

SPECIAL PAYMENTS POLICY

CONTENTS

| | | |
|---|---|---|
| 1 | PURPOSE..... | 1 |
| 2 | SCOPE..... | 1 |
| 3 | POLICY STATEMENT | 1 |
| | Types of special payments | 1 |
| | Receiving and assessing requests | 2 |
| | Documentation | 2 |
| | Special payments register..... | 2 |
| | Recording of special payments | 3 |
| | Disclosure | 3 |
| 4 | RESPONSIBILITIES | 3 |
| | Compliance, monitoring and review | 3 |
| | Reporting..... | 3 |
| | Records management..... | 3 |
| 5 | DEFINITIONS | 3 |
| 6 | RELATED LEGISLATION AND DOCUMENTS | 3 |
| 7 | FEEDBACK..... | 3 |
| 8 | APPROVAL AND REVIEW DETAILS | 4 |

1 PURPOSE

- 1.1 This policy outlines how CQUniversity will manage discretionary (special) payments.
- 1.2 This policy forms part of the University’s financial management practice manual, which contributes towards meeting the University’s obligations under the [Financial and Performance Management Standard 2019](#) (Qld), by ensuring the existence of a process that details the management, consideration and processing of special payments.

2 SCOPE

- 2.1 This policy applies to all special payments made by the University.

3 POLICY STATEMENT

Types of special payments

- 3.1 The University recognises the following types of special payments:

Ex gratia payments

- 3.2 Ex gratia payments relate to payments made by the University where no legal obligation exists. Examples of such payments include a special bonus payment to an employee, or a payment made to a contractor on the grounds of hardship caused by excessive loss on a fixed price contract.
- 3.3 It is not always possible to distinguish readily between an ex gratia payment and one that may be a legal obligation. Therefore, the nature of the payment should be the determining factor.

Extra contractual payments

- 3.4 Extra contractual payments are made in circumstances where there is no clear legal obligation to make a payment under the terms of the contract; however, the circumstances are such that a court may hold that an obligation on the part of the University does exist. An example of an extra contractual payment may include a payment made to a contractor who has incurred additional costs as a result of a business area's inaction.

Payments resulting from court or other official proceedings

- 3.5 Out of court settlements arising from the normal course of operations of the University are treated as special payments. Such payments may also include court ordered damages resulting from official court proceedings.

Receiving and assessing requests

- 3.6 All requests concerning special payments to employees must be forwarded to the Director People and Culture for assessment and consideration.
- 3.7 All other requests for special payments must be forwarded to the Deputy Director Financial Accounting and Operations for assessment and consideration.
- 3.8 All suitable requests will be recommended to the Vice-Chancellor and President for final approval, determination of the payment amount and any subsequent conditions relating to eligibility or use of funds.
- 3.9 The Vice-Chancellor and President may refer the request to the University solicitor for expert legal advice.
- 3.10 All decisions relating to special payments will be considered on a case-by-case basis with regard to the circumstances of each request. Consideration will be given to previous cases of a similar nature to ensure consistent and fair calculation of payment amounts and subsequent conditions.

Documentation

- 3.11 The recommending officer (either Director People and Culture or Deputy Director Financial Accounting and Operations) will maintain documentation detailing the consideration of each request and the methodology used to calculate the amount of any special payments. Such documentation will include any advice provided by the University solicitor or external legal counsel.
- 3.12 All recipients of a special payment must be formally notified regarding the reason for payment.

Special payments register

- 3.13 A record of all special payments more than \$5,000 will be maintained in the University's Special Payments Register.
- 3.14 The Director People and Culture will maintain the part of the register for employee payments.
- 3.15 The Deputy Director Financial Accounting and Operations will maintain the part of the register of all other special payments.
- 3.16 The register will include the following details of all special payments made by the University:
- the date of the payment
 - the recipient of the payment
 - the reason for the payment, and
 - the approval given for the payment.
- 3.17 Any other relevant information specific to each payment must also be entered into the register as appropriate.
- 3.18 The Chief Operating Officer will review and sign-off the Special Payments Register on a quarterly basis.

Recording of special payments

- 3.19 The appropriate natural account in the general ledger will be used when costing special payments to enable the expenditure to be accurately identified. Financial Accounting is available for assistance if required.

Disclosure

- 3.20 In addition to the Special Payments Register, all special payments will be recorded in the University's financial statements as per the requirements of [Financial Reporting Requirements for Queensland Government Agencies \(FFR 3D\)](#).

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Chief Operating Officer and Deputy Director Financial Accounting and Operations are responsible for implementing, monitoring, reviewing and ensuring compliance with this policy.
- 4.2 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

Reporting

- 4.3 No additional reporting is required.

Records management

- 4.4 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.5 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email records@cqu.edu.au).

5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

6 RELATED LEGISLATION AND DOCUMENTS

[Financial Accountability Act 2009](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

[Financial Reporting Requirements for Queensland Government Agencies \(FFR 3D\)](#)

7 FEEDBACK

- 7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

| Approval and Review | Details |
|------------------------------|-----------------------------------|
| Approval Authority | Council |
| Delegated Approval Authority | Audit, Risk and Finance Committee |
| Advisory Committee | N/A |
| Required Consultation | N/A |
| Administrator | Chief Operating Officer |
| Next Review Date | 17/07/2023 |

| Approval and Amendment History | Details |
|--------------------------------------|---|
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| Notes | This policy was formerly known as the Special Payments Policy (FMPPM) 31/07/2017. |