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## **Background**

These Procedures set out the specific steps and controls for Board members, employees, and contractors to implement the *Sensitive Expenditure Policy* (**Policy**). They ensure all **sensitive expenditure** is justified, approved, documented, and reported in line with the Office of the Auditor General (**OAG**) best practice.

For detailed process steps (e.g., booking travel and accommodation, submitting expenses, recording gifts or hospitality), refer to the relevant guides and system instructions on SuperCharged.

## **Definitions**

These Procedures should be read with the Policy. All defined terms shown in **bold** have the same meaning as defined in the Policy. These Procedures rely on those definitions and do not create additional or alternative meanings. References to other documents are *italicised*.

## **Responsibilities**

There are certain responsibilities inherent under the *Policy* and these Procedures. Those responsibilities, and the person responsible for them, are outlined in **Schedule 7**.

## Schedule 1: Credit Cards

Credit cards are a payment mechanism commonly used for **sensitive expenditure**. This schedule sets out the controls governing the issue and use of credit cards.

### **Issuance**

- Requests for a new credit card or a temporary limit increase must be pre-approved in accordance with the **one-up principle**.
- The **approver** will submit a request to the Head of Finance & Operations, stating the business purpose. In the case of Board members, the Executive Assistant to the Board will submit this request on behalf of the Board member.
- Credit cards are issued by Head of Finance & Operations with a standard limit of NZ\$10,000.
- Cardholders must acknowledge receipt and understanding of the *Sensitive Expenditure Policy*.

### **Use**

- Credit card transactions must be for business expenditure.
- Credit card expenditure is approved retrospectively in accordance with the **one-up principle**.
- Any inadvertent personal use must be reported to the Head of Finance & Operations and reimbursed by the cardholder to the Guardians.
- Where credit cards are used to purchase gifts, the cardholder must notify the Head of Tax for fringe benefit tax purposes.
- Approved cash advances must be appropriately documented and reconciled.
- Internet purchases must only be made on secure and reputable sites.
- All transactions must be uploaded to Flexipurchase with itemised receipts and coded in a timely manner.
- Lost or stolen cards must be reported to the Finance Team and the issuing bank immediately.
- Credit cards must be returned, cancelled and destroyed when employment, contracts or the term of office of a Board member ends.

## **Schedule 2: Travel and Accommodation**

### **Booking:**

- All travel must be booked using the Guardians' travel platform (Orbit Online) or through completion of a Travel Request Form.
- Domestic and Trans-Tasman travel and accommodation may be booked directly by the traveller and approved online using the Guardians' self-service travel platform Orbit Online. Domestic same-day travel is expected if feasible.
- International travel and accommodation require completion of an online Travel Request Form detailing costs, purpose and schedule and will be booked by the Travel Manager.

### **Air Travel**

- Air travel must be cost effective, reasonable and appropriate for the business purpose, taking into account the personal health and safety of the traveller.
- Economy class for flights < 5 hours (unless part of same day travel of > 5 hours in total). Business class can be used for air travel that is > 5 hours.
- Loyalty schemes must not influence provider choice.
- Travellers must ensure they have a valid passport, correct documentation and any necessary vaccinations prior to travelling.
- Fees associated with obtaining visas or vaccinations for business-related travel can be paid with a credit card or will otherwise be reimbursed by the Guardians. Any costs associated with passport renewal is the traveller's responsibility.
- Alcohol is not reimbursed for travel except at approved hospitality events that are attended as part of the travel engagement and will be reimbursed in accordance with Schedule 3.

### **Accommodation**

- Accommodation may include breakfast at the discretion of the traveller for practicality reasons. Otherwise accommodation should be booked "room only".
- Personal hotel incidentals—such as mini-bar purchases, in-room movies, or non-essential room service—are the responsibility of the traveller and will not be reimbursed.
- Reasonable incidentals that support business travel may be reimbursed where appropriate. Examples include dry cleaning of business attire during extended trips, bottled water or similar modest expenses incurred for business purposes.

### **Meals and incidentals**

- For each travel engagement, travellers must elect either to claim per diem allowances or to claim actual reasonable expenses, supported by receipts. A combination of methods must not be used for one travel engagement.
- Per diem rates apply per below. Per diem rates must not be claimed if the meal is provided by another party or otherwise paid for by the Guardians.

	<b>Breakfast NZD</b>	<b>Lunch NZD</b>	<b>Dinner NZD</b>
Domestic	\$40.00	\$40.00	\$70.00
International	\$45.00	\$55.00	\$110.00

- Per diem rates are derived using Business Travel News (**BTN**) Corporate Travel data and will be reviewed annually.

### ***Transport***

- Transport expenditure should be reasonable, cost-effective and practical taking into account health and safety requirements of the individuals and location of travel.
- In the event that private vehicles are used, the private vehicle is required to have the appropriate insurance in place.
- Use of reputable taxis services or ride share (e.g. app based providers such as Uber) is permitted.
- For rental cars, taking into account health and safety requirements, select the most economical cars in type and size and take up all motor insurance or waivers.
- Fines, parking or traffic infringements incurred while using a private vehicle or rental car for Guardians' business are the responsibility of the driver.

### **Private Travel**

- Private travel may be combined with business travel only if there is no additional cost to the Guardians or the extra costs are reimbursed to the Guardians.

### **Tipping**

- Tipping is not required or reimbursed in New Zealand. Tipping may be permitted internationally and reimbursed if it is included as part of business expenditure, customary to the country, specified on an invoice or receipt and documented appropriately.
- Discretionary tipping will not be reimbursed.

### **Other**

- If another organisation offers to pay for travel, meals or accommodation for a Board member or employee (for example, when speaking at a conference), approval must be obtained in accordance with the policy and the cost paid by the other party must be recorded in the Gifts and Hospitality Register in accordance with Schedule 4.

## Schedule 3: Entertainment, Hospitality and Gifts

### ***Providing entertainment, hospitality and gifts:***

- Entertainment, hospitality and gifts may be paid for directly to the third party, using a Guardians credit card or reimbursed through an expense claim.
- In all cases expenditure on entertainment, hospitality and gifts must be cost-effective and held at an appropriate venue supported by appropriate documentation, including the names of people in attendance, gift recipient and the reason for incurring the expenditure.
- Moderate alcohol at official functions or stakeholder events may be reimbursed. Alcohol at routine team events will not be reimbursed (for example, team motivation events).

### ***Receiving entertainment, hospitality and gifts: Gifts and Hospitality Register***

- You must record any gifts, entertainment or hospitality received and accepted in the *Gifts and Hospitality Register* as soon as practicable including:
  - Gifts of any value, other than inexpensive items such as pens, calendars and other items that are openly distributed by suppliers and other third parties; and
  - Entertainment or hospitality with a value greater than \$50 per person, paid for by a third party.
- Pre-approval from your member of the Leadership Team or the CEO is required for entertainment and hospitality with a value greater than \$200 per person or where hospitality has an entertainment component such as a sports game, concert or social activity.
- The CEO must record all offered gifts, entertainment or hospitality in the *Gifts and Hospitality Register*, both accepted and declined.
- All accepted gifts become the property of the Guardians:
  - Perishable gifts (e.g. food items or flowers) that are accepted may be shared amongst the recipient's Team, if practical.
  - Incidental work-related items, such as stationery and similar promotional items, may be accepted and used for the benefit of the recipient and their Team.
  - All other gifts (e.g. seasonal hampers, gifts offered as expressions of appreciation or thanks), must be sent to the Executive Assistant to the CEO for inclusion in the annual charity raffle.
- Where there is uncertainty about the appropriateness with regard to the acceptance of a gift, entertainment or hospitality, the individual should seek advice from their Manager or the Finance Team prior to acceptance.
- For guidance when receiving gifts, hospitality, or entertainment, refer to **Schedule 8** (Accepting Gifts – Decision Tree) and **Schedule 9** (Accepting Entertainment and Hospitality – Decision Tree). The following scenarios are likely to occur in the Guardians context and demonstrate our risk appetite for gifts and hospitality acceptance:

The following scenarios are likely to occur in the Guardians context:

- **Counterparty/Service Provider/Investment Managers Hosted Conferences and Roadshows**

Guardians pay for staff registration, travel, and accommodation when attending these events. Complimentary attendance may only be accepted if there is a clear business purpose and no perception of influence. Sponsored travel or accommodation from counterparties is not accepted.

- **Working Lunches and Modest Hospitality with Counterparties/Service Providers/Investment Manager**  
Acceptable where there is a genuine business purpose and the hospitality is modest. Alcohol, if provided, must be limited and never the focus of the engagement.
- **Research Access, Briefings, and Corporate Access Meetings**  
Access provided as part of contractual services or at no cost is acceptable if it does not create an obligation or perception of preferential treatment. Do not accept access that is contingent (explicitly or implicitly) on trading, mandates, or allocation decisions.
- **Deal/Transaction-Related Periods (e.g., Offerings, Allocations, Mandates)**  
Avoid hospitality immediately before or after allocation or mandate decisions. Apply heightened conflict management and record keeping. Any essential engagement must be business-focused, short in duration, and documented with purpose and attendees.

#### **Schedule 4: Donations and koha**

- A donation or koha is a payment (in money or by way of goods or services) made voluntarily and without the expectation of receiving goods or services in return. Koha may only be given in culturally appropriate circumstances, such as marae visits, tangihanga, or events where employees, contractors or Board members of the Guardians are representing the organisation.
- Donations and koha should be pre-approved by the CEO and be clearly documented with the date, amount, description and purpose for the donation or koha. The CEO may seek advice before approval is given.
- This information must be retained and reported to the Leadership Team on a quarterly basis and the Board on a six-monthly basis. Where a donation of over \$3,000 has been made, this must be reported to the Board at the subsequent Board meeting.

## **Schedule 5: Other Employee Benefits and Asset Disposal**

### ***Loyalty Schemes***

- Employees must not personally benefit from any loyalty scheme and rewards are treated as Guardians' property, where practicable.
- Travel loyalty rewards may accrue to travellers during approved business travel. Where it is not practicable to use these travel loyalty rewards for future business travel, travellers may retain them for personal use.

### ***Disposal of Assets***

- Assets must only be sold via a transparent and fair process, and the assets must be valued prior to disposal or sale. The value of assets is referenced against the open market by looking at generally comparable assets available on TradeMe.
- When disposing of assets to employees, contractors or Board members, the Guardians must recognise the value of the asset and any potential for actual or perceived undue benefit for the purchaser;
- A tender or similar process should be used for the sale of assets worth more than NZ\$10,000 or any assets that are sold to the CEO or any Board member to ensure that the sale maximises the return to the Guardians and the amount the asset is sold for is able to be justified i.e. market value.
- The approval for the sale or disposal of assets is subject to financial thresholds as set out in the *Delegations Policy* and must record the recipient, value, date, business purpose and **approver**.

### ***Private use of the Guardians' assets***

- The private use of the Guardians assets must be reasonable at all times and primarily for justified business purposes.

#### ***Mobile costs***

- Where an employee has incurred significant mobile costs (including data) which are largely personal in nature then they should advise the Finance Team and reimburse the Guardians accordingly. In support of this principle the Finance Team may query mobile costs on an exception basis.

## Schedule 6: Examples of Allowable and Not Allowable Sensitive Expenditure

Examples of allowable and not allowable **sensitive expenditure** are set out in the table below. These examples are not exhaustive, and employees, contractors and Board members should exercise sound judgment at all times to ensure expenditure aligns with the principles and intent of the *Sensitive Expenditure Policy* and these Procedures.

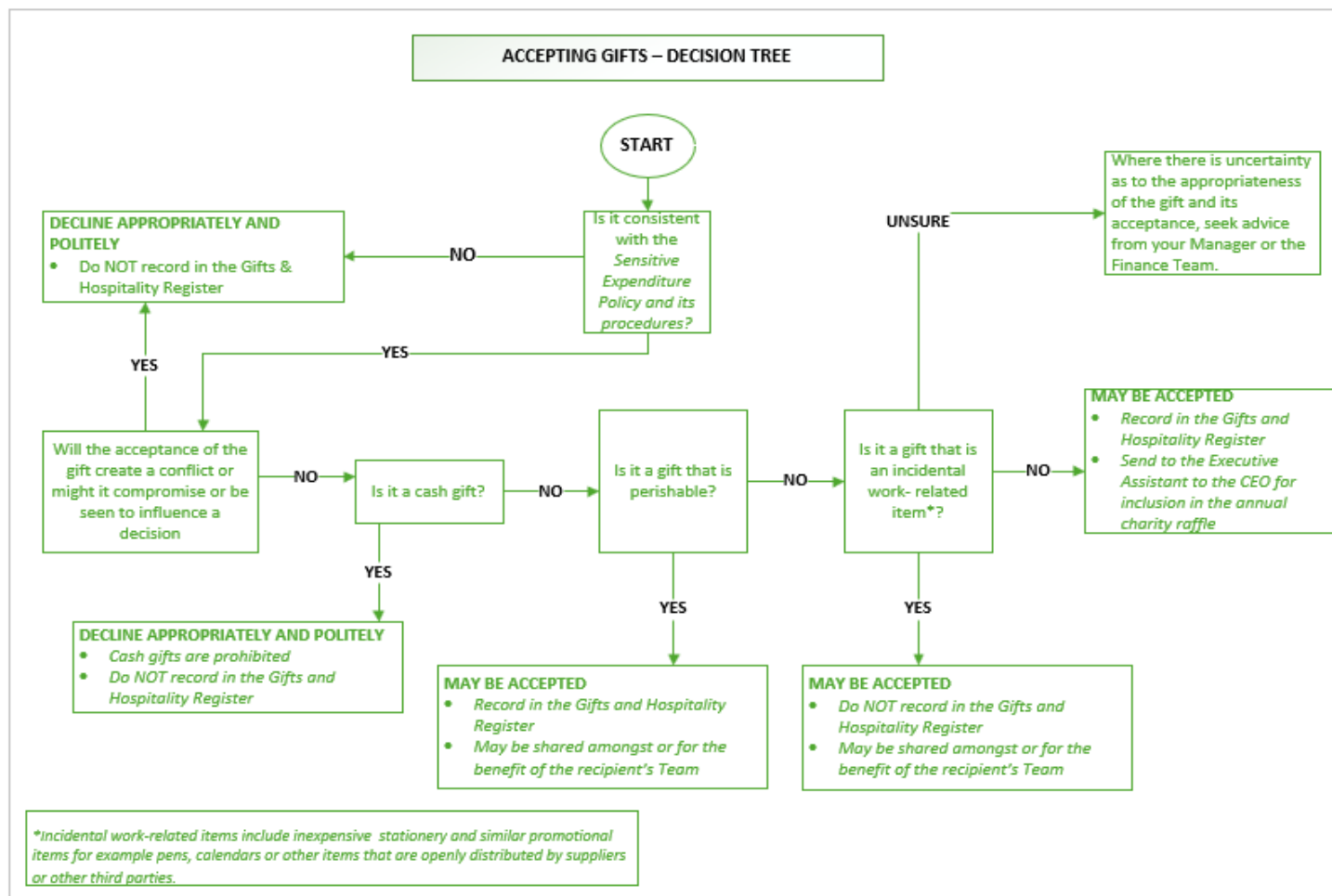
Category	Allowable Expenditure	Not Allowable Expenditure
<b>Credit Cards</b>	Business-related travel, accommodation, meals (within policy) Approved registration fees for conferences Approved business hospitality	Personal purchases (e.g., groceries, clothing) Cash advances for personal use Alcohol purchases outside approved hospitality Use for family/friends' expenses
<b>Travel &amp; Accommodation</b>	Economy class airfares for flights under 5 hours Business class for flights over 5 hours Standard hotel accommodation Per diem or actual reasonable meal costs Taxi or rideshare for business meetings	Paid upgrades to premium/luxury travel without approval Mini-bar, movies, or personal entertainment Alcohol on travel meal claims Accommodation for family/friends Claiming per diem and actuals for same meal/event
<b>Entertainment &amp; Hospitality</b>	Modest meals with external stakeholders for business purposes Hosting official events to build relationships Modest alcohol provision at official functions Recognising significant business achievements	Lavish or extravagant venues Regular team lunches or coffees (routine staff-only events) Alcohol for individual team events Entertainment with no clear business purpose
<b>Gifts</b>	Modest gifts to external parties as protocol or thanks Gifts to staff for significant business achievements	Cash gifts Gifts that may influence or appear to influence decisions
<b>Donations &amp; Koha</b>	Donations to registered charities aligned with Guardians' purpose.	Political donations Donations to individuals

Category	Allowable Expenditure	Not Allowable Expenditure
	Koha to recognised organisations for official events. Koha for marae visits, tangihanga, or cultural events	Donations not aligned with business purpose Anonymous or unrecorded donations Koha without cultural context Any donations made outside of normal commercial means
<b>Employee Benefits / Loyalty Schemes</b>	Use of loyalty points for business benefit (e.g., upgrades for business travel, if points accrue to Guardians) Sale of surplus assets to staff via transparent process	Preferential sale of assets to staff without fair process Retaining supplier rewards for personal use (non-travel related)
<b>Private Use of Assets</b>	Incidental personal use of work phone/laptop	Installing technology primarily for personal use Private use involving significant cost without reimbursement

## Schedule 7: Responsibilities

<b>Chief Operating Officer will:</b>	<ul style="list-style-type: none"> <li>• ensure the <i>Sensitive Expenditure Policy</i> and its <i>Procedures</i> are kept current and relevant to the activities being undertaken (including all and any schedules).</li> <li>• ensure the <i>Sensitive Expenditure Policy</i> and its <i>Procedures</i> are reviewed at least every five years by the Board.</li> <li>• report travel expenditure quarterly to the Leadership Team and the Board.</li> <li>• report disposal of assets to staff where the original cost of the asset was greater than NZD \$10,000 to the subsequent Board meeting.</li> <li>• report disposal of assets to the CEO or a Board member to the subsequent Board meeting.</li> <li>• report donations quarterly to the Leadership Team and six-monthly to the Board (unless over NZD\$3,000, in which case reported to the subsequent Board meeting under the no surprises protocol).</li> </ul>
<b>Head of Finance &amp; Operations will:</b>	<ul style="list-style-type: none"> <li>• approve the issue of all credit cards and any temporary increases in credit card limits.</li> <li>• cancel credit cards if the cardholder leaves the Guardians.</li> <li>• oversee reconciliation and documentation.</li> </ul>
<b>Head of Risk will:</b>	<ul style="list-style-type: none"> <li>• report all policy breaches, raised through the Learning Opportunities Process, to the CEO and Board Chair.</li> <li>• ensure that, if the Board Chair determines that a policy breach is material, it is reported immediately to the Risk Committee and the Board, and all other policy breaches are reported to the subsequent Risk Committee and Audit and Risk Committee meetings.</li> </ul>
<b>All company credit cardholders will:</b>	<ul style="list-style-type: none"> <li>• use the card in a proper and authorised way.</li> <li>• immediately report to the issuing bank and the Finance Team that a credit card has been lost, stolen or damaged.</li> <li>• advise the Head of Tax of any gift expenditure (for Fringe Benefit Tax purposes).</li> <li>• submit credit card expenses for authorisation in a timely basis, along with supporting documentation (receipts) and an explanation of the purpose for the expense.</li> </ul>
<b>All employees/contractors and Board members will:</b>	<ul style="list-style-type: none"> <li>• comply with the <i>Sensitive Expenditure Policy</i> and the <i>Sensitive Expenditure Procedures</i>.</li> <li>• seek the required approvals for <b>sensitive expenditure</b>.</li> <li>• retain documentation required.</li> <li>• record gifts/hospitality, as required.</li> </ul>

## Schedule 8: Accepting Gifts – Decision Tree



## Schedule 9: Accepting Entertainment and Hospitality – Decision Tree

