

ADELAIDE UNIVERSITY
Finance Branch

Section:	Taxation	Procedure No:	GST-05
Title:	Reimbursement of Staff Expenses and GST	Related Form/s:	
Effective Date:	01.07.2000	Approved By:	David Carver
		Title:	Financial Controller
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Under the GST Legislation, Adelaide University will be entitled to input tax credits on amounts reimbursed to employees of the University for their expenses.

Adelaide University will be entitled to claim input tax credits even though documents, such as receipts or Tax Invoices do not bear the name of the University.

Adelaide University can claim an input tax credit for reimbursed employee expenses if:

- ◆ the employee incurred the expense in activities directly related to their employment;
- ◆ GST was payable when the employee incurred the expense;
- ◆ the employee is not entitled to an input tax credit for the expense the University is reimbursing; and
- ◆ the expense is not listed as a non-deductible expense.

Adelaide University makes a reimbursement when the University compensates an employee an exact amount for a specific purchase or for a portion of a purchase. The University can also reimburse an employee for an expense they have incurred but not yet paid for. For example, the University may reimburse an employee for a credit card purchase before they have paid their credit card statement.

When Adelaide University provides an advance to an employee for expenses, should any money be unspent, then this money will be required to be repaid to the University. In such cases, the University is still considered to be reimbursing an employee for the net expenditure, ie, gross advance less amount repaid.

However, when Adelaide University provides money and does not seek the repayment of any amount not used (eg, per diem for travel), then the total amount is deemed under the GST legislation to be an allowance and not a reimbursement. As such, any GST component of expenditure is "lost" to the University, ie, the ability to claim an input tax credit is foregone.

Finally, expenditure reimbursement will definitely require staff to provide Tax Invoices for all amounts where the exclusive value is greater than or equal to \$50. If a staff member collects a receipt where one cannot identify the GST amount, the total value of the receipt must be allocated as an expense, and none allocated to the GST paid account, ie, again the GST paid is lost to the University. Please note; credit card statements do not suffice this requirement, normal rules apply.

Any question or queries should be directed to the Manager, Taxation.