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Approval Authority	Chief Financial Officer
Contact Person	Account Services Manager - Financial Services

Introduction

This document sets out the University of Canterbury's position on the giving and receiving of any gifts, hospitality, or Koha.

Definitions

Fringe Benefit Tax (FBT) - is a tax payable on the value of fringe benefits provided to employees by an employer. The tax was introduced to widen the tax base, and to ensure that non-cash benefits provided to employees were subject to tax. It encourages a shift to remuneration paid in cash rather than payment in kind. The rate of tax is 49.25%, which effectively means it adds 49.25% to the cost of any benefits provided to employees. The conditions under which FBT is payable vary widely, but generally apply in circumstances such as:

- private use or enjoyment of a motor vehicle, or its availability for such use;
- subsidised transport;
- gifts, prizes and gift vouchers;
- entertainment.

Policy Statement

Hospitality or Gifts received by Staff

- 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 University under any obligation.

- As a general rule, staff should not accept hospitality and/or corporate gifts in excess of \$300 and must have College Manager/Service Unit Director approval for values over \$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. Annual leave and travel cost reimbursement may be required where the College Manager/Service Unit Director consider these to be significant.
- 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 University.
- Whenever partners are invited to travel, either accompanied by the staff member or not, approval will have to be obtained prior to the acceptance of this gift by an approver a level above the staff member travelling. If the trip is a working trip where the partner is expected to attend functions and the like, then it is likely no FBT will be payable, but, if there is no such expectation then the value of the gift will be subject to FBT and will have to be declared and paid.
- The Assistant Accountant maintains a central gift register for the University and all gifts received by staff over a value of \$150 must be reported via this gift register. The gift register details the recipient, donor, value, description and purpose of the gift; see Appendix One.

Gifts received by the University

- Gifts received by staff members while overseas should be accepted on behalf of the University and should be declared to the staff member's College Manager/Service Unit Director on return.
- All offer of gifts to the University with a value of \$1,000 or above, and any gifts with conditions attached, should be referred in the first instance to the University Development Manager, where possible, and the opportunity for including the donation in the UC Foundation should be considered before acceptance.
- The Vice-Chancellor (or delegate) may at his/her sole discretion accept gifts for the use or enjoyment of staff or for the benefit of the University, subject to the gift or donation not resulting in an abridgement of academic freedom or the compromising of the integrity of the University or staff.
- The Assistant Accountant maintains a central gift register for the University and all gifts received by the University must be reported via this gift register. The gift register details the recipient, donor, value, description and purpose of the gift; see Appendix One.
- Where an offer of a gift is made, the relevant HOD/HOS shall be consulted; he/she will then determine the appropriate response.

Gifts and Koha Given

- The line between gifts given as a token of appreciation and those that might compromise the University 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.
- All hospitality and/or corporate gifts and/or Koha must be from approved budget provisions and, as a general rule should not exceed \$300 per recipient. College Manager/Service Unit Director approval is required for gifts and Koha over \$150 per recipient.
- Under no circumstances can gifts given be exchanged with the University for cash.
- The value of gifts to be given to hosts overseas should be appropriate to the circumstances and determined by the senior UC staff member responsible before (where possible) the travel commences.
- Business-related gifts should, where appropriate, be selected from University of Canterbury Alumni office memorabilia.
- To meet with the Inland Revenue Department guidelines (per the IR278 booklet), in order for Koha to be tax deductible the following conditions must be met:
 - i. the Koha must be linked to Canterbury's business or taxable activity, and
 - ii. adequate records must be kept to support the payment and this linkage.
"Adequate records" means:
 - the particulars of the meeting (time, date, place)
 - the reason for attending the meeting
 - the type of payment made (cash, cheque, supplies)
 - the source of payment (where the supplies came from)
 - the receipt or tax invoice.
- The Assistant Accountant maintains a central gift register for the University and all gifts and Koha given by the University must be reported via this gift register. The gift register details the recipient, donor, value, description and purpose of the gift/Koha; see Appendix One.
- 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

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.

Authority is to be sought from the College Manager/Service Unit Director prior to any transaction occurring.

Gifts to Staff

Farewell and other gifts for staff would normally be by private donation. If there is a contribution by the University, this is subject to FBT and all such expenditure must be reported to the relevant Management Accountant for the College or Business Manager for the service areas, identifying the date, costs, recipients and the reason for the expenditure.

Reporting of Inappropriate Expenditure or Gifts

Individual Responsibilities

Staff who may consider there are grounds for enquiry into inappropriate expenditure or gifts must advise their line manager and the Assistant Accountant immediately. Alternatively, disclosure may be made under the [Protected Disclosures Act 2000 \(New Zealand Legislation website\)](#)

Related Documents and Information

Legislation

- [Protected Disclosures Act 2000 \(New Zealand Legislation website\)](#)

UC Policy Library

- [Conflict of Interest Policy, Principles and Guidelines \(PDF, 511KB\)](#)
- [Protected Disclosures Act: Internal Procedures and Code of Conduct \(PDF, 150KB\)](#)
- [Purchasing Card \(P-Card\) Policy \(PDF, 255KB\)](#)
- [Staff Code of Conduct \(PDF, 184KB\)](#)
- [Travel Policy \(PDF, 206KB\)](#)

Appendices

- Appendix One: UC Gift Register

Document History and Version Control Table			
Version	Action	Approval Authority	Action Date
<i>For document history and versioning prior to 2013 contact ucpolicy@canterbury.ac.nz</i>			
1.00	Converted document to new template. Updated contact officer and approval authority titles. Updated hyperlinks	Policy Unit	Oct 2013
1.01	Document review date pushed out.	Policy Unit	Feb 2014
1.02	Hyperlinks updated.	Policy Unit	Jul 2014
1.03	Review date pushed out.	Policy Unit	Sep 2014
1.04	Scheduled review by Contact Officer.	Policy Unit	Feb 2015

Appendix One:
UC Gift Register



Date	Recipient	Donor	Description	Purpose of Gift	Value

Held and Maintained by the Assistant Accountant, Financial Services for all gifts over \$150. See the Gift Policy in the UC Policy Library for further detail and guidance. Note: an invitation to dinner, sports/cultural event or other similar local function will be deemed to be under the Gift Policy's threshold and does not need to be recorded on the Gift Register.