

**Commission Standing Orders ( Part I ) Chapter 25****Commission Standing Orders ( Part I )**

Chapter 25

Title : Finance

Internal Reference : 25-04

Section : 04

Heading : Entertainment Expenses and  
Offering / Exchange of  
Souvenirs

Version Date : 4/10/2013

**Entertainment Expenses**

1. As a general principle, officers are reminded to exercise prudence when incurring official entertainment expenses and should adhere to strict economy in expenses to avoid giving any notion of unjustified expenses.

2. An officer may be reimbursed expenses incurred for provision of official entertainment which has been approved by C (for Commission-wide, Administration Branch and Corruption Prevention Department functions), H/Ops (for Operations Department functions) and DCR (for Community Relations Department functions). To allow sufficient internal control, all official entertainments hosted by Head of Department (HoD) (i.e. H/Ops, DCR and DCP) should be approved by C. For proper checks and balances, H/Ops will endorse official entertainments hosted by C; whereas AD/A will check compliance of those attended by both C and HoDs. Officers should seek approval **in advance** before the expenses are incurred and give justifications for the entertainment and choice of venue. The subject officer should complete a standard form (Form ICAC 569) specifying that the entertainment expenses are for official purpose and that the entertainment is essential and the prices paid are fair and reasonable. Officers hosting the entertainment should also observe the relevant guidelines on the rate of entertainment expenses as may be issued by the Administration from time to time.

3. Expenditure may be charged to the entertainment vote when it is –

(a) directly related to the discharge of an officer's duties or a necessary part of making or maintaining contacts in his official capacity; and

(b) in the public interest.

4. The expenditure per head, inclusive of food, beverages (both alcoholic and non-alcoholic) and tips, is currently subject to the following ceiling –

- (a) Operational liaison lunch : \$150
- (b) Lunch : \$350
- (c) Dinner : \$450

If the overall expenditure per head exceeds the ceiling rate, justifications have to be provided and C's approval must be sought.

5. All entertainment functions, irrespective of the vote chargeable and those arising from the publicity projects, are subject to the same approval authorities and ceiling rates as set out in paragraphs 2 and 4 above. When under the circumstances that entertainment expenditure is included in a package charge covering costs for meal, venue and tea session, etc that cannot be quoted as a separate item, the total expenditure should also be taken as entertainment expenditure in the same occasion. In case there are other expenditure items (e.g. wine, dessert, snacks, etc.) serving before, during or after the same function, such cost should also be included as part of the total entertainment expenditure and C's approval should be sought with justifications if the overall expenditure per head exceeds the ceiling rate. Splitting of bills or charging them to different votes is strictly prohibited.

6. Except for the following two occasions, official entertainment must be for non-government personnel -

- (a) entertaining representatives of staff associations; or
- (b) expressing appreciation to staff for exceptional achievements, significantly beyond the normal call of duty.

7. Expenditure arising from the presence of other Government officers and their spouses may be reimbursed when -

- (a) it is in the public interest that the principal guests (who are not civil servants) should meet such officers; or
- (b) it is necessary for such officers to assist in entertaining the principal guests.

8. Only guests directly related to the context of the official business should be considered for invitation for entertainment. Moreover, the number of Commission officers attending the event should be kept to the minimum and confined to those who are directly related to the context of the official business concerned. Except under very special circumstances and with full justifications given, the number of Commission officers should not exceed the number of guests.

9. When official entertainment is combined with private entertainment, only that proportion of the expenditure that is attributable to the presence of the host and hostess and of their official guests may be charged to public funds.

10. Expenditure on official entertainment should be fully supported by receipts wherever possible. Claims for expenditure on home entertainment when receipts are not produced must be supported by full details and certified as reasonable by C personally.

11. Vouchers must include sufficient supporting information to enable the Audit Commission to ascertain whether the provisions of the relevant regulations are complied with. The list of guests for a particular function must be retained for at least 12 months and produced for the Audit Commission's examination if required.

12. Tipping should strictly follow the guidelines issued by the Secretary for Financial Services and the Treasury -

<u>Entertainment Expenses</u>	<u>Amount of Tips</u>
Up to \$2,000	5% of the bill amount
From \$2,000 to \$4,000	\$100 maximum
Over \$4,000	\$200 maximum

### **Serving of Alcoholic Beverages**

13. The use of hard liquor in official functions is banned while the purchase of wine for official purpose will be suspended if there is wine stock in the Commission. When table wine is required for official use, officers should draw from the existing wine stock kept under the custody of Supplies Officer/Administration Branch. Officer must include in his / her application for entertainment expenditure the number of bottles and the type of table wine he / she requests if the use of wine is deemed necessary. Bottles of wine drawn but remained unused after each official entertainment should be returned to Supplies Officer/Administration Branch for storage and record. On exhaustion of the office stock, officers may procure wine separately but the cost of wine consumed in official functions should be properly accounted for and included in the estimate / cost of the entertainment.

## **Gifts for Social Functions**

14. It is customary for officers to present gifts when invited to social functions (such as wedding or birthday parties) hosted by local leaders who have frequent official contact with the Commission. Subject to the following financial limits on the value of such gifts, the expenditure involved is chargeable to Component 149 General Departmental Expenses Item 566 Official Entertainment (Local) -

<u>Gift</u>	<u>Maximum Value</u>
	(\$)
(a) one gift to be purchased when only one officer is invited	400
(b) one joint gift to be purchased when two officers are invited	600
(c) one joint gift to be purchased when more than two officers are invited	800

15. Officers are advised that as far as possible, gifts rather than cash should be offered. There is no particular restriction on the type of gifts and the general guideline is that a gift suitable to the occasion should be presented. Common sense and social norm should prevail. The greeting card accompanying the gift should contain all the names of the officers invited to the function.

## **Offering and Exchange of Gifts / Souvenirs**

16. Offering of gifts / souvenirs to ICAC contacts are chargeable to Component 149 General Departmental Expenses Item 402 Office Stationery and Materials. As a general principle, officers should not offer gifts / souvenirs to official guests and should avoid as far as possible exchanging gifts / souvenirs with official guests. As appropriate, the organization concerned should be notified in advance of the arrangement and the Commission's economy drive. Where the exchange of gifts / souvenirs is unavoidable, officers should only present one standard souvenir inscribed with the ICAC logo (e.g. ICAC Building model, ICAC Annual Report or ICAC plaque, etc.) to the organisation concerned. No gift / souvenirs should be given on a personal basis. If it is deemed appropriate to present non-standard gifts / souvenirs to an organisation, the approval of HoD should be sought and Admin Branch should be duly alerted. For proper record of accounting purpose, the nature of gift / souvenir, quantity, value and officials / organisations presented with the gift / souvenir should be provided to the Finance Office, as far as possible, for effecting payment.

17. To enhance checks and balances, the Admin Branch will report to the Advisory Committee on Corruption on a regular basis any departure from the normal practice in respect of entertainment functions and presenting gifts / souvenirs to external parties