Departmental expenditure policy

Purpose

To outline the department's requirements for allowable expenditure, consistent with the Standing Directions 2018 under the *Financial Management Act 1994*.

Scope

These policy rules apply to all departmental expenses.

Policy statements

Allowable expenses

1. All expenses paid for or reimbursed by the department are to be for legitimate business purposes.
   Note: Private expenses cannot be paid for or reimbursed by the department.
   Refer to: Financial code of conduct policy

2. Certain types of expenses are subject to specific rules or additional requirements.
   See: Payment method by expense type - comments column

Payment methods

3. The department's payment methods are outlined in the Accounts payable policy.

4. The payment method selected is to align with the Payment method by expense type document which outlines the required payment method for common expenditure types.
   Note: In some cases, a particular payment method is mandated; in other cases, multiple options are available. It is intended for the Payment method by expense type document to be an initial 'go to' place when you are unsure which purchasing method to use.

Linkage to other policies / documents

5. All purchases are to be made in accordance with the:
   - Accounts payable policy
   - Corporate card policy
   - Financial code of conduct policy
   - Financial delegations policy
   - Payment method by expense type document
     Note: For some expense types, this document specifies additional rules / requirements, which must be followed. This includes payment types that do not have a unique policy (e.g. flowers and payments to work experience students).
   - Procurement policy
   - Purchase order policy

Charge codes

6. An appropriate charge code is to be assigned to all expenses.

Reward programs

7. Loyalty cards (e.g. Fly Buys / Woolworths Rewards) and frequent flyer programs are not to be used in conjunction with work related purchases.
   Note: It is acknowledged that payments made on personal credit cards may attract reward points. This is acceptable provided the selection of the payment method is based on practicality / business requirements and not on the motivation to earn reward points.

Expense reimbursement process

8. Expense reimbursement claims are to be processed through the Oracle Expenses module.
   Note:
   - To process expense reimbursements through Oracle Expenses:
     - Log in to Oracle
     - Click on 'Expenses'
     - Click on 'Actions', then 'Create expense report'
     - Click on the + icon to create an expense item
     - Complete the required fields
     - Electronically attach the relevant Tax invoice / receipt and any other supporting documentation
     - Click 'Save and close'
     - Enter the purpose for the Expense report
     - Tick the checkbox
     - Click 'Submit'.
   - The process can be used by any agency / contract staff with Oracle access.
   - This process is not to be used for payments:
     - to committee members
       See: Expenditure by committee members
     - that need to be reported on an employee's Payment Summary (e.g. claims for private use of vehicles)
       Refer to:
       - Travel: Vehicle use policy
       - Travel: Private vehicle claim form
   - If an individual does not have access to the Oracle Expense module, a Request for payment can be submitted through the DELWP service portal, with supporting documentation (e.g. tax invoices, receipts) attached.

9. For the purpose of this policy, staff / volunteers from other agencies are deemed "other workplace participants" and are therefore eligible to make claims for work related expenditure that is both:
   - approved by a financial delegate of this department (or an emergency event financial delegate who is empowered to exercise a financial delegation at an event managed by this department).
   - claimable expenditure of this department (in line with this and other relevant policies).
   Note: Standard rules apply, including substantiation requirements.

10. Emergency event claims are to be processed by the agency responsible for the event.
Note: A separate manual purchase order process exists. Corporate card can also be used for emergency events controlled by this department. Those undertaking emergency management roles are trained in requirements.

11. Claims are only to be reimbursed once. Expense reimbursement claims cannot be made where payments were made directly by the department.

12. There is no financial limit to business expenses which can be claimed through the expense reimbursement process, other than standard limits for the type of expenditure incurred (e.g. meals or bereavement flowers).

13. To the extent practical, expense reimbursement claims are to be lodged within one month of the expenditure being incurred.

14. Expense reimbursement claims are to be approved by a financial delegate in the same reporting line, who is more senior to the claimant. Financial delegates are to review supporting documentation before approving claims.
Refer to: Financial delegations policy

15. Tax invoices / receipts and advance approvals (where mandated by policy) are to be obtained and electronically attached to the Oracle Expenses claim.
Note:
- A Missing receipt form is to be completed where tax invoices / receipts were lost or could not be obtained.
- Personal credit card dockets alone are insufficient supporting documentation.

Manual payments

16. Subject to expense limits for specific categories of expenditure, there is no financial limit to business expenses which can be claimed through the manual payment process. Manual payments are suitable for such things, as:
- insurance settlements
- overseas payments where a corporate card cannot be used
- ex-gratia payments
- reimbursements to ex-employees or contractors who no longer have Oracle access
- payments to work experience students.

See: Payment method by expense type – for additional guidance on the above payment types
Manual payments are to be lodged by completing a Request for payment on the DELWP service portal.
Note:
- Manual payments are to be approved by a financial delegate, in the same reporting line, more senior to the requestor.
- Tax invoices / receipts and / or other supporting documentation is to be attached to the Request for payment to support manual payments. A Missing receipt form is to be completed where tax invoices / receipts were lost or could not be obtained. Personal credit card dockets alone are insufficient supporting documentation.

17. Financial delegates are to review supporting documentation before approving any Request for payment through the DELWP service portal.

Compliance reviews

18. All payments, regardless of method, are subject to regular review by the Financial Compliance team.

Additional guidance

Expenditure by committee members

Committee members and other non-departmental representatives are entitled to make expenditure claims directly associated with their engagement, in accordance with relevant departmental policy and their contract of engagement.

Unless otherwise specified in their contract of engagement, standard departmental limits / rules apply for travel, hospitality and sustenance expenditure.
Refer to:

- Travel policy
- Gifts, benefits and hospitality policy

Sitting fees and expenses of Committee members and other non-departmental representatives are to be reimbursed through the payroll system through the submission of a Committee member claim form. Sitting fees and private motor vehicle claims need to be paid through the payroll system to enable the payments to be reported on the claimant's payment summary. Submitting expense claims on the same form as sitting fees is deemed the most efficient method (i.e. a single form / process).

Key related policy, legislation and other documents

Policies

- Accounts payable policy
- Corporate card policy
- Financial code of conduct policy
- Financial delegations policy
- Gifts, benefits and hospitality policy
- Procurement policy
- Purchase order policy

Forms

- Missing receipt form

Other

- Payment method by expense type

Definitions

The key terms underlined and used throughout this policy are in the Policies and procedures online glossary.

Approval and review

Approved by	Executive Director, Finance, Infrastructure and Procurement Services
Policy owner	Finance, Infrastructure and Procurement Services
Contact	Finance Service Desk Email: finance.servicedesk@delwp.vic.gov.au
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