

## **KFS Training Tip 8: The difference between Object codes: 2851, 2852 & 2854**

As KFS-user it is your responsibility to familiarize yourself with the object guidelines

(<http://services.nwu.ac.za/kfs> > Guidelines etc. > Object Code Guidelines)

- You are responsible to use the correct Object (and Commodity code) for transactions captured by you.
- It sets the basis for accurate financial statements and an unqualified external audit.
- The correct use of objects is also important to ensure that the VAT is handled correctly.
- Actual transactions must be allocated against the correct object, as described in the guidelines, even though your budget may be allocated against a different object.

### **When to use object 2851, 2852 & 2854:**

#### **Object 2851 – Entertainment expense**

- Costs to entertain employees; food purchased for employees
- Year-end-functions expenses / Farewell functions / Team building events
- Entertaining external persons visiting the university.
- Drinking coffee/eating at coffee shop/restaurant for a meeting or working lunch.
- Platters for meetings in office. (NWU staff only and/or with external persons)
- Catering for training (not 3C accounts) or conferences when NO income (attendant fees) is received.
- Not allowed for any cost when travelling or sleeping over (refer to end of page)



#### **Object 2852 – Refreshments**

- Cost of refreshments (for office use)
- For example water, coffee, tea, sugar, milk, cremora, juice, powerade/energade, biscuits and rusks



#### **Object 2854 – Course/Conference Meal and Refreshments**

- Meals & refreshments served during short courses or conferences at the university – BUT ONLY when NWU receive income (attendant fees) for these courses/conferences. VAT may then be recovered on this expense.
- If NO income is received from participants, use object 2851 for the meals/refreshments expense
- Meals & refreshments include all cost for the event. coffee, milk, muffins, lunch, snacks, water etc.



Please do not get confused when to use object 2851 or 2852 and when to use the travel objects:

- **2553 - TRAVEL:**  
must still be used for meals and refreshments when you are travelling for the day for business
- **2554 - SUBSISTENCE & MEALS - MINIMUM 1 NIGHT (RSA - ONLY):**  
must be used for meals and refreshments when sleeping over in RSA
- **2557 - ACCOMMODATION (Non RSA - INTERNATIONAL):**  
must be used for meals and refreshments when travelling abroad (overseas travel)