

As Federation University Australia is an income tax exempt not-for-profit entity, different rules regarding the provision of food and drink entertainment apply to the University, as compared to taxable for-profit entities, e.g. companies.

The question of whether the provision of food and drink is entertainment - and therefore subject to FBT or not subject to a GST Input Tax Credit claim - is one of fact.

This table is intended to assist in determining the appropriate taxation treatment and account code use for Food and Drink expenditure by the University based on the circumstances in which the food and drink is provided.

Circumstances in which Food & Drink is Provided	FBT Applies	NO FBT Applies	NO GST Claim NO FBT Applies
myFinance Account Code	5321	5320	5322
Goods & Services Tax (GST) Coding			
Applicability	Taxable	Taxable	Exempt
VAT Code	AU1	AU1	blank
Transaction Type	AO	AO	FREE
Food & Drink provided to Staff - On University premises			
Food and Drink provided on University premises at an event which is not a social function, party, farewell or reception and there is no alcohol served or provided. NB. Should not be elaborate meals		✓	
Food and Drink provided on University premises which is a social function, party, farewell or reception or is elaborate or expansive.	✓		
Morning or Afternoon Tea consumed on University premises which is not a social function, party, farewell or reception.		✓	
Basic Tea Room Supplies. (Milk, Tea, Coffee etc.)		✓	
Food & Drink provided to Staff - Off University premises			
Food and Drink provided off University premises as part of a business meeting, for staff who have not travelled from their home city of employment. NB. For FBT purposes official business travel requires the employee to travel away from their home city of employment for business purposes and to stay Overnight for at least 1 night.	✓		
Food and Drink provided off University premises as part of a business meeting, for staff who have travelled from their home city of employment, where the cost of the meal is not greater than \$25.00 . NB. For FBT purposes official business travel requires the employee to travel away from their home city of employment for business purposes and to stay Overnight for at least 1 night.		✓	
Food and Drink provided off University premises as part of a business meeting, for staff who have travelled from their home city of employment, where the cost of the meal is greater than \$25.00 . NB. For FBT purposes official business travel requires the employee to travel away from their home city of employment for business purposes and to stay Overnight for at least 1 night.	✓		

Circumstances in which Food & Drink is Provided	FBT Applies	NO FBT Applies	NO GST Claim NO FBT Applies
myFinance Account Code	5321	5320	5322
Goods & Services Tax (GST) Coding			
Applicability	Taxable	Taxable	Exempt
VAT Code	AU1	AU1	blank
Transaction Type	AO	AO	FREE
Food & Drink provided to Staff - Off University premises cont.			
Food and Drink provided off University premises while a staff member is travelling* on official University business. NB. * For FBT purposes official business travel requires the employee to travel away from their home city of employment for business purposes and to stay overnight for at least 1 night for food and drink costs to be exempt from FBT.		✓	
Food and Drink provided off University premises to a non-travelling* employee with a travelling employee. NB. This is to be processed separately from the travelling employee NB. * For FBT purposes official business travel requires the employee to travel away from their home city of employment for business purposes and to stay overnight for at least 1 night for food and drink costs to be exempt from FBT.	✓		
Incidental Food and Drink provided while attending an eligible seminar NB. An eligible seminar is a training event, planning event, workshop, conference or seminar which undertakes business which is not general, ordinary or promotional in nature or is advertising the University's goods or services. It must be in excess of four hours in duration, not including meal, rest or recreation breaks and have an Agenda, (a copy of the Agenda must be attached to the invoice or claim). The food and drink provided must not be an integral part of the event and cannot be more elaborate than "finger-food".		✓	
Food and Drink provided to staff at an off-site location in respect of promotional activities which are open to the public. (Open to the public does not include mailing list or selected invitations)		✓	
Food and Drink provided to staff at an off-site location in respect of promotional activities which are not open to the public, e.g. by invitation only or subject to certain selection criteria.	✓		
Alcohol			
Alcohol purchased for staff consumption. (not as part of a meal whilst travelling* on official University business or as an incidental part of an eligible seminar)	✓		
Alcohol purchased for staff consumption as part of a meal whilst the staff member is travelling* on official University business. NB. The amount of alcohol must only be a minor amount e.g. 1-2 glasses and MUST NOT include packaged alcohol to be taken away from the meal or purchased to be consumed with a meal. NB. * For FBT purposes official business travel requires the employee to travel away from their home city of employment for business purposes and to stay overnight for at least 1 night for food and drink costs to be exempt from FBT		✓	
Alcohol purchased as a gift to someone who is not a staff member in appreciation of services provided, e.g. guest speaker, accom. or a cultural gift.			✓

Circumstances in which Food & Drink is Provided	FBT Applies	NO FBT Applies	NO GST Claim NO FBT Applies
myFinance Account Code	5321	5320	5322
Goods & Services Tax (GST) Coding			
Applicability	Taxable	Taxable	Taxable
VAT Code	AU1	AU1	AU2
Transaction Type	AO	AO	AO
Alcohol cont.			
Alcohol provided in small or incidental quantities for staff consumption at an eligible seminar. NB. An eligible seminar is a training event, planning event, workshop, conference or seminar which undertakes business which is not general, ordinary or promotional in nature or is advertising the University's goods or services. It must be in excess of four hours in duration, not including meal, rest or recreation breaks and have an Agenda, (a copy of the Agenda must be attached to the invoice or claim). The food and drink provided must not be an integral part of the event and cannot be more elaborate than "finger food".		✓	
Alcohol provided for staff consumption on University premises for any type of function, which is not an eligible seminar. NB. An eligible seminar is a training event, planning event, workshop, conference or seminar which undertakes business which is not general, ordinary or promotional in nature or is advertising the University's goods or services. It must be in excess of four hours in duration, not including meal, rest or recreation breaks and have an Agenda, (a copy of the Agenda must be attached to the invoice or claim). The food and drink provided must not be an integral part of the event and cannot be more elaborate than "finger food".	✓		
Alcohol provided for Volunteers and un-paid staff on University premises for any type of function.			✓
Food & Drink provided to Non-staff			
Students - Food and Drink provided to students where the Student does not make any payment for the food and drink and the event is not open to the public at large.			✓
Students - Food and Drink provided to students where the Student does not make any payment for the food and drink and the event is open to the public at large.		✓	
Clients & Suppliers - Food and Drink provided to a client or supplier where the client or supplier does not pay for the food and drink and the event is not open to the public at large.			✓
Clients & Suppliers - Food and Drink provided to a client or supplier where the client or supplier does not pay for the food and drink and the event is open to the public at large.		✓	
Associates of Staff, - Food and Drink provided to associates of a staff member.	✓		

Typically associates are family and partners of staff, however the definition is very broad and staff should make themselves familiar with the extended definition in the PAMS glossary.			
Circumstances in which Food & Drink is Provided	FBT Applies	NO FBT Applies	NO GST Claim NO FBT Applies
myFinance Account Code	5321	5320	5322
Goods & Services Tax (GST) Coding			
Applicability	Taxable	Taxable	Taxable
VAT Code	AU1	AU1	AU2
Transaction Type	AO	AO	AO
Food & Drink provided to Non-staff cont.			
University Council Members NB. University Council members should be processed as University staff.	as for	Staff	Members
University Volunteers and Un-paid Workers - Food and Drink provided to Volunteers and Un-paid workers where the occasion is not a social function, party, farewell or reception AND the Food is only "finger-food" AND no alcohol is provided.		✓	
University Volunteers and Un-paid Workers - Food and Drink provided to Volunteers and Un-paid workers which is a social function, party, farewell or reception.			✓
University Volunteers and Un-paid Workers - Food and Drink provided to Volunteers and Un-paid workers where the Food and Drink is more elaborate than "finger-food".			✓
Food & Drink - Other (Not covered by any of the previous circumstances)			
Food and Drink used as course materials and ingredients.		5435	
Food and Drink purchased with a meal as part of official travel* - in Australia NB. Alcohol purchases can be included, but must only be for minor amounts e.g. 1-2 glasses consumed with a meal and MUST NOT include packaged alcohol to be taken away from the meal or pre-purchased to be consumed with a meal		5327	
Food and Drink purchased with a meal as part of official travel* - Overseas NB. Alcohol purchases can be included, but must only be for minor amounts e.g. 1-2 glasses consumed with a meal and MUST NOT include packaged alcohol to be taken away from the meal or pre-purchased to be consumed with a meal		5328	
Liquor purchased for re-sale. (Cafeterias & Restaurants only)		5240	
Food purchased for re-sale. (Cafeterias, Restaurants and Productions Kiosk's only)		5240	
No other Account codes should be used for the provision of Food and Drink.			