

# NON-ALLOWABLE EXPENSE PROCEDURES 2018

Issued by: Chief Financial Officer

Dated: 11 December 2017

Last amended: 2 March 2020  
23 June 2020 (administrative amendments only)  
29 March 2021  
11 November 2021

Signature:

Name: Wayne Andrews

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## 1 Purpose and application

- (1) These procedures are to give effect to the [Procurement Policy](#) ("the policy").
- (2) These procedures apply to:
  - (a) all University expenses;
  - (b) the University, students, staff and affiliates;
  - (c) all foundations, centres, associations and institutes not separately incorporated; and
  - (d) all University funds.

## 2 Commencement

These procedures commence on 1 January 2018.

## 3 Interpretation

Words and phrases used in these procedures and not otherwise defined in this document have the meanings they have in the policy.

## 4 Allowable expenses

- (1) The University will pay for reasonable business expenses approved under the [University of Sydney \(Delegations of Authority\) Rule 2020](#)

## 5 Non-allowable personal or private expenses

- (1) Personal or private expenses will not be paid by the University.
- (2) Schedule One to these procedures:
  - (a) lists specific examples of expenses which are considered to be personal or private in nature, and which are therefore prima facie non-allowable; and
  - (b) lists permitted exceptions to items which are prima facie non-allowable.
- (3) The lists in Schedule One are not exhaustive.
  - (a) Delegates must exercise their own discretion and judgement in determining whether or not to approve any given item of expenditure, taking into consideration the particular circumstances including:
    - (i) whether there is a legitimate need to incur the expenditure;
    - (ii) contractual obligations;
    - (iii) funding source; and
    - (iv) funding availability.
  - (b) The permitted exceptions included in Schedule One are not entitlements but are examples to provide guidance about circumstances in which there may be a legitimate need to incur such expenditures.

**Note:** See [staff intranet FAQ](#) for information on reimbursing the University for personal or private expenses.

## 6 Documentation

- (1) Expense claims must be supported with original documentation necessary to:
  - (a) support claims;
  - (b) meet taxation requirements (corporate and personal); and
  - (c) meet requirements for grant reporting and audit reviews.
- (2) Images of documentation including receipts and tax invoices can be uploaded into the travel and expense management system.
  - (a) After all approvals and payments have been finalised in the travel and expense management system, the University does not require the retention of the original documentation.

## 7 Rescissions and replacements

This document replaces the *Procurement: Non-Allowable Expense Procedures*, which commenced on 13 December 2011, which is rescinded as from the date of commencement of this document.

## NOTES

### Non-Allowable Expense Procedures 2018

Date adopted:	11 December 2017
Date commenced:	1 January 2018
Date amended:	2 March 2020
	23 June 2020 (administrative amendments only)
	29 March 2021
	11 November 2021
Administrator:	Chief Procurement Officer and Director, Financial Control and Treasury
Review date:	11 December 2022
Rescinded documents:	
Related documents:	Procurement Policy 2019
	University of Sydney (Delegations of Authority) Rule 2020
	Travel Policy 2018
	Travel Procedures 2018
	Acceptable Use of ICT Resources Policy 2019
	Leave Policy

## AMENDMENT HISTORY

Provision	Amendment	Commencing
various	Minor administrative and formatting amendments	19 January 2018
5(3)(b)	Note added	10 September 2019
Sch One; 1.5	Added gifts on the birth or adoption of a child, with a limit of \$110 (GST inclusive)	10 September 2019
Sch One; 1.11	Clarification that subscriptions allowable exceptions included the two position-relevant annual subscriptions in addition to research purpose subscriptions	10 September 2019
Sch One; 3.11	Delete visa and work permit fees permitted	10 September 2019



Sch One; 1.2	Clarification added that donations to any charity, public benefit organisation or humanitarian cause is a personal expense	2 March 2020
Sch One; 1.6.1	Added in relation to honorarium in excess of \$1,000	2 March 2020
Sch One; 3.2.1	Added that travel related carbon emissions costs and carbon offset costs are a personal expense	2 March 2020
Sch One; 1.5, 1.6, 2.3, 2.5	Administration amendment for delegation change	23 June 2020
Sch One; 1.6	Value of gifts for staff leaving the University changed to align with FBT.  Additional information added under policy/procedures in relation to issuing non-cash gift cards; competition awards or prizes; prizes; incentive payments for research purposes; student prizes under gifts for donors and guest speakers and staff rewards	29 March 2021
Sch One; 3.17	COVID tests added as an allowable travel expense.  Administrative amendment for link	11 November 2021

## SCHEDULE ONE: Specific non-allowable expenses

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
1.1	Benefits and gifts	<b>Child minding</b>	Personal expense	<ul style="list-style-type: none"> <li>• Employment contract provision.</li> <li>• University approved policy or procedure.</li> </ul> FBT is applicable.	
1.2	Benefits and gifts	<b>Donations</b> , including <ul style="list-style-type: none"> <li>• political donations as defined in the <a href="#">Code of Conduct</a>;</li> <li>• donations to any charity, public benefit organisation or humanitarian cause</li> </ul>	Personal expense		<a href="#">Code of Conduct – Staff and Affiliates</a> , for political donations
1.3	Benefits and gifts	<b>Equipment</b> for the private use of an individual	Any equipment purchased by the University remains the property of the University even if it is located at the home of the individual.		
1.4	Benefits and gifts	<b>Fines</b> , including: <ul style="list-style-type: none"> <li>• Traffic and parking infringements</li> <li>• Speed and red light camera violations</li> <li>• Tow away charges</li> <li>• Library fines</li> </ul>	Personal expense for any fine for the breach of any rule or regulation.		

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
1.5	Benefits and gifts	<b>Flowers</b>	Personal expense	<ul style="list-style-type: none"> <li>• Flowers for official functions, ceremonies, exhibitions.</li> <li>• Flowers or gifts offering congratulations on behalf of the University on the birth or adoption of a child, with a limit of \$100 (exclusive of GST).</li> <li>• Flowers sent offering condolences on behalf of the University, for hospitalisation, serious illness or death, with a limit of \$100 (exclusive of GST).</li> <li>• Flowers for donors and guest speakers on behalf of the University, with a limit of \$250 (exclusive of GST).</li> </ul>	

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
1.6	Benefits and gifts	<b>Gifts and rewards</b>	Personal expense	<ul style="list-style-type: none"> <li>• Gifts and rewards given on behalf of the University, with a limit of \$50 (exclusive of GST).</li> <li>• Gifts for staff leaving the University, with a limit of:               <ul style="list-style-type: none"> <li>- \$150 (exclusive of GST) for 6 to 10 years of service,</li> <li>- \$250 (exclusive of GST) for 10 to 15 years of service,</li> <li>- \$500 (exclusive of GST) for 16 to 20 years, or</li> <li>- \$700 (exclusive of GST) for 20 or over years of service.</li> </ul> </li> </ul> <p><b>Note:</b> Even though FBT is generally applicable on gifts to staff of \$300 (inclusive of GST) or over, FBT does not apply to the above allowable exceptions.</p> <p style="text-align: right;"><i>continued .../</i></p>	

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
1.6	Benefits and gifts	<b>Gifts and rewards</b>	Personal expense	<p><i>... continued</i></p> <ul style="list-style-type: none"> <li>• Gifts for donors and guest speakers (non-staff) on behalf of the University, with a limit of \$250 (exclusive of GST). Gifts for donors over \$250 and up to \$1K must be approved in writing by the Vice-Principal (Advancement) and gifts for donors over \$1K must be approved in writing by the Vice-Chancellor.</li> <li>• Staff rewards, including alcohol, to show appreciation for an individual's achievement and particularly noteworthy effort, with a limit of \$250 (exclusive of GST) per staff member per year.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-cash gift cards can be purchased by corporate card and acquitted in the travel and expense management system.</li> <li>• Competition awards or prizes are not generally gifts.</li> <li>• Incentive payments for research purposes are not generally gifts.</li> <li>• Student prizes are allowable under the <a href="#">Scholarships and Student Recognition Awards Policy 2016</a>.</li> </ul>



Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
1.6.1	Benefits and gifts	<b>Honorarium in excess of \$1,000</b>	<p>An honorarium is an honorary payment to an individual for services provided to the University without expectation of payment.</p> <p>Honoraria are generally provided to help cover costs for volunteers and guest speakers.</p> <p>Honorarium must not be paid to an individual in relation to whom the University has a contract for services.</p>		<a href="#">Supplier and Payment Procedures 2019</a>

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
1.7	Benefits and gifts	<p><b>Insurance:</b></p> <ul style="list-style-type: none"> <li>- to cover work performed outside approved university duties, such as private outside earnings.</li> <li>- to cover personal or private travel, including accompanying persons.</li> </ul>	Personal expense	<p>Staff are covered by the University's insurance for work performed as part of their duties.</p> <p>Staff, students and volunteers who travel on behalf of the University are covered by the <a href="#">University's travel insurance</a>.</p>	<a href="#">Travel Policy 2018</a>
1.8	Benefits and gifts	<b>Parking permit</b>	University staff parking permit fees are paid personally as a salary deduction.	Employment contract provision.	<p><a href="#">Traffic and Parking Policy 2012</a></p> <p><a href="#">Traffic and Parking Procedures 2013</a></p>
1.9	Benefits and gifts	<b>Personal clothing or apparel</b>	Personal expense	Clothing or apparel that is a requirement of work health and safety legislation, uniform, University campaign or academic ceremony.	
1.10	Benefits and gifts	<b>Private telephone calls and home internet connection</b>	Personal expense	Limited minor and incidental personal use of university telephones and other ICT resources.	<a href="#">Acceptable Use of ICT Resources Policy 2019</a>

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
1.11	Benefits and gifts	<b>Subscriptions</b> to periodicals, sporting bodies, fitness clubs, golf clubs or other bodies that are not required to carry out University business.	Personal expense	<ul style="list-style-type: none"> <li>• Two position-relevant professional membership subscriptions annually;</li> </ul> and <ul style="list-style-type: none"> <li>• Professional membership subscriptions required for University research purposes.</li> </ul>	
1.12	Benefits and gifts	<b>Tickets</b> to entertainment events including sporting venues.	Personal expense	Tickets to attend promotional events for University business. FBT may apply.	
1.13	Benefits and gifts	<b>Tipping in Australia</b> above 10%	Tipping above 10% is a personal expense.	Tipping up to 10% of the cost of an allowable expense.	
1.14	Benefits and gifts	<b>Tipping overseas</b> above 20%	Tipping above 20% is a personal expense.	Tipping up to 20% of the cost of an allowable expense.	
2.1	Entertainment and meal expenses	<b>Alcohol</b> for personal consumption	<p>Alcohol may be purchased for the legitimate entertainment of visitors on University business, but not for the purpose of staff, affiliate or student entertainment.</p> <p>Individuals are not permitted to take home alcohol purchased from University funds.</p>	<p>Reasonable food and drink (including modest alcohol) whilst travelling on University business.</p> <p>See allowable expense exceptions under 'Entertainment'.</p>	<a href="#"><u>Alcohol: Policy and Guidelines on Consumption</u></a>

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
2.2	Entertainment and meal expenses	<b>Coffee meeting</b> with staff, affiliates or students at a coffee shop.	Personal expense.		
2.3	Entertainment and meal expenses	<b>Entertainment</b> of staff, affiliates and students at external venues including restaurants (such as Christmas party, reward recognition)	Personal expense	<ul style="list-style-type: none"> <li>Entertainment including alcohol at restaurants and external venues for the legitimate entertainment of visitors on University business and can include staff, affiliates and students.</li> <li>Two annual staff functions including alcohol to a function limit of \$70 per head (exclusive of GST) plus FBT.</li> </ul> <p><b>Note:</b> Only \$70 per head should be paid by the University, with any balance above this amount paid personally by the attendees to the supplier. FBT applies to the amount paid by the University.</p> <p><b>Note:</b> Limit is two functions. Any saving on the amount spent under the \$70 per head (exclusive of GST) limit cannot be combined with another function.</p> <p><i>continued .../</i></p>	Refer to section 7 in the <a href="#">FBT Guide</a> .

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
2.3	Entertainment and meal expenses	<b>Entertainment</b> of staff, affiliates and students at external venues including restaurants (such as Christmas party, reward recognition)	Personal expense	<p>... continued</p> <p><b>The following are additional to the two allowable annual staff functions:</b></p> <ul style="list-style-type: none"> <li>• Modest staff entertainment (including alcohol after business hours) as part of a strategy/planning workshop.</li> <li>• On an occasional basis, senior managers (HOS/HOA and above) may meet with staff to discuss key issues (eg, significant business issues, strategy, counselling, mentoring). In these cases modest expenses excluding alcohol are permitted. FBT is applicable.</li> <li>• Food, beverages and entertainment (including alcohol) approved by the Dean, Deputy Vice-Chancellor, Vice-Principal, General Counsel or Chief Financial Officer. FBT is applicable.</li> <li>• Food, beverages and entertainment (including alcohol) arranged by the Vice-Chancellor for senior managers, affiliates and staff. FBT is applicable.</li> </ul>	Refer to section 7 in the <a href="#">FBT Guide</a> .

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
2.4	Entertainment and meal expenses	<b>Entertainment of family or friends</b>	Personal expense	The legitimate entertainment of visitors on University business can include staff, affiliates and students. FBT is applicable for staff and affiliates.	
2.5	Entertainment and meal expenses	<b>Food and beverages at work</b>	Personal expense	<ul style="list-style-type: none"> <li>• General supply of morning or afternoon tea provisions for visitors which can also be used by staff, affiliates and students.</li> <li>• Light meals and non-alcoholic drinks for individuals attending working meetings on University business premises.</li> <li>• Food and beverage (including alcohol) associated with working/planning retreats, award dinners, conferences and seminars that are “eligible seminars” or “exempt training seminars” under FBT.</li> </ul> <p><i>continued.../</i></p>	

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
2.5	Entertainment and meal expenses	<b>Food and beverages at work</b>	Personal expense	<p>... continued</p> <ul style="list-style-type: none"> <li>• Minor monthly staff function held on University business premises, including cakes, biscuits and non-alcoholic drinks providing the cost is limited to \$10 per head (exclusive of GST).</li> <li>• Non-routine staff function to celebrate a major business milestone held on University business premises after business hours, including alcohol. Note: these staff functions are additional to the two allowable annual staff functions.</li> </ul>	
2.6	Entertainment and meal expenses	<b>Staff functions:</b> such as Christmas, Melbourne cup, birthdays, farewells	Personal expense	See allowable expense exceptions under 'Entertainment'.	
3.1	Travel expenses	<b>Airline reward programs:</b> such as airline club or lounge memberships, frequent flyer memberships.	Personal expense	One annual <a href="#">airline lounge membership</a> arranged through the corporate program for University travellers who travel three or more University trips annually.	<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a>

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
3.2	Travel expenses	<b>Business class and premium economy class airfare</b>	Under the <i>Travel Policy</i> , travel is on the most direct route using normal economy air travel.	<ul style="list-style-type: none"> <li>Business class or premium economy air travel is permitted as specified in the <a href="#">Travel Procedures 2018</a>.</li> <li>Travellers may use personal funds or reward points to fund upgraded travel or accommodation.</li> </ul>	<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a> Complete the <a href="#">Travel approval for business class or premium economy class form</a> .
3.2.1	Travel expenses	<b>Travel related carbon emissions costs and carbon offset costs</b>	Personal expense		<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a>
3.3	Travel expenses	<b>Excess baggage and customs</b>	Personal expense	Business related excess baggage and customs.	<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a>
3.4	Travel expenses	<b>Health spas, saunas, massages, haircuts, toiletry items</b>	Personal expense		<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a>
3.5	Travel expenses	<b>Laundry and dry cleaning</b>	Personal expense	Climatic requirements or travelling more than five nights.	
3.6	Travel expenses	<b>Luggage</b>	Personal expense	Specialist luggage for University owned equipment.	<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a>



3.7	Travel expenses	<b>Medical and minor first aid</b>	Personal expense	Reasonable medical costs while travelling should be claimed through the University's travel insurance.	<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a> Complete <a href="#">Travel claim form</a>
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Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
3.8	Travel expenses	<b>Minibar and in-house movies</b>	Personal expense	Minibar expenses for bottled water.	<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a>
3.9	Travel expenses	<b>Non-arrival charges at the fault of the traveller</b>	Personal expense		<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a>
3.10	Travel expenses	<b>Personal reading material:</b> such as newspapers, magazines, books	Personal expense		<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a>
3.11	Travel expenses	<b>Passport fees</b>	Personal expense		<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a>

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
3.12	Travel expenses	<b>Private or personal travel</b> combined with business travel	<p>All expenses relating to private travel days (including air fares for private side trips, accommodation, car hire, meals and taxis) are a personal expense and should not be charged to the University. Corporate cards must not be used to incur these personal costs.</p> <p>On trips involving personal travel which is 30% or more of the total days away, staff must personally pay 50% of the airfares and 100% of any private costs incurred.</p> <p>The time away starts when the traveller leaves home/or work and ends when they arrive back at home/or work.</p>		<p><a href="#">Travel Policy 2018</a></p> <p><a href="#">Travel Procedures 2018</a></p> <p><a href="#">Leave Policy 2016</a></p> <p>Complete the relevant leave booking application for any personal leave in <a href="#">myHRonline</a> to seek approval.</p>
3.13	Travel expenses	<b>Souvenirs or personal gifts</b>	Personal expense		<p><a href="#">Travel Policy 2018</a></p> <p><a href="#">Travel Procedures 2018</a></p>
3.14	Travel expenses	<b>Spouse, partner and dependents</b> accompanying a traveller who is on approved University business	Personal expense	<ul style="list-style-type: none"> <li>• Employment contract provision.</li> <li>• University approved policy or procedure.</li> </ul> <p>FBT is applicable.</p>	<p><a href="#">Travel Policy 2018</a></p> <p><a href="#">Travel Procedures 2018</a></p>

Ref	Expense category	Non-allowable expense	Rationale	Allowable exceptions	Policy/ Procedures reference
3.15	Travel expenses	<b>Telephone calls and internet connection</b> while travelling	Excessive communication costs are a personal expense.  Travellers with University mobile phones are responsible for setting up the appropriate mobile phone call and data plan prior to travelling.	<ul style="list-style-type: none"> <li>Limited minor and incidental personal use of University telephones and other ICT resources.</li> <li>Reasonable internet costs for connecting University IT equipment (eg, access at accommodation).</li> </ul>	<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a> <a href="#">Acceptable Use of ICT Resources Policy 2019</a> Go to <a href="#">ICT mobile phone services</a> and complete the necessary requests.
3.16	Travel expenses	<b>Travel to and from work</b>	Personal expense	<ul style="list-style-type: none"> <li>Approved return to work under workers compensation.</li> <li>Special approval under risk assessment for afterhours work. FBT applies.</li> </ul>	
3.17	Travel expenses	<b>Vaccinations</b> listed in the <a href="#">Australian Government National Immunisation Program Schedule</a>	Personal expense	<ul style="list-style-type: none"> <li>Vaccinations for specific travel destinations are permitted as specified in the <a href="#">Travel Procedures 2018</a>.</li> <li>COVID test costs when required for University travel.</li> </ul>	<a href="#">Travel Policy 2018</a> <a href="#">Travel Procedures 2018</a>