



Procedure 4.02 – Expense Reimbursement

1. Application

This Procedure applies to all directors, employees and Contractors of NQBP.

2. Policy

These procedures control all claims for reimbursement of business expenditure initially funded by:

- Current employees;
- Past employees in respect of expenditure incurred while employed by NQBP;
- Prospective employees in respect of their negotiations and preparations for employment;
- Contractors/consultants in respect to eligible expenditure not included in a tax invoice from the contractor/consultant to NQBP; and
- Directors.

Procedure for Reimbursable Expenditure

General

These procedures are not intended to be exhaustive in coverage but to identify principles and provide clarification of the application of those principles in commonly encountered situations. Wherever doubt arises to the application of these guidelines then guidance should be obtained from the appropriate Financial Delegate prior to incurring the expenditure.

These guidelines also satisfy NQBP's obligations arising under Fringe Benefits Tax (FBT) and Income Tax legislation.

Principles

The guiding principles for determining whether expenditure is reimbursable are that the expenditure must be:

- For business purposes which are identified;
- Clearly appropriate and reasonable;
- Properly documented in accordance with these procedures;
- Authorised in accordance with NQBP's Instrument of Delegation; and
- Able to withstand independent scrutiny, including internal and external audit.

In authorising the expenditure, the Financial Delegate needs to assess the reasonableness of the expenditure. Reasonableness includes being satisfied that the benefit to NQBP can be identified. Matters, which also should be considered, include the quantum of the claim and the frequency of claims.

Invoices must be attached to the Expense Claim Form to substantiate each item claimed. Those invoices must be in the form of "tax invoices" for all items claimed over \$50 (GST exclusive). Please note that a credit card docket does not represent a "tax invoice". A detailed description of "tax invoices" is included under the heading Valid Receipts – Tax Invoices below.

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Corporate Memberships and Subscriptions

Corporate memberships in the name of NQBP should be invoiced directly to NQBP and not be paid by employees.

Memberships of professional association by individual employees are administered in accordance with contracts of employment and HR Policies and Procedures.

The employee may pay and claim reimbursement for corporate memberships and subscriptions of journals, or magazines, where an operational need has been identified. Approval should be obtained from a Financial Delegate in advance of incurring the membership or subscription expense.

Travel Advances

Travel advances will only be approved in exceptional circumstances by the CEO. Travel advances are to be promptly accounted for through the Travel Expense Claim Form upon the employee's return.

Use of Own Car and Parking

Employees are required to identify the most efficient method of conducting authorised business travel. Employees are not required to use their own car for business travel but may do so when this is more efficient than alternative methods such as hire care or air travel. However, employees who intend to use their own vehicle are responsible for ensuring that their motor vehicle insurance policy adequately covers business travel.

The allowance for an employee's use of their own motor vehicle will be at the prescribed rates per kilometre for motor vehicle expense claims as published by the Australian Taxation Office (refer <https://www.ato.gov.au/individuals/income-and-deductions/deductions-you-can-claim/vehicle-and-travel-expenses/car-expenses/>).

The latest rates can be obtained from the Finance Manager (ATO website lists the rate for the relevant financial year).

Claims for the allowance should be on made on the Expense Claim Form. In the description field include the following details:

“Use of own vehicle to travel to <insert location> and back to the office for <insert business reason>.

Number of kilometres: e.g. 234 kms”

Claims for mileage expenses will be paid to the employee as a taxable allowance through the payroll system after deduction of the applicable income tax. Employees should note the documentation requirements of the Australian income tax legislation if they intend to claim a deduction on their income tax return for motor vehicle costs incurred for business purposes as the Expense Claim Form is not designed to meet these requirements.

Tolls and parking charges (not fines) incurred by an employee while using their own car, or a hire car, for authorised business travel will be charged to a corporate credit card and receipts included with the monthly credit card reconciliation. If the employee does not have a corporate credit card they will need to pay the cost themselves and then claim for reimbursement on the Expense Claim Form. Receipts are required as proof of expenditure in accordance with the Valid Receipts – Tax Invoices section of this procedure.

Private Telephone Expenses

Rental and local call costs on private telephones will not be reimbursed regardless of the extent to which they relate to NQBP's business unless an arrangement has been approved by the CEO to meet a business need.

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Expenses relating to a Contract of Employment

In accordance with contracts of employment and Human Resource policies and procedures certain expenditure incurred by employees and prospective employees may be reimbursed by NQBP.

The types of expenditure and the employees eligible for reimbursement will be determined and approved in accordance with contracts of employment and Human Resource policies and procedures.

Claims for reimbursement for these types of expenditure will be submitted in accordance with these procedures on an Expense Claim Form with valid tax invoices attached.

On-site Working Meals, Kitchen and Boardroom Supplies

Working meals are low cost and are consumed in the workplace during which work activities continue. An example of a working meal includes workplace meetings during which sandwiches and other finger food is consumed. Meals that involve caterers coming onsite to prepare and serve the food (such as meals served on a plate and eaten with utensils) are not working meals. Working meals are not travel or entertainment expenditure. These meals are account coded to “Staff Amenities” and a list of attendees is not required.

NQBP provides tearoom facilities in its offices and may provide, in its offices, low cost functions to recognise particular events not involving alcohol. The consumables used in these activities do not constitute entertaining and do not require a list of attendees. The cost of these consumables is account coded to “Staff Amenities”.

Grey Areas

Where there is some doubt about the validity of claiming particular expenditure, the employee should consult with their immediate supervisor. If required, the CFO should make a determination in relation to the principles of these guidelines.

Examples of expenditure generally regarded as non-business or private in nature and that will not be reimbursed, include:

- Non-business entertainment and travel costs (e.g. meals or medium to high cost functions for recognising employees’ efforts);
- Tips or gratuities (unless an employee is travelling overseas and it is a custom of the region or otherwise approved by the CEO);
- Dinners/functions at an employee’s private residence (unless specifically authorised by the CEO);
- Personal grooming expenses;
- Club membership fees (except for assistance allowed for health and fitness membership under E13 07992 Financial Support for Health and Fitness Membership procedure);
- Parking and traffic offences; and
- Interest and late payment penalties on credit cards.

Expense Claim Processing

General

In the interests of ensuring the prompt and accurate processing and reimbursement of employee expenses all claims other than employee travel and entertainment expenses are to be lodged on an Expense Claim Form. In addition to the Expense Claim Form a Travel Diary will be used under certain circumstances as described in the Travel Standard.

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Expense Claim Form

Use of Form

The Expense Claim Form is to be used by all directors, employees and contractors/consultants when claiming reimbursement of business expenditure initially funded by them.

Expenditure that has been directly invoiced to NQBP by the supplier should not be reported on the Expense Claim Form. Payment requisitions will be used to process these invoices with the payment directly to the supplier.

The Expense Claim Form should be submitted for approval and reimbursement promptly after incurring the expenditure.

Recording Expenditure on the Form

Expense Claim Form entries must be typed or written in ink. No erasure or correction of substance should be made to, or appear on, an Expense Claim Form submitted for payment unless initialled by the Financial Delegate.

Each item of expenditure should be separately reported on the Expense Claim Form showing:

- The date the expenditure was incurred;
- A description of the goods or services including the business justification;
- The total including GST;
- The account coding for the expenditure;
- Department; and
- For meal expenditure claims (other than for travel and entertainment purposes), the claim form must also include details of the meal location and details of the attendees.

Travellers are any person who is not a resident of the town in which the activity takes place. All out of pocket travel related expenses must be lodged using the Travel Expense Claim Form.

Entertainment and hospitality related expenses are to be claimed using the Entertainment Expense Claim Form. If there is not enough room on the form for a full list of attendees, the claimant may attach a separate list of attendees which includes the organisations represented and whether the attendees are travellers.

The information recorded on the above Forms with regard to travel and entertainment meals and non-meal entertainment ensures the appropriate substantiation of the expenditure and its classification.

On receipt of Expense Claim Forms, Finance will review the expenditure for any applicable FBT and if necessary adjust the account coding to ensure appropriate treatment of such expenditure.

On-site working meals, kitchen and boardroom supplies as previously described are account coded to "Staff Amenities". A list of attendees is not required to be recorded on the Expense Reimbursement Form.

Valid Receipts – Tax Invoices

Invoices and other supporting documentation are required for all expense claims and must be attached to the Expense Reimbursement Form to substantiate each item claimed (irrespective of amount).

Those invoices must be in the form of "tax invoices" for all items claimed over \$75 (GST exclusive). NQBP will be unable to recover the GST on any expenditure over \$75 for which a "tax invoice" is not provided. Please note that a credit card docket does not represent a "tax invoice".

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For “tax invoices” to be valid under the GST legislation they must disclose:

- Date;
- Supplier’s name and Australian Business Number (ABN);
- A brief description of the goods or services supplied;
- GST inclusive price; and
- Either disclosure of the actual GST amount included or a statement that the total includes GST.

Employees must ensure that any “tax invoice” for amounts over \$75 that they receive has all of the above items. Particular attention should be given to restaurant bills missing the amount of GST included in the bill or the ABN.

In the rare instance that a tax invoice is not available for an amount over \$75:

- A statutory declaration to support the claimed amount should be provided; and
- Any available non-invoice documentation to support the claim should be attached to the statement.

Expense Claim Form Approval

The expense claim forms described below are available on ERIC.

Expense Claim Forms must be approved prior to processing and payment by Finance. Only employees with sufficient authority under NQBP’s Instrument of Delegation Policy may approve Expense Claim Forms.

The Financial Delegate prior to approving an Expense Claim Form must be satisfied that:

The expenditure is reasonable:

- All necessary pre-approvals were obtained;
- The expenditure was for a business purpose and in accordance with all relevant policies and procedures;
- The expenditure is within their limits of financial delegation;
- The expenditure has been documented in accordance with these procedures;
- All “grey areas” of personal versus reimbursable expenditure have been satisfactorily resolved; and
- The business purpose of the expenditure is clearly documented and will withstand independent scrutiny.

Once the Expense Claim Form and all attachments have been approved it should be given to Accounts Payable Officer for processing and payment.

Payment of Expense Claim Forms

All reimbursements are paid by electronic funds transfers to the bank accounts nominated by each claimant. When submitting an Expense Claim Form for the first time claimants should supply their banking details to the Accounts Payable Officer. The Accounts Payable Officer has a standard form available for the recording of claimant bank account details.

Expense Claim Forms will be paid each Thursday with cleared funds generally available in the claimant’s bank account at the commencement of the next working day (depending on the claimant’s financial institution). For an Expense Claim Form to be included in the Thursday payments it must be received by 12.00 noon Tuesday of that week by the Accounts Payable Officer.

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Expense Claim Forms received by the Accounts Payable Officer that have not been fully completed in accordance with these procedures and correctly approved will be returned to the claimant for completion and may not be included in that Thursday's payments.

Petty Cash

Minor infrequent business expenditure initially funded by employees may be reclaimed through the petty cash fund. Valid receipts and a completed Petty Cash Reimbursement Form will be required for any claim against petty cash. The expenditure claimed through petty cash is not to exceed \$50 for an activity or a group of related activities.

Timeliness of Expense Claim Forms

Employees are to submit Expense Claim Forms as soon as possible after incurring the reimbursable expenditure. Employees should not excessively delay the submission of Expense Claim Forms to consolidate multiple claims.

Where an employee is unable to submit all Expense Claim Forms prior to ceasing employment, they are to notify their supervisor prior to ceasing employment. Financial delegates may refuse to approve an Expense Claim Form submitted after an employee has ceased employment where an excessive delay inhibits their ability to assess the validity of the claim. Contractors whose contracts expire or are terminated will be subject to the same requirements as employees ceasing employment.

Mileage Claim Reports

The Expense Claim Form is to be used by employees claiming the allowance for use of their own car for authorised business travel.

The employee is to record on the form:

- The date of each journey;
- The start and destination points of each journey;
- The business purpose of the travel;
- The number of kilometres completed in each journey;
- The engine capacity of the car used;
- The cents per kilometre allowance rate used in the claim; and
- The total dollars claimed for each journey and the overall total of the claim.

The employee wherever possible should complete the Expense Claim Form at the same time as any Travel Expense Claim Form relevant to the business travel and submit them to the Financial Delegate for approval.

Upon approval the Expense Claim Form should be given to the Senior Payroll Officer for processing in the next pay run. Mileage claims must be received by the Senior Payroll Officer at least 3 business days prior to the pay date for them to be included in that pay run.

Reference Documentation

- Expense Claim Form;
- Entertainment Expense Claim Form;
- Travel Expense Claim Form; and
- Petty Cash Reimbursement.

3. Expense Reimbursement Policy, Procedure, Standard and Legislative Framework

As NQBP is a Government Owned Corporation, a port authority and is required to comply with its own policies and procedures, prescribed applicable legislation and State Government policies and procedures, this policy should be read in conjunction with:

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- a. Policy 4 - finance
- b. Finance Standards, Guidelines, and Procedures
- c. Policy 2 - Compliance
- d. Corporations Act 2001 (Cth)
- e. Government Owned Corporations Act 1993 (Qld)
- f. Financial Accountability Act 2009 (Qld)
- g. Code of Practice for Government Owned Corporations' Financial Arrangements
- h. Corporate Governance Guidelines for Government Owned Corporations February 2009.

Related Policies

In addition to the above, separate HR policies and procedures have been issued to provide detailed guidance with regard to specific classes of expenditure e.g. relocation expenses.

4. Procedure Review Date

This procedure should be reviewed by 31 January 2019.

5. Definitions

NQBP: means North Queensland Bulk Ports Corporation Limited ACN 136 880 128.

Contractors: means contractors or consultants engaged by NQBP under a personal services consultancy agreement or other similar arrangements.

NQBP Employee: means employees and Contractors of NQBP but does not include NQBP directors.

NQBP Personnel: means NQBP officers (for example NQBP directors) and NQBP Employees.

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