



PORT OF TAURANGA LIMITED

DISCRETIONARY EXPENDITURE – STANDARD OPERATING PROCEDURE POLICY

1 Purpose

The purpose of this policy is to ensure, that all Directors/employees who spend on behalf of Port of Tauranga (POTL) are aware of POTL's expectations on discretionary or sensitive expenditure.

Discretionary or sensitive expenditure is expenditure by an employee of POTL that has the potential or perceived potential, of providing a private benefit to the employee, which is additional to the business benefit to POTL.

Any personal expenditure will not be reimbursed. Personal expenditure is classified as expenditure in which POTL gains no benefit from.

2 Internal Controls

Internal controls are in place to enable POTL to monitor and manage the items of discretionary expenditure identified. Related controls are:

- (a) Independent and senior approval of all expenditure in accordance with POTL's Schedule of Delegation of Authority to Enter into Contracts (DOA).
- (b) POTL's Code of Ethics.
- (c) Periodic internal audit.

3 Discretionary Expenditure

Discretionary expenditure includes the following items:

- hospitality and entertainment;
- staff functions and gifts;
- mobile phones; and
- conferences and training courses.

With specific regards to discretionary or sensitive expenditure, all individuals must adhere to the following procedural requirements:

- (a) Employees must check that all expenditure undertaken has been authorised by an appropriate Manager/Supervisor.
- (b) Managers/Supervisors must check that any expenditure authorised under their authority, or made by those employees under their responsibility, is clearly work-related.
- (c) Expenditure is to be made based on a pre-approved budget with a pre-agreed purpose.
- (d) Individual employees or Managers/Supervisors are not to approve payments for their own discretionary expenditure.
- (e) For delegated financial limits, refer to POTL's Schedule of DOA.

4 Receipts

For expenditure less than \$50, no tax invoice is required, however a receipt is required. A tax invoice should be provided to support purchases made by cash or credit card above this amount.

Where that receipt has been misplaced, and it is either not possible or impractical to obtain a duplicate receipt, a detailed note of expenditure should be made and signed-off by the purchaser's Manager/Supervisor.

A credit card receipt does not classify as a tax invoice.

5 Hospitality and Entertainment

For the purpose of this policy "hospitality and entertainment" means the provision of food and drink.

There must always be a direct and demonstrable link between the provision of hospitality and POTL.

Any expenditure claims (other than credit cards) will need to be filled out on an Expense Claim Form (template available in M-Files Port Share Vault), authorised by the employee's Manager/Supervisor and have attached appropriate receipts.

Once authorised, the claim should be given to the Payroll Officer to lodge with the next pay run.

6 Employee Functions and Gifts to Employees

All employee functions and gifts must be approved by Senior Management prior to organising or purchasing.

All expenditure for employee functions and gifts to employees should be authorised by the Chief Executive.

7 Mobile Phones

Use of Company cell phones for private calls and data is permitted but should be kept to a minimum.

8 Conferences, Training Courses

All conference and training courses must be pre-approved by the employee's Manager/Supervisor. Any expenditure that is to be reimbursed by POTL must be on the POTL Expense Claim Form (template available in M-Files Port Share Vault).

9 Credit Card Reimbursement

All credit card reimbursements and claims should include an explanation of expenditure and tax invoice for expenditure above \$50. A receipt for expenditure less than \$50 is acceptable.

If no receipt is available, a detailed explanation of expenditure must be made.

Credit card receipts do not classify as a tax invoice.

All expenditure should be authorised by the employee's Manager/Supervisor.

10 Review

The Board has approved this policy and will regularly review the policy.