



GIFTS AND ENTERTAINMENT

Rationale:

This policy supports NAG 4 (Finance and Assets).

Purpose:

The purpose of this policy is to provide consistent and transparent treatment of sensitive expenditure, gifts, koha and hospitality received.

Definitions:

Fringe Benefit Tax (FBT) is a tax on benefits that employees receive as a result of their employment, including those benefits provided through someone other than an employer.

Scope:

This policy applies to all staff.

Guidelines:

Hospitality or Gifts received by Staff

1. The line between token gifts of appreciation and those that might compromise the recipient is often not easily defined but as a general standard a gift should not be accepted (whatever the nature or value) where it could be seen by others as an open inducement or a reward that might place the school under any obligation.
2. As a general rule, staff should not accept hospitality and/or corporate gifts in excess of \$150. For purposes of clarity, an invitation to dinner, sports/cultural event or other similar local function will be deemed to be under this policy's gift threshold.
3. Under no circumstances can gifts be exchanged for cash nor can goods, works and/or services be received, or seen to be received, by staff, their partners or family for private use. This includes the provision of goods, works and/or services at discounted rates that are, or appear to be, derived from suppliers of such goods, works and services to the school.

Gifts received by the school

1. Gifts received by a staff member while overseas should be accepted on behalf of the school and should be declared to the Principal on return.
2. All offers of gifts to the school with a value of \$500 or above, and any gifts with conditions attached, should be referred to the Principal.
3. The Principal (or delegate) may at her sole discretion accept gifts for the use or enjoyment of staff or for the benefit of the school, subject to the gift or donation not resulting in compromising of the integrity of the school or staff.
4. Where an offer of a gift is made, the relevant HOD shall be consulted; he/she will then determine the appropriate response.



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Gifts and Koha Given

1. The line between gifts given as a token of appreciation and those that might compromise the school is not easily defined but as a general standard Koha is acceptable if it is a token gift, and which would not be seen by others as an inducement or a reward.
2. All hospitality and/or corporate gifts and/or Koha must be from approved budget provisions and, as a general rule should not exceed \$100 per recipient. Principal approval is required for gifts and Koha over \$100 per recipient.
3. Under no circumstances can gifts given be exchanged with the school for cash.
4. The value of gifts to be given to hosts overseas should be appropriate to the circumstances and determined by the Principal before (where possible) the travel commences.
5. Gifts should, where appropriate, be selected from school branding memorabilia.
6. To meet with the Inland Revenue Department guidelines the following conditions must be met:
 - a. the Koha must be linked to the school's activities, and
 - b. adequate records must be kept to support the payment and this linkage.
"Adequate records" means:
 - i. the particulars of the meeting (time, date, place)
 - ii. the reason for attending the meeting
 - iii. the type of payment made (cash, cheque, supplies)
 - iv. the source of payment (where the supplies came from)
 - v. the receipt or tax invoice.
7. Koha is recognised as a discretionary contribution which is distinct from actual expenditure and which is appropriate to the occasion and incurred for services supplied or culturally appropriate.

Non-monetary Recognition of Staff

1. Expenditure which will result in a Fringe Benefit Tax (FBT) liability is generally not considered appropriate. As a general rule, any entertainment benefit that employees consume or enjoy when they choose, and that is outside their employment duties, is subject to Fringe Benefit Tax.
2. Authority is to be sought from the Principal.

Gifts to Staff

Farewell and other gifts for staff would normally be by private donation. If there is a contribution by the school, this may be subject to FBT (refer to IRD FBT Guide) and all such expenditure must be approved by the Principal.



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Reporting of Inappropriate Expenditure or Gifts

Staff who may consider there are grounds for enquiry into inappropriate expenditure or gifts must advise the Executive Officer. Alternatively, disclosure may be made under the Protected Disclosures Act 2000.

Related Policies:

1. Finance – Delegations

References or Sources:

1. <http://www.ird.govt.nz/fbt/overview/>

Review Details:

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Management Contact:

- Business & Financial Manager