

Fringe Benefits Tax (FBT)

FACT SHEET FOR SAP CONCUR EXPENSE



What is FBT?

Broadly, FBT is tax payable by Australian employers on fringe benefits provided to their employees or the employees' family or their associates. Employees include current, future or past employee, and company directors. FBT is separate to income tax and is calculated on the taxable value of the fringe benefit that is provided to employees.



Your employer must self-assess their FBT liability for the FBT year, which runs from 1 April to 31 March.

Examples

- Meal entertainment – generally, all employee meals paid for by your employer may be subject to FBT unless it is consumed in the office without alcohol. This means:
 - Coffee/meal catch up with a client/employee at a café/restaurant to discuss business is considered meal entertainment;
 - Food & drink for employees at social events, e.g. Christmas parties, extended conferences;
 - Meals provided with alcohol is generally considered meal entertainment regardless of location.
- Gym memberships, mobile phone, home internet etc.
- Gift cards to employees at a value greater than \$300 (inc. of GST).
- Car parking
- Use of car for personal purposes
- Concert tickets, golf days, sports events
- Discounted employee loans
- Salary sacrifice arrangements



Information to identify and determine the taxable value of fringe benefit is collected through various data sources, including SAP Concur Expense.

Key enhancements have been made to SAP Concur Expense, designed to simplify the expense claim process and ensure Steadfast is compliant with Australia's FBT law.

How SAP Concur Expense Collects Data

Additional information requested through SAP Concur Expense claims enables data to be collected so that FBT can be assessed.

This includes:

- Data on the number and type of attendees for meal entertainment to ascertain the employee portion of the expense (and the FBT) and hence allows your employer to assess FBT.
- The length of business travel with travel for more than 5 nights requiring travel diary attachment.
- The business use percentage of certain expenses incurred, e.g. for mobile / internet data reimbursements, study courses, professional subscriptions & memberships, through attachment of a completed employee declaration.



Substantiation & Record Keeping

To meet the requirements under FBT law, all mandatory fields in SAP Concur Expense are to be completed accurately and the required documents are to be attached to certain expense claims.

For **travel diaries**, please use the Travel Diary word document template in SAP Concur Expense if an itinerary is not readily available.






For **employee declarations**, where requested, please use the template available through SAP Concur Expense.

Submitting & Approving Expenses

It is important that employee expenses claim submissions and approvals are under the correct expense type in SAP Concur Expense to ensure the accuracy and completeness of FBT assessment.



The following table is an outline of the common types of employee expenses and the Expense Type to use in SAP Concur Expense.

SAP Concur Expense Type	Nature of employee expense
01. Travel Expense 	<ul style="list-style-type: none"> Accommodation (including business hotel accommodation) Airfares Other travel expenses Parking Public Transport Tolls/Fuel/Petrol/Oil & Other MV costs
02. Meals & subsistence 	<ul style="list-style-type: none"> Staff meals during business travel/overtime Meals onsite/ consumed on business premises (without alcohol), including staff morning & afternoon tea
03. Meal entertainment 	<ul style="list-style-type: none"> Meals at cafes, restaurants, pubs etc with or without clients Meals onsite/ consumed on business premises (with alcohol), e.g. Friday night office drinks Staff functions and parties, e.g. Christmas parties Associated costs in relation to meal entertainment, e.g. taxi to and from staff functions, hiring / leasing entertainment facilities
06. Employment expenses 	<ul style="list-style-type: none"> Other employment expenses (e.g. police checks, uniforms, health checks, gym memberships, sports / other entertainment tickets, mobile phone, home internet) Professional subscriptions and membership fees (e.g. CA / CPA / CFA fees, NIBA membership, other) Training / seminar / course fees (e.g. insurance broking, CA / CPA / CFA courses, project management course fees) Gifts, recognition & awards (e.g. gift cards / vouchers and gifts for employees)
07. Marketing & promotion expenses 	<ul style="list-style-type: none"> Club fees, association fees, cost of employees attending sponsorship / marketing events

Further Guidance

Can be found in **Steadfast Group Limited's FBT Policies & Procedures** document (refer to pages 10-13 for a detailed outline of employee benefits & FBT treatment). Any questions in relation to FBT, please reach out to Steadfast Tax. Email tax@steadfast.com.au.