

SPECIAL PAYMENTS POLICY (FMPM)



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1 PURPOSE

- 1.1 The purpose of this policy is to outline the types of discretionary payments the CQUniversity is able to make, and to outline the process by which such requests is to be considered, approved and monitored.
- 1.2 This policy also contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2009](#) 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 discretionary payments made by the University and to all staff responsible for the consideration, approval, monitoring and processing of such payments in accordance with the [Delegation of Authority Policy \(FMPM\)](#) and organisational structure of the Finance and Planning Division and People and Culture Directorate.

3 POLICY STATEMENT

- 3.1 The [Financial Management Practice Manual](#) (FMPM) is the University's financial management policy framework. As such, this policy forms part of and must be read in conjunction with the FMPM.

Types of special payments

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

Ex gratia payments

- 3.2.1 Ex gratia payments relate to payments made by the University where no legal obligation exists. Examples of such payments may 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.

- 3.2.2 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

- 3.2.3 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 responsibility centre's inaction.

Payments resulting from court or other official proceedings

- 3.2.4 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

- 3.3 All requests concerning special payments to employees must be forwarded to the Director, People and Culture for initial assessment and consideration. All other requests for special payments must be forwarded to the Deputy Director, Financial Accounting and Operations for initial assessment and consideration. 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. Consideration of whether the request is to be referred to the University solicitor for expert legal advice will be at the discretion of the Vice-Chancellor and President.
- 3.4 All decisions relating to special payments will be considered on a case-by-case basis with regard to the circumstances of each request. Consideration is to be given to previous cases of a similar nature to ensure consistent and fair calculation of payment amounts and subsequent conditions.

Documentation

- 3.5 The Director, People and Culture or the Deputy Director, Financial Accounting and Operations, depending on the payment type, 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.
- 3.6 All recipients of a special payment must be formally notified regarding the reason for payment.

Special payments register

- 3.7 A record of all special payments more than \$5,000 will be maintained in the University's Special Payments Register. The register will be maintained in two parts – employee payments and all other payments. The Senior Payroll Services Officer - Salaries will maintain the register of employee payments and the Senior Financial Accountant will maintain the register of all other special payments.
- 3.8 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.
- 3.9 Any other relevant information specific to each payment must also be entered into the register as appropriate.
- 3.10 Each register will be forwarded to the Deputy Vice-Chancellor (Finance and Planning) for review and sign-off on a quarterly basis.

Recording of special payments

- 3.11 The appropriate natural account in the general ledger will be used when costing all special payments and ex gratia payments to enable the expenditure to be accurately identified. Staff should contact the Financial Accounting team for assistance if required.

Disclosure

- 3.12 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 Deputy Director, Financial Accounting and Operations is responsible for managing the implementation of this policy and for ensuring that its provisions are adhered to and applied consistently across the University.
- 4.2 The Vice-Chancellor and President is responsible for ensuring the appropriate approval of special payments in accordance with this policy.
- 4.3 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

Reporting

- 4.4 No additional reporting is required.

Records management

- 4.5 Staff must maintain all records relevant to administering this policy in a recognised University recordkeeping system.

5 DEFINITIONS

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

6 RELATED LEGISLATION AND DOCUMENTS

[Delegation of Authority Policy \(FMPM\)](#)

[Financial Accountability Act 2009](#)

[Financial and Performance Management Standard 2009](#)

[Financial Management Practice Manual](#)

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

7 FEEDBACK

- 7.1 University staff and students may provide feedback about this document by emailing policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

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Advisory Committee to Approval Authority	Audit, Risk and Finance Committee
Administrator	Deputy Vice-Chancellor (Finance and Planning)
Next Review Date	31/07/2020

Approval and Amendment History	Details
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