



1. INTRODUCTION

The purpose of this policy is to provide an outline of the broad principles for the City of Bunbury SLSC to comply with in respect of the provision of financial and other benefits to members.

2. SCOPE

This policy covers the members of the City of Bunbury SLSC with respect to 3 types of payments that members may receive as volunteers:

1. Honorarium
2. Reimbursements
3. Allowances

3. DEFINITIONS

'Honorariums' - Voluntary payments made to volunteers which are paid without any legal obligation to do so. An honorarium can describe:

- an honorary reward for voluntary services
- a fee for professional services voluntarily rendered.

An honorarium may be paid in money, a benefit or as property. This is a one-time payment for services, including, but not limited to, travel, accommodation and other contributions to the City of Bunbury SLSC.

'Reimbursement' - A reimbursement is an expense that has already been incurred by the volunteer, Director or Club Officer even if it has not yet been paid. The recipient must be able to substantiate this expense. In general, the City of Bunbury SLSC considers the expense to be their own, and the volunteer, Director and Club Officer incurs the expenditure on behalf of the City of Bunbury SLSC. The volunteer, Director and Club Officer may be reimbursed for all or part of the expense. A reimbursement will not be assessable income of the volunteer.

'Allowance' - A payment is an allowance when it is a definite, predetermined amount to cover an estimated expense. It is paid even if the recipient does not spend the full amount.

If a volunteer receives an allowance with no regard to actual expenses and there is no requirement to repay unspent monies, the allowance may be treated as assessable income.

'Volunteer' - someone who enters into any service of their own free will, or who offers to perform a service or undertaking.

'Director' - means a member of the Board appointed in accordance with the City of Bunbury SLSC Constitution.



CITY OF BUNBURY
SURF LIFE SAVING CLUB INC.
**POLICY STATEMENT
PAYMENT OF HONORARIUMS
& OTHER BENEFITS POLICY**

POLICY
NUMBER
1.4
July 2019
Version: 1

‘Club Officer’ - means an Officer of the Club appointed by the Board in accordance with the City of Bunbury SLSC Constitution.

POLICY

In all cases where a City of Bunbury SLSC member receives a ‘benefit’, the benefit will be approved and minuted by the Board of Management before they are paid, and paid in accordance with taxation, City of Bunbury SLSC Constitution and other legal requirements.

4. HONORARIUM

4.1. The City of Bunbury Surf Life Saving Club may pay an honorarium to a Volunteer, Director or Club Officer as a token of appreciation for the personal effort and expenses incurred in carrying out their onerous and vital Surf Life Saving activities on a voluntary basis.

4.1. Volunteers can be paid in cash, given non-cash benefits or given a combination of both cash and non-cash benefits. These payments are given various descriptions, including honoraria, reimbursements and allowances.

5. REIMBURSEMENTS

5.1 The expense must be pre-approved by the City of Bunbury SLSC Board

5.2 There are no taxation implications associated with payments made to a volunteer for pre-approved, legitimate expenses such as telephone, internet, travel, accommodation etc

6. ALLOWANCE

6.1 An allowance may be provided to a City of Bunbury club member which will be a pre-determined amount to cover an estimated expense.

6.2 Any unspent allowance money must be returned to the City of Bunbury SLSC

6.3 Receipts must be provided to the City of Bunbury SLSC with respect to all expenditure associated with the allowance.



7. PROCESS

- 7.1 The City of Bunbury SLSC shall have clear, minuted Board of Management approval for the items, limits, and acquittal procedures for re-imbursments.
- 7.2 The recipient is required to substantiate expenses with a receipt/s, and/or refund unexpended amounts depending on which type of payment is being made.
- 7.3 All receipts that are relied upon for payment must be provided to the Director of Finance of the City of Bunbury SLSC within 30 days.

8. SERIES OF "VOLUNTARY PAYMENTS"

- 8.1 No Volunteer, Director or Club officer of the City of Bunbury SLSC shall receive remuneration for work carried out as a volunteer, Club officer or Director of the organisation.
- 8.2 A payment or payments which are given as part of a series of voluntary payments will be assessable income if it is a SERIES OF "VOLUNTARY PAYMENTS".
- 8.3 A payment or payments which are given as part of a series of voluntary payments will be assessable income if it has one or more of the following characteristics:
 - 8.3.1 It is made under an arrangement or agreement to provide financial support in the form of periodic, regular or recurrent payments;
 - 8.3.2 It is received in circumstances where the volunteer has an expectation of receiving the payment as part of periodic, regular or recurrent payments, and the volunteer is able to rely on the payment for his or her regular expenditure; or,
 - 8.3.3 It is part of periodic, regular or recurrent payments made in substitution of an income.

If these types of payments are made, the recipient can be considered an employee, and therefore the City of Bunbury SLSC would be subject to all the normal employment costs/taxes associated with Workcover, Superannuation, payroll tax etc.



CITY OF BUNBURY
SURF LIFE SAVING CLUB INC.

**POLICY STATEMENT
PAYMENT OF HONORARIUMS
& OTHER BENEFITS POLICY**

POLICY
NUMBER
1.4
July 2019
Version: 1

PERSONAL OBLIGATIONS - DISCLAIMER

This policy is a guide only. It is the responsibility of individuals receiving honorariums or other benefits to clarify the tax treatment of such benefits.

CLUB OBLIGATIONS - DISCLAIMER

Similarly, it is the responsibility of the City of Bunbury SLSC making any “voluntary payment” or providing any other benefit to a volunteer to clarify the tax treatment and other potential tax or employment implications of such payments or benefits. The City of Bunbury SLSC will consult with their professional advisors (Auditors) in this regard