If a Staff member considers they have been offered a bribe or inducement, the offer must be reported to the Vice-Chancellor and President via their Senior Executive Group member (who should report any criminal or corrupt conduct to Victoria Police or the [Independent Broad-based Anti-corruption Commission](#)). Please see VU's [Anti-Corruption and Fraud Prevention Policy](#).

### **Requirements for accepting reportable offers**

(24) There will be limited circumstances where a reportable offer may be accepted for legitimate business reasons. All accepted and declined reportable offers must recorded on the [Reportable Gifts, Benefits or Hospitality form](#), and meet the following requirements:

- a. it does not raise an actual, potential or perceived conflict of interest or have the potential to bring the Staff member or VU into disrepute (the [GIFT Test](#) is a good reminder of what to think about in making this assessment); and
- b. there is a legitimate business reason for acceptance. The offer is made in the course of the Staff member's official duties, relates to the Staff member's responsibilities and has a benefit to VU.

(25) Staff members are encouraged to discuss the acceptance or declining of gifts, benefits and hospitality with their supervisor, who can provide guidance in this regard.

### **Recording reportable offers of gifts, benefits and hospitality**

(26) In instances where a Staff member is offered gift(s) or benefit(s) equal to or above the reportable value (including cumulative offers from the same source over a 12 month period), they must complete the [Reportable Gifts, Benefits or Hospitality form](#) within 5 business days after date of receipt.

(27) Staff members should consider the following examples of sufficient and insufficient levels of detail to be included in VU's Register when recording the business reason for the decision to accept a reportable offer:

Insufficient Detail	"Networking" "Maintaining stakeholder relationships"
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Sufficient Detail	"Staff member is responsible for evaluating and reporting outcomes of VU's sponsorship of Event A. Staff member attended Event A in an official capacity and reported back to VU on the event." "Staff member presented to a visiting international delegation. The delegation presented the Staff member with a cultural item worth an estimated \$250. Declining the gift would have caused offence. The Gift was accepted, written approval was subsequently obtained for the gift, which became VU's property."
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(28) VU's Compliance, Audit and Risk Committee will receive a report annually on the administration and quality control of the Policy, the Procedure and the Register. The report will include analysis of VU's gifts, benefits and hospitality risks (including multiple offers from the same source and offers from business associates), risk mitigation measures and any proposed improvements of the Policy, the Procedure and the Register.

(29) VU's Senior Executive Group (SEG) will receive the Gifts, Benefits and Hospitality Register on a biannual basis for oversight and monitoring.

### **Ownership of gifts offered to Staff members**

(30) Reportable gifts accepted by a Staff member for their work or contribution may be retained by the Staff member. Staff members must transfer to VU official gifts or any gift of cultural significance or significant value (over \$200).

(31) If the University does not have an appropriate use for the gift or benefit, it may be disposed of in accordance with these principles:

- a. disposal of gifts to Staff members is not allowed, but should rather occur in line with the [Fixed Assets Policy and Procedures](#);
- b. disposal of gifts must be in the public interest and pay due respect to the wishes and expectations of the donor, where known; and,
- c. disposal by donation to a charity hospital, school, community or non-profit organisation or similar may be considered.

## **Part C - Providing gifts, benefits and hospitality**

(32) This section sets out the requirements for offering gifts, benefits and hospitality.

(33) Gifts, benefits and hospitality may be provided to welcome guests, facilitate the development of business relationships, further University business outcomes and to celebrate achievements.

(34) When deciding whether to provide gifts, benefits or hospitality or the type of gift, benefit or hospitality to provide, Staff members must ensure:

- a. any gift, benefit or hospitality is provided for a business reason in that it furthers the conduct of official business or other legitimate University goals, or promotes and supports VU policy objectives and priorities;
- b. that any costs are proportionate to the benefits obtained for VU, and would be considered reasonable in terms of community expectations (the ['HOST' test](#) is a good reminder of what to think about in making this assessment);
- c. that it complies with VU's [Anti-Corruption and Fraud Prevention Policy](#); and
- d. it does not raise an actual, potential or perceived conflict of interest.

### **Containing costs**

(35) Staff members should contain costs involved in the provision of gifts, benefits and hospitality wherever possible. The following questions may be useful to assist Staff members to decide the type of gift, benefit or hospitality to

provide:

- a. Will the cost of providing the gift, benefit or hospitality be proportionate to the potential benefits?
- b. Is an external venue necessary or does the University have facilities to host the event?
- c. Is the proposed catering or hospitality proportionate to the number of attendees?
- d. Does the size of the event and number of attendees align with intended outcomes?
- e. Will providing the gift, benefit or hospitality be viewed by the public as excessive?

### **Providing gifts, benefits and hospitality to Staff**

(36) Celebrations of special events (eg end of year lunches, farewell or welcome morning teas, and successful completion of projects events) are a normal and productive way of recognising Staff input and building a collegiate atmosphere. The general principles outlined in the HOST Test (link) apply to decisions about hospitality provided to Staff. Decisions to fund hospitality for Staff should, in particular, always consider the reasonableness and proportionality of the expenditure, and the likely impact on public perception of VU should the expenditure be disclosed.

(37) As a general rule, VU will not pay for farewell or other special occasions gifts to Staff (e.g. birthdays, marriages, birth of children etc.). Such gifts should be funded via voluntary collections from Staff themselves. An exception to this rule can only be approved by a member of the Senior Executive Group (SEG), and approval must be obtained in writing which details the reasons for the exception being sought and granted.

(38) As a general rule, VU will pay for an appropriate token of respect for a Staff member in the case of a death in their family.

(39) As a general rule, where payment of hospitality expenditure is to be charged to a VU credit card or to be paid personally for subsequent Staff reimbursement, then payment is to be made by the most senior Staff member present. An exception to the general rule applies to the Vice-Chancellor, the Chancellor and Council Members who are exempt from the requirement to pay for hospitality. The purpose of the general rule is to ensure that hospitality expenditure is reviewed and approved by a more senior member of Staff with the requisite financial delegation, other than the Staff member providing the hospitality.

(40) Gifts that are of an entertainment nature and/or any other gifts of \$300 or more in value, provided to a Staff member or their associate is subject to FBT. Any FBT liability will be charged to the Staff member's default cost centre.

(41) For further information please refer to the Fringe Benefits Tax (FBT) Policy and Procedures or contact the [Tax Compliance team](#).

### **Breaches**

(42) There will be consequences for breaches of the Gifts, Benefits and Hospitality Policy and Procedure, including but not limited to possible disciplinary action.

## **Section 7 - Guidelines**

(43) Nil.

## Status and Details

<b>Status</b>	Historic
<b>Effective Date</b>	16th August 2018
<b>Review Date</b>	16th August 2021
<b>Approval Authority</b>	Vice-President, Planning and Registrar
<b>Approval Date</b>	15th August 2018
<b>Expiry Date</b>	8th October 2019
<b>Accountable Officer</b>	Diana Ortisi Chief Financial Officer +61 3 9919 5210
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## Glossary Terms and Definitions

**"Gifts"** - Gifts are free or discounted items and any item that would generally be seen by the public as a gift. These include items of high value (e.g. artwork, jewellery, or expensive pens), low value (e.g. small bunch of flowers) and consumables (e.g. chocolates).

**"Hospitality"** - is the friendly reception and entertainment of guests. Hospitality may range from light refreshments at a business meeting to restaurant meals and sponsored travel and accommodation.

**"Staff"** - Staff means: - all employees of the University, on all domestic and offshore locations, including student residences, and while engaged in all work-related activities such as conferences and work-sponsored social occasions; - all contractors and consultants performing work on University sites or on behalf of the University; - visiting academics, honorary, adjunct and exchange staff; - the Council and its committees; and - any volunteer in the workplace and study environment.

**"Benefit"** - A benefit includes any right, privilege, service or facility.