

## NZBS BOARD EXPENSES POLICY

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**REASON FOR ISSUE:** Annual Review by the NZBS Board on 3 December 2020. Typo in item 5.2.4 amended.

### 1. PURPOSE

This policy specifies the method for Board Members to claim back from the New Zealand Blood Service (NZBS) expenses incurred in the course of performing their duties as Board Members.

### 2. SCOPE

Only legitimate and reasonable expenditure incurred for the purpose of fulfilling the role of an NZBS Board Member can be claimed back.

Expenses incurred in the course of NZBS business, particularly whilst travelling, may include (but are not limited to): telephone calls; meals; entertainment costs; accommodation, flights, vehicle mileage and other travel costs.

### 3. KEY RESPONSIBILITIES

**NZBS Chair** - the Chair is only to approve expenditure and reimbursement that is in accordance with this policy. NOTE: The Chair's expenses are reviewed and approved by the Deputy Chair.

**NZBS Board Members** – the NZBS Board members are only to claim legitimate business related expenses in accordance with this policy.

### 4. DOCUMENTS

#### 4.1 Required documents

- 104F021 Board Expense Claim Form or equivalent Expenses Schedule

#### 4.2 Related Documents

##### NZBS Documents

- 100P001a Policy on Delegated Authorities
- 104P015 NZBS Board Code of Conduct

##### Other Documents

- DPMC 2006 Cabinet Circular Fees Framework for Members of Statutory and Other Bodies Appointed by the Crown which sets out requirements for travel and associated expenses for government departments and public sector entities, and
- Controlling Sensitive Expenditure: Guidelines for public entities (February 2007)

### 5. TYPES OF BOARD MEMBERS' TRAVEL AND ASSOCIATED EXPENSES

#### 5.1 Air travel

5.1.1 To the extent practical for both NZBS and Board members, flights should be booked well ahead of actual travel dates so that expenditure is the most cost-effective possible

5.1.2 To the extent practical, air travel should be on the most cost effective commercial airline undertaking scheduled passenger transport services, taking into account:

- a) the timing of meetings or events the travel relates to; and
- b) the travel time effectiveness for Board members.

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- 5.1.3 All international travel by Board members on NZBS business requires consultation with the NZBS Chair (and in the case of the Chair, the Deputy Chair) and the express prior authorisation of the Board
- 5.1.4 Discounted travel or economy class should be used for air journeys of up to at least four hours of uninterrupted flight duration, except where the distance or hours travelled, work schedule on arrival, or personal health, safety or security reasons, make business class preferable; first class travel is not permitted
- 5.1.5 Membership of airline clubs is a personal choice and expense of Board members.

### **5.2 Accommodation**

- 5.2.1 Accommodation should be in comfortable hotels, of no more than a 4-star standard
- 5.2.2 Where NZBS has negotiated concessional rates or government rates are available at a hotel or a hotel chain, then Board members should use that hotel or hotel chain; exceptions apply where:
- a) such accommodation is unavailable or inconvenient (e.g. due to location, safety, travel times or cost effectiveness); or
  - b) a Board member is already staying at another hotel on other business immediately before or after an NZBS meeting or event and it is either:
    - i. more cost effective for NZBS for the Board member to extend those other accommodation arrangements to incorporate accommodation for NZBS business, or
    - ii. it is more practical and beneficial (in terms of Board member convenience and time effectiveness) for the Board member to remain in the one hotel and any additional cost to NZBS is only minor
- 5.2.3 Meal costs will be met by NZBS but Board members should ensure that such costs are reasonable and appropriate in the circumstances taking into account alternatives available
- 5.2.4 Alcohol costs will not be met by NZBS
- 5.2.5 Hotel internet connection charges will not be met by NZBS. NZBS provides Board members with a 3G capable iPad for access to board papers and the internet for email connectivity.
- 5.2.6 Private phone calls from hotel rooms, mini-bar costs, internet connection charges for movies or music downloads and the costs of movies and alcohol charged to hotel rooms, will not be met by NZBS and Board members incurring such costs are expected to personally settle that part of the hotel's account on checking-out (where the hotel is charging NZBS direct).

### **5.3 Air points and other travel-related loyalty schemes**

The benefits under air points/miles and other travel-related loyalty schemes are for the personal benefit of Board members provided Board members' use of airlines and other providers of loyalty schemes is in accordance with sections 5.1.1 and 5.1.2 of this policy.

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### **5.4 Taxis, rental cars and use of personal vehicles**

- 5.4.1 The key principles are practicality and fairness to all parties – NZBS in terms of cost-effectiveness and the Board members in terms of time impositions and inconvenience; where any uncertainty or concern arises in application of these principles, the Chair will decide (or the Deputy Chair if the issue relates to the Chair).
- 5.4.2 The use of taxis should be moderate, conservative and cost-effective relative to other forms of transport available at the time. Board members are provided with a Corporate Cabs charge card for ease of charging.
- 5.4.3 NZBS has a preferred supplier relationship with AVIS and rental cars should be booked with this company where possible.
- 5.4.4 Where a Board member needs to travel to and from a meeting or event via car, then a rental car arranged by the office of the CEO, rather than the Board member using their personal vehicle, is the preferred first option except where:
- a) short distances are involved and it is more cost-effective and less disruptive on the Board member's time for the Board member to use their personal vehicle; or longer distances are involved but the use of a rental car would involve significant imposition on the Board member's time and is not practical for the Board member (e.g. due to the distance the Board member needs to travel to a rental car depot).
- 5.4.5 Where rental cars are used, the most economical type and size of rental car should be used, consistent with the requirements (including distance and number of people) of the trip and safety considerations.
- 5.4.6 Board members' use of their own personal vehicle will be reimbursed on a per kilometre basis, with the rate being the standard Inland Revenue Rate or one agreed by the NZBS Board.
- 5.4.7 Any fines (parking or traffic offences) incurred while either driving a rental vehicle, or a Board member's personal vehicle whilst on NZBS business, are to be paid by the Board member.

### **5.5 Entertainment and hospitality**

- 5.5.1 Board members incurring entertainment and hospitality expenditure should recognise that such expenditure is sensitive because of the wide range of purposes it can serve, the opportunities for private benefit, and the wide range of opinions as to what is appropriate.
- 5.5.2 Expenditure on entertainment and hospitality by Board members must have prior authorisation from the Chair in consultation with the CEO, or the Deputy Chair in the case of the Chair. Expenditure should be for a justified business purpose such as:
- a) building relationships;
  - b) representing NZBS at a business event;
  - c) reciprocity of hospitality where there is a clear business purpose and it is within normal bounds; or
  - d) recognising significant NZBS achievements

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### **5.6 Communications costs**

- 5.6.1 Board members may claim, on the basis of supporting documentation, for toll calls, teleconference calls, facsimile calls and mobile phone calls directly related to their role as NZBS Board members.
- 5.6.2 Board members may not claim for any portion of the rental or line charges (or any other fixed charges) relating to their office or home telephone or facsimile, their office or home internet connection, nor their mobile phones.
- 5.6.3 NZBS does not provide mobile phones to Board members.

### **5.7 Use of privately-owned assets**

Board members may not claim for any costs of personal assets (e.g. computers and other office machinery) utilised by them in fulfilling their role as NZBS Board members.

### **5.8 Membership of business organisations**

Board members may not claim for any costs of joining or membership of any business or professional organisations (e.g. Institute of Directors).

### **5.9 Board member training and development**

Expenditure incurred on any training and development course for individual Board members should be pre-approved by the Board in consultation with the CEO.

### **5.10 Board member professional advice and support**

Expenditure on any professional advice (e.g. legal) and support (e.g. administration or secretarial services other than those provided by organisation personnel) for individual Board members should only be incurred in exceptional circumstances and should be pre-approved by the Chair in consultation with the CEO.

### **5.11 Other Board member expenses**

Guidance on other expenses likely to be incurred by Board members outside of the expense types covered in this policy should be sought from the Chair before they are incurred to enable the Chair (or Board) in consultation with the CEO to make a decision on the appropriateness of the expense being met by NZBS.

## **6. PROCEDURE FOR CLAIMING BOARD MEMBERS' EXPENSES**

- 6.1 Original supporting documentation (invoices, credit card slips, accounts, ticket butts, etc) should be attached to the Claim Form or Expenses Schedule; copies of invoices, credit card slips, accounts, ticket butts, etc are not acceptable. Where Board members are GST-registered, or are invoicing expense claims through a GST-registered entity, copies of supporting documentation are acceptable provided originals are available on request
- 6.2 The date, amount, description and purpose of minor expenditure if receipts are not available should be documented on the expense claim (e.g. parking vending machines).
- 6.3 The date, amount of mileage and purpose of the travel undertaken in Board members' personal vehicles (e.g. travel from office to airport for travel to board meetings) should be documented on the Claim Form or Expenses Schedule.

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**6.4** All expense claims for entertainment and hospitality should include details of the person(s) attending the entertainment or hospitality event and the purpose of the event.

**6.5** Board members' expense claim invoices, with the supporting Claim Form or Expenses Schedule, should be submitted on a monthly basis and paid within two weeks of submission.

### **7. AUTHORISING BOARD MEMBERS' EXPENSES**

**7.1** Individual Board members' expense claim invoices, with the completed Claim Form or Expenses Schedule and supporting documentation, should be reviewed and approved by the Chair, and in the case of the Chair's expense claims the Deputy Chair. If either the Chair or Deputy Chair are unavailable another Board Member may grant the required authorisation.

**7.2** Authorisation may be provided electronically with formal signature of documentation to be obtained as soon as practical thereafter.

### **8. REVIEW OF BOARD MEMBERS' TRAVEL AND ASSOCIATED EXPENSES POLICY**

**8.1** On an annual basis, the Board shall review this Policy.

**8.2** Review of this Policy shall include reviewing:

- a) the ongoing appropriateness of the provisions of the policy; and
- b) any issues that have arisen with the application of the policy over the previous period.

**8.3** Amendments to this Policy shall reflect any changes consequential upon any updates to the DPMC Cabinet Circular Fees Framework for Members of Statutory and Other Bodies Appointed by the Crown relating to expenses incurred by Board members.