

SENSITIVE EXPENDITURE GUIDELINES

Sensitive expenditure is any Council expenditure that provides, or has the (perceived) potential to provide a private benefit to a staff member or any third party associated with that staff member ¹, that is in addition to the business benefit to the Council.

Sensitive expenditure includes, but is not limited to:

- 1) Staff travel and accommodation
- 2) Staff entertainment and hospitality, including:
 - Meals, taxis and alcohol
- 3) Business-related entertainment and hospitality
- 4) Staff events, gifts and farewells
- 5) Staff training, reward and recognition
- 6) Incidental expenditure, including:
 - donations and koha
 - tipping.

Exceptions to these Guidelines may be made under exceptional circumstances at the discretion of the Chief Executive Officer.

1 STAFF TRAVEL AND ACCOMMODATION

- 1.1 Council may pay for reasonable travel for staff undertaking DCC business activities including attendance at work-related conferences, functions, events, training, professional development and business meetings.
- 1.2 An activity that is not related to a staff member's employment, role and responsibilities will not be paid for by Council.
- 1.3 Managers are encouraged to liaise with staff in related business areas to ensure that there is no unnecessary duplication of travel costs.
- 1.4 Approval for staff travel must be in accordance with the Sensitive Expenditure Policy and any associated DCC financial delegations, subject to the following approval:
 - a) Line Managers or relevant members of ELT/SLT may approve domestic travel expenses for staff undertaking DCC business activities.
 - b) Members of the ELT may approve travel expenses for staff undertaking business-related activities within Australia.
 - c) The Chief Executive Officer may approve all other overseas business travel and associated expenses.
- 1.5 With prior approval, personal travel may be permitted in conjunction with a business trip provided there is no additional cost to the Council. Any personal leave taken must be applied for, managed and approved in the normal HR leave approval process.
- 1.6 Any travel-related costs for accompanying spouses, partners or other family members will not be organised or paid for by Council.
- 1.7 All travel expenses must be made within approved budgets.

¹ Third parties include a partner, parent, child, sibling or any close relative, friend or business associate, and any organisation which these people may work for or have a vested interest in.

Travel Booking Process

- 1.8 All travel bookings, including air travel flights and accommodation should be made via the DCC booking agent 'Orbit World Travel' using the **DCC Travel Request Form** (email travelrequests@dcc.govt.nz) in the first instance.
- 1.9 Travel bookings should leverage savings from Council's All of Government contracts, including booking flights through the dedicated AirNZ booking portal.
- 1.10 Travel should be prudent, booked as far in advance as is practical, and secure the most cost-effective economy fares available. Ticket changes or cancellations are strongly discouraged. Should a change or cancellation be required, the booking agent should be notified and/or the changes made as soon as possible to minimise any associated costs.
- 1.11 DCC staff required to travel internationally shall travel by economy class, and be provided a 24-hour recuperation period where any flight exceeds 9 hours.
- 1.12 Premium Economy travel is permitted only under exceptional circumstances and subject to the approval by the CEO, for flights exceeding 9 hours where a 24-hour recuperation period is not possible, or if economy travel is not available and travel plans cannot be altered.
- 1.13 Where domestic travel is required, a staff member may under certain circumstances be permitted to travel the day before the business event, subject to specific circumstances. This includes reducing the risk of delays to early morning flights caused by fog and other weather events, and the opportunity for business networking on the evening prior to the business event. Where this results in additional costs to Council (including accommodation and meals), written approval must be obtained from the relevant manager as outlined in section 1.4 of these Guidelines prior to the expenditure.
- 1.14 Staff are not permitted to personally benefit from 'air dollars' or other travel reward schemes that result from Council travel. However, it is recognised that if rewards are collected incidentally while travelling, these may be used to upgrade an individual's business travel. Should such an upgrade occur, the requirement for a 24-hour recuperation period on international flights may be waived.
- 1.15 Koru Membership may be granted where there is a genuine business reason for having the membership, subject to the approval of the CEO. There is an expectation of at least 10 to 12 business-related flights *per annum* for any such membership to be permitted. Staff may however purchase Koru Membership at their own expense and access the corporate rate.

Travel Insurance

- 1.16 The DCC has travel insurance in place for employees travelling on DCC-related international business travel, subject to the approval of the CEO and arranged by the Financial Controller. Additional insurance cover for family members may be arranged and paid for by staff, with the prior approval of the CEO.
- 1.17 Travel insurance details are available from Corporate Services administration by emailing Travel Requests (travelrequests@dcc.govt.nz).
- 1.18 Purchase cards may not be used to purchase travel insurance.

Accommodation

- 1.19 Accommodation expenses will be reimbursed on actual and reasonable costs, based on a single room in a moderately priced business-class hotel or motel.
- 1.20 All business-related accommodation costs should be moderate, cost effective and appropriate to requirements, taking into account location, professional business standards, staff safety and security.
- 1.21 As phone calls from hotels often carry a premium, staff should whenever possible use DCC mobile devices for conducting Council business activities, including accessing Council's \$5 Vodafone mobile roaming facility when travelling internationally.
- 1.22 Reasonable laundry charges may be claimed while on business-related travel.

2 STAFF ENTERTAINMENT AND HOSPITALITY

All staff business-related expenses must be made within approved budgets, in accordance with the following guidelines:

Staff Meals Allowances

- 2.1 Where meals are required while travelling, actual and reasonable meal expenses may be claimed.
- 2.2 The cost of meals should be in the 'mid-range', both with respect to the eating establishment concerned and the meal ordered. Indicative amounts for reasonable staff meal expenditure are provided as follows (per person excl. GST):
 - a) Breakfast: \$20
 - b) Lunch \$25
 - c) Dinner \$45.
- 2.3 The reimbursement of meals exceeding these indicative amounts may be approved by a member of the ELT or SLT, when deemed necessary and reasonable given the nature of the business activity or circumstances.
- 2.4 Council shall not refund the purchase of alcoholic drinks, subject to those exceptions outlined in the **Business-related Entertainment and Hospitality** section below.
- 2.5 Council shall not pay for mini-bar expenses.

Use of Taxis, Rental Vehicles and Shuttles

- 2.6 Transport costs must be moderate and cost-effective. Staff should consider all modes of transport when undertaking business travel including DCC fleet vehicles, shuttles, taxis, Uber and local buses or trams/ trains.
- 2.7 The use of taxis should be for Council-related business activities only, and must be moderate, conservative and cost-effective relative to other forms of transport available. In such instances, the use of pre-approved taxi cards should be used whenever possible.
- 2.8 Airport shuttles should be used whenever possible, cost effective and practical. This includes using an airport shuttle as the Council's preferred means of travel to and from the Dunedin Airport. The use of taxis to/ from the Dunedin airport is only permitted under extenuating circumstances with the prior approval of the relevant Line Manager or member of the ELT/ SLT.

- 2.9 Rental cars are only permitted when it is not cost effective or practical to use a Council fleet vehicle, or a taxi or shuttle service. In such instances, the most economical type and size of rental car, consistent with purpose, distance and number of people should be used.
- 2.10 Staff are expected to comply with all traffic, parking and other laws when using a vehicle for Council business activities. The driver is responsible for any fines or traffic offences incurred. For more information refer to the **DCC Safe Use of a Vehicle Policy**.
- 2.11 Council vehicles shall not be used for private purposes, unless specified in formal employment agreements or under certain business-related circumstances. Please refer to the **DCC Safe Use of a Vehicle Policy** for further information.

The Use of Purchase Cards

- 2.12 Purchase cards must be used in accordance with Council's **Purchase Card Policy** and associated procedures.
- 2.13 Purchase Cards must only be used to pay for goods and services where the expenditure is business related and is incurred on behalf of the Council. The card is not to be used for personal expenses, cash advances (unless approved by a member of the ELT for specific business activities – see below), or for cell phone charges.

3 BUSINESS-RELATED ENTERTAINMENT AND HOSPITALITY

- 3.1 Council may reimburse staff expenditure when 'hosting' or entertaining external business stakeholders, including the costs associated with meals, gifts and other appropriate business-related activities.
- 3.2 Business-related entertainment expenditure shall only be permitted for the purposes of:
 - a) building professional sector relationships
 - b) representation of the organisation at business-related events
 - c) reciprocity of business-related hospitality
 - d) recognition of significant business collaboration and achievement.
- 3.3 All entertainment and hospitality expenditure must be modest and appropriate, and commensurate with the nature of the relationship, stakeholders and/or associated business activity.
- 3.4 All expenditure must be bound by the principles of probity, integrity and prudence. No entertainment, gifts or hospitality may be provided where there is the potential for a conflict of interest for the staff member or Council.
- 3.5 Approval for expenditure must be given prior to the purchase, whenever possible. All expenditure must demonstrate a clear and genuine business-related purpose, and be approved by an appropriate Line Manager or member of the ELT/ SLT (minimum 'one up' rule) – in accordance with the Sensitive Expenditure Policy and these Guidelines.
- 3.6 Any reimbursement claims for business-related entertainment and hospitality must be accompanied by a detailed record of the business activity and justification for expenditure, including GST receipts, the purpose of the expenditure and who was in attendance (names, positions and organisation represented), to be completed by the most senior staff member present at the event.

Hosting Business Meals

- 3.7 The cost of any stakeholder hospitality should be in the 'mid-range', both in respect of the establishment or activity concerned and the meal(s) ordered. Indicative amounts for 'reasonable' business-related meal expenditure are provided as follows (per person excl. GST):
- a) Breakfast: \$20
 - b) Lunch \$25
 - c) Dinner \$45.
- 3.8 While not encouraged, alcoholic drinks may be purchased and paid for by Council if necessary due to the nature of the business activity or stakeholder relationship, and with the prior approval of the relevant Line Manager or member of the ELT/ SLT (minimum 'one-up' rule).
- 3.9 Any alcohol purchased shall be mid-range, and limited to a reasonable and responsible amount. Indicative amounts for alcohol expenditure is up to three standard drinks per person, per event.

Purchase of Business Gifts

- 3.10 All third-party gifts paid for by Council, are subject to a recognised business-related need and the prior approval of the relevant General Manager or CEO.
- 3.11 Receiving gifts from external stakeholders is not permitted for any Council staff, except under very limited circumstances and values. Please refer to the **Gifts and Hospitality Policy and Procedure** for further details.

4 STAFF EVENTS, GIFTS AND FAREWELLS

- 4.1 Expenditure on staff events including farewells, long service and retirement functions, gifts and other activities should be modest and appropriate. The size and scale of the function should be commensurate with the staff member's length of service and role.
- 4.2 It is not expected that formal farewell functions paid for by the Council will be held for staff with less than three years of service.
- 4.3 While not standard practice, Council may provide a modest gift as part of a staff farewell. As a reference guide, any gift should be valued as follows: \$20 x years of service to a maximum of \$500 - i.e. a staff member with 10 years' service may be given a gift valued up to \$200, and a staff member with 15 years' service may be given a gift valued up to \$300. Please refer to the **DCC Guideline for Staff Leaving Functions** for further guidance on farewell expenditure.
- 4.4 A maximum limit of \$500 applies to all farewell, long service and retirement gifts paid for by Council. Exceptions may be made with the prior approval of the CEO or member of the ELT.
- 4.5 The Council shall not provide alcoholic drinks at staff events, except under special circumstances and with the prior approval of the CEO.
- 4.6 In such instances, any alcohol provided shall be mid-range and appropriate to the nature of the business event and those in attendance, and limited to a reasonable and responsible amount, at the discretion of the CEO.

5 STAFF TRAINING

- 5.1 The DCC seeks to ensure that staff are valued and acknowledged for their contribution to the Council, the delivery of its services and business activities, and supported in their career aspirations.
- 5.2 The **DCC Training and Development Framework** establishes the structure, expectations and processes for staff professional learning and development within the Council.
- 5.3 Any requests for professional development and training should be directed to the Line Manager in the first instance – refer also to the Framework or HR Manager for further information.
- 5.4 Membership to a professional body is deemed to be sensitive expenditure due to its personal nature. Payment of professional fees by Council on behalf of an employee must be:
 - a) covered by an employment agreement
 - b) approved by a member of the ELT or SLT
 - c) no longer than one-year in duration unless significant discounts are available to Council.

6 STAFF REWARD AND RECOGNITION

- 6.1 The **DCC Reward and Recognition Programme** recognises staff behaviour and achievements. Group Managers have a small discretionary budget for reward and recognition activities, to be awarded in a fair, transparent and equitable manner. Staff may at any time be rewarded or recognised for their effort, behaviour and achievements.
- 6.2 Under no circumstances shall alcohol or cash be given to staff as part of the Reward and Recognition Programme.
- 6.3 All requests for staff or team rewards must be approved by the relevant Group Manager, and made via the **Reward and Recognition Toolbox** on DCC Connect.

7 INCIDENTAL EXPENDITURE

Donations

- 7.1 A donation is a voluntary payment (primarily financial or by way of goods or services) made by the Council, without expectation of receiving goods or services in return.
- 7.2 While generally discouraged, donations may be made with the pre-approval of the CEO or member of the ELT, for those donations that demonstrate a clear and genuine business-related purpose that is consistent with the strategic objectives of the Council.
- 7.3 Any donation made must be modest and appropriate to the circumstances, and commensurate with the nature of the relationship, stakeholders and/or associated business activity.
- 7.4 Any donation made must be bound by the principles of probity, integrity and prudence, in compliance with all appropriate delegations and authorities. No donations may be given where there is the potential for a conflict of interest for the staff member or Council.

- 7.5 No donations may be given in cash, except under exceptional circumstances and subject to the prior approval of the CEO or member of the ELT.

Koha

- 7.6 Koha are unconditional gifts given with the intention of aroha or kindness, goodwill, support and/or appreciation on culturally appropriate occasions.
- 7.7 Council acknowledges the important practice of koha as a taonga and integral part of Tikanga Maori, under the Treaty of Waitangi.
- 7.8 The value and nature of koha given should reflect the occasion, the mana and prestige of the Council representatives in attendance. For example if the Mayor, Councillors or Executive/ Senior Management are attending a hui, a koha which is befitting their status should be given.
- 7.9 All koha must have prior approval of the CEO or member of the ELT. Koha should be modest, appropriate and reflect the circumstances, significance and relationships involved.
- 7.10 Koha should not be confused with legitimate payments for services i.e. when attending a Marae or function the koha or gift is given as a token of goodwill and respect, while catering or other associated hospitality costs should be managed separately, in accordance with these Guidelines.
- 7.11 Please refer to the **Donations and Koha Policy** for further details.

Tipping

- 7.12 The DCC may reimburse the costs of tipping in countries and those circumstances where tipping is local practice, if it is deemed appropriate and necessary, and the tip is a reasonable amount.
- 7.13 The DCC will not pay for any tipping in New Zealand.

Staff Personal Entitlements

- 7.14 Staff are not entitled to claim for clothing expenses for normal business activities, unless there are specific dress or uniform requirements provided for under an employment agreement.
- 7.15 Incidental Council use of private staff assets, including but not limited to motor vehicles, personal phones and home computers/ laptops is not encouraged, however may occur from time to time. Appropriate reimbursement for such usage may be given, subject to prior approval by the relevant member of the ELT/ SLT.
- 7.16 Any such expenditure must comply with all relevant staff guidance including **ICT Acceptable Use Policy and Standards**, and the **DCC Safe Use of a Vehicle Policy**.

8 PROCESS FOR THE REIMBURSEMENT OF STAFF EXPENDITURE

- 8.1 All reimbursement claims must be recorded on a **DCC Reimbursement Claim Form** and approved by the relevant Line Manager or Member of the ELT/ SLT (minimum 'one up' rule), subject to that person having the appropriate delegated financial authority.

- 8.2 All sensitive expenditure reimbursement claims must clearly state the business purpose, include original documentation such as GST compliant tax invoices, and be submitted as soon as possible after the expenditure was incurred.
- 8.3 GST receipts are required for staff reimbursement. All reimbursement claims must include the date, amount and description for items of expenditure. In those instances where a GST receipt is not able to be provided, staff must provide a compelling reason for the expenditure, and reimbursement is subject to the approval of a member of the ELT/ SLT.
- 8.4 All staff expense arrangements and reimbursements will be made by the Finance Department – Expenditure Officer upon receipt of the necessary documentation and approval from the appropriate authority.
- 8.5 A temporary cash advance facility on a purchase card or traveller's cheques may be provided to staff travelling on Council business, subject to approval by a member of the ELT. Cash advances and traveller's cheques are to cover those business-related expenses incurred where it is not feasible to charge the expense to a Council credit card or by an invoice, e.g. bus fares.
- 8.6 In those instances where cash advances have been provided, all receipts must be retained and reconciliation produced upon return from travel within 10 working days. Any monies not expended must be returned to the Expenditure Manager who will re-bank any excess to the appropriate expense code. Staff travelling overseas should endeavour to minimise the amount of coinage to be re-banked as it is not always possible to exchange this back to NZ currency.
- 8.7 All amounts claimed are to be in New Zealand currency. Where foreign currency is involved, each invoice must include the NZD amount which is being claimed, together with the exchange rate used. Note: the exchange rate to be used is that which applied to the actual transaction.
- 8.8 It is never acceptable for staff to use the Council as a source of credit.