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## Sensitive Expenditure Policy

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### 1. Purpose

This Policy aims to establish the principles governing sensitive expenditures at Te Herenga Waka – Victoria University of Wellington (the University).

### 2. Application of Policy

This Policy applies to all Members of the University Community.

## Policy Content

### 3. Principles

- 3.1 Sensitive expenditure means any spending by the University that could be seen as giving private benefit to a Member of the University Community that is additional to the business benefit to the University. This may also include expenditures that could be deemed unusual or are unrelated to the University's educational and research activities.

*Note: Please refer to Appendix 1 for examples and relevant guidance on sensitive expenditures in the University context.*

- 3.2 Sensitive expenditure arrangements at the University must be –

- (a) compliant with Aotearoa New Zealand legal requirements;
- (b) consistent with the University's [Te Tiriti o Waitangi Statute](#), [Delegations Statute](#), [Conflicts of Interest Statute](#), and other relevant policies;
- (c) have a justifiable business purpose and carried out with honesty, impartiality, integrity, and transparency at all levels;
- (d) recorded accurately and kept confidentially;
- (e) subject to a standard process (regardless of the source of funding);
- (f) reflective of the University's values;
- (g) considerate of the University's reputation; and
- (h) moderate and conservative in value and aimed at ensuring maximum efficiency.

- 3.3 Expenditures that will attract Fringe Benefit Tax are generally considered inappropriate by the University.

- 3.4 During the budget-setting process, managers involved in the budget-setting process should stipulate under which circumstances within their cost-centre(s) and at which levels sensitive expenditure should be provided. The Toi Tātai Pūtea – Chief Financial Officer (or delegate) will assess the degree of consistency.

- 3.5 All approvals for sensitive expenditure must align with Financial Delegated Authority (FDA) limits set out in the [Delegations Statute](#).

- 3.6 Managers, including Te Hiwa members, are responsible for promoting this Policy across the University.

- 3.7 Compliance with the terms of this Policy will be constantly monitored by the Finance team.

#### 4. Approvals

- 4.1 Before making any commitment to a sensitive expenditure, approval must be obtained from the appropriate Approving Manager in the budget centre. If the expense is related to an Event, approval for the entire Event should be sought from the relevant approving manager.
- 4.2 Wherever possible, approval should only be given by a person senior to the person who will or might be perceived to benefit from the sensitive expenditure.
- 4.3 If the sensitive expenditure is related to an Event, the most senior Staff Member present with hosting responsibilities for that Event, should meet the payment. Staff Members of less seniority must not authorise expenses in relation to entertainment.
- 4.4 Approval should only be given when the approving manager is satisfied that all the criteria in section 3 are met, and the expenditure is within pre-approved budgets.
- 4.5 If a manager who is responsible for approving expenses is unsure about whether a proposed sensitive expenditure is suitable for the University's context, they should seek advice from their Finance Advisor.

#### 5. Supporting Documentation

- 5.1 All sensitive expenditure should be made via Purchasing Card or Oracle Procurement unless circumstances require the use of personal funds and a reimbursement claim.
- 5.2 Sensitive expenditure must be supported by a comprehensive description in Oracle Procurement or FlexiPurchase for Purchasing Card. Where the sensitive expenditure is for an event, the description must include; the reason for the event and/or the benefits to the University, details of the venue, the names of people in attendance, and a breakdown of participants as Staff Members and non-Staff Members.
- 5.3 Valid tax invoices and other supporting documentation must be obtained and submitted to Finance in the prescribed manner for the procurement tool used to settle the sensitive expenditure.

#### 6. Compliance

- 6.1 Alleged breaches of this Policy may be treated as serious misconduct and handled in accordance with the University's [Staff Conduct Policy](#).
- 6.2 Where a breach is established, the University may seek direct reimbursement of associated costs from the responsible Member(s) of the University Community.
- 6.3 Members of the University Community who suspect that a fraudulent act may be occurring or may have occurred at the University must report this immediately in accordance with the University's [Fraud Policy](#).
- 6.4 Members of the University Community may also choose to make a protected disclosure under the Protected Disclosures (Protection of Whistleblowers) Act 2022. Please refer to the University's [Whistleblower Policy](#) for guidance on how to make protected disclosures.

#### 7. Definitions

In this Policy, unless the context otherwise requires:

Approving Manager	means a Staff Member's line manager or a senior manager with a higher Financial Delegated Authority (FDA) level, as defined under the Delegations Statute.
Disclosure Officer	means the General Counsel or delegate.

Event	<p>refers to activities such as conferences, symposiums, seminars, workshops, public lectures, gatherings, functions, ad hoc ceremonies, exhibitions, and performances held within the University Precincts.</p> <p>Timetabled learning and teaching activities, activities organised for assessment and/or other academic purposes, sports and fitness activities held at the University's recreation centre, graduation and other regular official University ceremonies, casual administrative activities (such as staff welcomes/farewells, staff morning teas), and internal business meetings (including meetings of the University Council, Committees of Council, Academic Board, Subcommittees of the Academic Board, and Te Hiwa) are not considered as Events.</p>
<i>Note: Relevant forms must be filled out for activities where alcohol is supplied.</i>	
Fringe Benefit Tax	means tax paid for a benefit provided to a Staff Member as a result of their employment relationship that is in addition to their salary or any bonuses and allowances.
Managers	means any staff member of the University with management responsibilities, including Te Hiwa members.
Members of the University Community	means staff members, independent contractors, adjunct and visiting staff, visiting scholars and interns, professors emeriti and any other persons providing services to the University.
Purchasing Card	means the University Purchasing Card.
Staff Member	means an employee of the University.
University Precincts	means all campuses, premises, grounds, and buildings owned by, in possession of, or administered by the University.

*Note: All monetary amounts referred to in this Policy are in New Zealand Dollars and are exclusive of GST.*

### **Related Documents and Information**

#### **8. Related Documents**

[Education and Training Act 2020](#)  
[Protected Disclosures \(Protection of Whistleblowers\) Act 2022](#)  
[Victoria University of Wellington Act 1961](#)

[Acceptable Use of Information Systems Statute](#)  
[Campus Life Policy](#)  
[Conflicts of Interest Statute](#)  
[Delegations Statute](#)  
[Gift and Koha Policy](#)  
[Fraud Policy](#)  
[Procurement Policy](#)  
[Staff Conduct Policy](#)  
[Te Tiriti o Waitangi Statute](#)

[Travel and Expenses Policy](#)  
[Whistleblower Policy](#)

[Controlling sensitive expenditure: Guide for public organisations](#)

## 9. Document Management and Control

### *Essential Record*

Approver	Tumu Whakarae – Vice-Chancellor
Approval Date	20 August 2024
Effective Date	20 August 2024
Next Review Date	20 August 2027
Policy Sponsor	Toi Tātai Pūtea – Chief Financial Officer
Policy Owner	Procurement Manager

### *Modification History*

Date	Approval Agency	Details
11 March 2025	General Counsel	Minor amendment
10 March 2025	Toi Tātai Pūtea – Chief Financial Officer	Amendment to Appendix 1
20 August 2024	Tumu Whakarae – Vice-Chancellor	Full review

## Appendix 1: Sensitive Expenditure Guidance

Please see below for guidance on different categories of sensitive expenditure.

### 1. Alcohol

- (a) Ensuring the health, safety, and wellbeing of everyone, especially during events involving alcohol, is a top priority at the University.
- (b) Expenditure on alcohol should be considered a rare occurrence and will normally only be approved when consumed along with a meal, with the amount involved being reasonable (i.e., two to three drinks per participant).
- (c) Expenditure on alcohol on occasions where it is consumed without a meal must be considered a rarity and must be done in moderation.
- (d) When buying alcohol, Staff Members should purchase moderately priced alcohol. Spirits should not normally be purchased.
- (e) For the sale, supply, and consumption of alcohol for Events and within the University Precincts, please refer to the [Campus Life Policy](#).

### 2. Professional and club memberships

- (a) Professional or club memberships paid for by the University on behalf of a Staff Member must –
  - (i) be relevant to the Staff Member's job duties and responsibilities, and only for the Staff Member themselves;
  - (ii) be for no longer than one year unless it provides significant discounts that benefit the University;
  - (iii) not be for personal benefit and subject to Fringe Benefit Tax;
  - (iv) be cancelled or transferred to another Staff Member upon termination of employment; and
  - (v) be refunded to the University in the case of cancellation.

### 3. Gifts

- (a) Expenditures on gifts are considered sensitive expenditure due to the personal nature of the exchange between the parties involved. For more information on the University's approach, please refer to the University's [Gifts Policy](#).

### 4. Information systems

- (a) The University categorically considers the private use of information system assets as a sensitive matter. Managers should be aware of this when approving access to and use of information technology assets. More information on this can be found in the University's [Acceptable Use of Information Systems Statute](#).

### 5. Tea and coffee

- (a) It is well established that the University provides tea and coffee for Staff Members. The University standard is to provide instant coffee and tea bags. Plunger and filter coffee (not coffee beans) are appropriate for meetings and functions with guests. All must be purchased via NXP.

**6. Café meetings**

- (a) In most cases, it would be inappropriate for a meeting in a café between Staff Members to be funded by the University. If Staff Members choose to meet in a café, the expense should be privately funded.
- (b) Café meetings with external guests may be paid for via the University Purchasing Card after careful consideration that this is appropriate.

**7. Travel**

- (a) Expenses defined under the University's [Travel and Expenses Policy](#) and its supporting procedures are considered sensitive expenditure.
- (b) In the case where Staff Members are required to attend a function after hours, the cost of travel home may be met by the University. Where staff choose to attend functions, then the staff's travel home will not be at the University's expense.

**8. Events and hospitality**

- (a) When assessing potential venues, it is imperative to thoroughly evaluate their appropriateness for the occasion and guests in question. Normally, it is advisable to select moderately priced restaurants. Individuals attending as partners must fund their own expenses.
- (b) Expenditures for Events held within the University Precincts must be appropriate to the nature and purpose of the function being held and be within budget.
- (c) When hosting guests, the expense of the function should be appropriate to the importance of the guest(s) and their contribution to the University.

**9. Recruitment dinners**

- (a) It may be appropriate for the recruitment process of senior academic positions to include a dinner with the prospective candidate and key stakeholders from the University.
- (b) Attendance at such a dinner should be restricted to fewer than four Staff Members.

**10. Farewells**

- (a) University funds may be spent on a single farewell function, the time of day, size, and scale which should be commensurate with Staff Members' length of service and role, and culturally appropriate. For example, it may be appropriate to farewell a Staff Member of two years' service with a morning tea function, whereas a Staff Member retiring after 20 years' service may have an evening function provided at which their partner is also a guest.
- (b) The choice of venue must be appropriate and moderately priced if held off-campus.
- (c) The cost of staff travel home from an after-hours farewell function is not at the University's expense.

**11. Christmas / year-end functions**

- (a) Staff Members are allowed to use up to four hours of work time for a year-end function. This function may include a meal.
- (b) The University has set a budget limit of \$50 per Staff Member for year-end functions. Any costs incurred beyond this limit must be covered by private contribution. Furthermore, the University will not cover the expenses of partners who attend the function.
- (c) The University does not cover the cost of transportation for Staff Members to return home after a year-end function.

**12. Other staff functions**

- (a) Staff Members may be offered a morning or afternoon tea function to acknowledge team accomplishments or significant milestones. In recognition of exceptional team performance, managers have the option to provide Staff Members with a meal. Typically, such functions are not expected to take place more than once a year, but if there are any exceptions, approval must be obtained from the appropriate Te Hiwa member. The chosen venue should suit the occasion and be reasonably priced. The University does not cover the cost for any partners in attendance.

**13. Entertainment**

- (a) From time to time, Staff Members may wish to celebrate occasions which are not necessarily related to University purposes. These must be funded by private contributions because they are not considered to be an official University function.
- (b) Expenses associated with entertainment benefits consumed or enjoyed outside of employment duties are subject to Fringe Benefit Tax. These must be funded by private contribution because they are not considered to be an official University function.

**14. Tipping**

- (a) Tipping is not expected or required in New Zealand. Staff should follow local customs with regard to tipping when travelling overseas.