

GIFTS & HOSPITALITY POLICY

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1 General Principles and Guidelines

As a general guideline, business gifts and hospitality should not be accepted by any member of staff, except as provided for below.

The intention of the policy is to ensure that the BDAT or the Academies can demonstrate that no undue influence has been applied or could be said to have been applied by any supplier or anyone else dealing with the Academy. BDAT or the Academies should be able to show that all decisions are reached on the basis only of value for money and for no other reason.

Any breach of this policy could lead to disciplinary action and may constitute gross misconduct.

Employees shall not use their authority or office for personal gain and shall seek to uphold and enhance the standing of BDAT the Academies by:

- maintaining an unimpeachable standard of honesty and integrity in all their business relationships;
- complying with the letter and spirit of the law, BDAT policies and contractual obligations rejecting any business practice that might be deemed improper;
- at all times in their business relationships acting to maintain the interests and good reputation of the BDAT or the Academies.

Any employee who becomes aware of a breach of policy must either report this immediately to his or her manager who will instigate investigations as necessary or refer to the whistle blowing policy.

Any personal interest that may impinge or might reasonably be deemed by others to impinge on an employee's impartiality or conflict with the duty owed to BDAT or the Academies in any matter relevant to an employee's duties (such as conflicting business interests) should be declared in writing. Any member of staff who is aware of any business dealings conferring personal gain, or involving relatives or associates of members of staff must supply details of such transactions for entry into the Register of Business Interests.

2 Acceptance of Gifts

Employees are permitted to accept gifts, rewards or benefits from members or the public or organisations which BDAT or the Academies has official contacts only where they are isolated gifts of a trivial character, or inexpensive seasonal gifts (such as diaries or calendars). Gifts should not therefore be accepted if they appear to be disproportionately generous or could be construed as an inducement to effect a business decision.

Where purchased items include a "free gift", such a gift should be either used for Academy business or handed to BDAT or the Academies to be used at charity raffles etc.

3 Business Hospitality & Invitations

In relation to conventional hospitality (lunches, outings, tickets for events, etc.) may be accepted provided that it is normal and reasonable in the circumstances. Such invitations should not be accepted:

- where there is no reasonable business justification for doing so
- where an invitation is disproportionately generous
- where an invitation could be seen as an inducement to affect a business decision.

Any hospitality more than of a nominal value (£50) or facilities provided during the normal course of business should be reported and registered.

Invitations to lunch or dinner with external personnel

Invitations to lunch or dinner from an external organisation should only be accepted where the primary reason for accepting an invitation is to discuss matters relevant to BDAT business. This should be either with representatives of the hosting organisation or with representatives of other organisations that may have interests or activities in common with BDAT and where the venue and hospitality are not in themselves an inducement to accept the invitation or the purpose of the invitation.

Any acceptance of invitations should be properly documented in BDAT's Gifts and Hospitality register and the Chief Financial Officer should be notified prior to the event taking place

Invitations to Conferences, Seminars and Trade Shows

It is recognised that participation in certain events such as supplier or relevant industry or charity conferences, party conferences, seminars and trade shows can be of particular value where they support the establishment of relationships with strategic partners to BDAT or enhance BDAT's knowledge or understanding of a particular area. For such events, the hospitality element should be incidental to the event and relevant information is expected to be gained through attendance.

Any acceptance of invitations should be properly documented in BDAT's Gifts and Hospitality register and the Chief Financial Officer should be notified prior to the event taking place

Invitations to Sporting Events, Cultural Events or Social Events

Invitations of a social kind (e.g., sporting and cultural events) should be declined except for when it is in BDAT's interest to attend and the business justification can be clearly demonstrated.

Any acceptance of invitations should be properly documented in BDAT's Gifts and Hospitality register and the Chief Financial Officer should be notified prior to the event taking place

Acceptance for invitations with an estimated value of over £50 per person must be approved in advance by the Chief Financial Officer copied to your line manager.

Any acceptance of invitations should be properly documented in BDAT's Gifts and Hospitality register and the Chief Financial Officer should be notified prior to the event taking place

Travel or Overnight Accommodation

Hospitality that includes travel or overnight accommodation must be pre-approved by the Chief Financial Officer. There must be a business benefit to BDAT and no expectation or undue influence to do business with the organisation running the event.

Any acceptance of invitations should be properly documented in BDAT's Gifts and Hospitality register and the Chief Financial Officer should be notified prior to the event taking place

Appropriate Timings

BDAT employees and board members should be aware of the importance of not accepting gifts or hospitality from organisations or individuals at inappropriate times. For example, immediately prior to, or during, a procurement process or tender. Similarly, it is inappropriate to accept gifts or hospitality from organisations or individuals where the acceptance of such gifts or hospitality may cause BDAT's independence and political impartiality to be questioned.

Repeated invitations of a Social kind

Repeated invitations are deemed to be inappropriate and any employee or board member who has accepted hospitality of a social kind (e.g. sporting and cultural events) from an external organisation should not accept any further invitations of a similar type from the same organisation within the following twelve months.

4 Gifts & Business Hospitality Register

A register of all gifts & business hospitality should be kept on site and reviewed by the Local Governing Body at Finance meetings at least annually. At the year-end a copy of the full register should be authorised by the Chair of Governors in the minutes of the meeting.

All gifts presented to staff members must be logged on the Gifts and Business Hospitality register.

5 Gifts in Kind

Gifts of cash are clearly the easiest to value. However, it is recognised that a proportion of contributions may be in the form of gifts in kind (i.e., assets). Gifts in kind should be included in the academy's accounts within the Statement of Financial Activities – in the accounting period in which they are receivable.

The value placed on gifts in kind should be either a reasonable estimate of their gross value to the academy or (less likely) the amount actually realised as in the case of second-hand goods donated for resale. The key valuation test is “what would the academy be prepared to pay to purchase the asset?”

For example:

- if the academy wants a mid-range PC and is given a high-spec PC, then the valuation of that gift should be based on that of a mid-range PC;
- if the academy needs a minibus and is given a 48-seater coach then the valuation should be that of the minibus.

6 Donated Services and Facilities

Academies may also receive assistance in the form of donated services (e.g. ‘time’) or facilities. Such incoming resources should be included in the Statement of Financial Activities where the benefit to the academy is reasonably quantifiable and measurable. This would usually be limited to *donations by an individual or entity as part of their trade or profession*.

For example if a local accountancy firm agreed to supply an accountant free of charge to assist the academy’s finance department for a couple of hours a month, this should be included in the accounts. However a police officer talking to a group of pupils as part of his/her community liaison role would not be classified as a donation, as this service would always be provided free as part of normal police activities.

In contrast to donations as part of a trade or profession, the *contributions of volunteers* should be excluded from the Statement of Financial Activities as the value of their contribution cannot be reasonably quantified in financial terms. For example parents or other volunteers assisting with reading in the classroom would be excluded.

However the exclusion of these contributions should be disclosed in the Trustees’ Annual Report if this information is necessary for the reader to gain a better understanding of the academy’s activities. The value placed on those donations which are included in the Statement of Financial Activities should be the price the academy estimates it would pay in the open market for the services or facilities.

For example:

- if the academy requires a bookkeeper and is given the services of a chartered accountant for doing the work of the bookkeeper) then the valuation of time should represent what it would have cost to obtain the services of a bookkeeper;
- if the gift is classroom assistance irrespective of who is providing the time the appropriate rate from the relevant pay scale (i.e. unqualified or qualified) should be used.

7 Other Considerations on Valuation

The valuation of gifts in kind and donations under the above rules may be different from the value placed on the asset, service or facility made by the donor. However it is the FARC’s, Finance &

Resources Committee's responsibility to account for the gift at a valuation which they can justify to their auditors.

In many instances obtaining a valuation will be relatively straightforward or the governing body will be able to satisfy itself that the donor's own valuation of the gift is fair and reasonable. However, it is recognised that in some instances it will be more difficult to obtain a comparable valuation. The FARC will need to consider what evidence they require to enable them to form a view on the valuation of gifts. Listed below are a number of sources of evidence of valuation:

- comparable quotations from alternative suppliers
- what the academy already pays for that service/asset
- cash realised if the gift were to be sold
- experience of the FARC in purchasing similar services or assets; and
- what the FARC would be prepared to pay for that gift out of the academy budget.

The auditors will wish to see evidence of the valuation of gifts and therefore evidence obtained as above should be retained and discussions on valuation at the FARC meetings should be minuted fully. Time spent by members in attending FARC meetings is part of their responsibility in undertaking their governance role and therefore should not be included as a business contribution.

However, if a FARC member gives additional free time to the academy providing professional advice, outside their role as a member, this may be accounted for as a donation.

BDAT should ensure they are clear about what constitutes the work and role of FARC members before determining whether additional assistance from a member is classified as a donation.

"Free gifts" i.e. non-solicited gifts will only have a value to the academy if the gift assists in achieving its objectives as set out in the Academy Development Plan. However the auditors will expect annual accounts to show the full details of an academy's transactions, whether they are monetary or notional. Academies will therefore be expected to account for unsolicited gifts where applicable.

The general rule relating to discounts is that they are not acceptable as "gifts" and should not be recorded as income. This is because under generally accepted accounting principles, discounts are not accounted for as income but as a reduction in expenditure. As the governing body is required to obtain value for money, the offer of discounts should be taken into account in making purchasing decisions.

Full records of receipt of business contributions should be retained, as the auditors will require evidence of receipt.

8 Gifts Given By Academy to Staff

Staff Leaver's Gifts

The revenue reserves of BDAT cannot be used on gifts to present to members of staff who are leaving the academy. The fundamental principles of managing public funds means that no funds can be used to purchase any staff leaving gifts.

Bereavement

Any bereavement, at the Headteacher's discretion, can be recognised through a gift value of a maximum value of £30 including delivery and ancillary charges. This would be spent out of unrestricted reserves.

All gifts should be logged on the Gifts and Hospitality Register to ensure transparency, probity and regularity.

Restrictions on Gifts.

These gifts must not be alcoholic and not breach ethical standards of the trust.

Gifts should not be a voucher to avoid any issues of benefits in kind with the HMRC.

9. Internal Meetings / Refreshments

All refreshments other than hot drinks and biscuits requires the approval by the Director of Finance or CEO for central trust meetings. The Academies can utilise their own catering provisions and with the approval of the Headteacher can provide refreshments. The minimum criteria are that meetings are in excess of 4 hours (full day) before any additional catering is provided. This is to maintain the principles of public spending in the ATH.

All off site group training should be approved in advance of booking, if it incurs cost. The Chief Financial Officer and CEO will ensure value for money is achieved along with probity of spending public funds and compliance with the Academy Trust Handbook.

10. Wellbeing Events

Trusts and academies are now creating budgets for different support mechanisms for their employee's mental wellbeing. There are occasions when such events could be deemed "Benefits in Kind". Trivial values less than £50 per employee per annum (no more than £25 per event) will not require the production of a P11d and the Trust policy is not to create a culture where P11d submissions are required.

Academy Christmas Lunches and Training Day Lunches are examples of such events and are exempt from Benefits in Kind.

11 Charitable Donations

Charitable donations are considered to be part of BDAT's wider purpose. There are times when we may support a number of carefully selected charities. We may also support fund raising events involving employees. BDAT only makes charitable donations that are legal and ethical. No donation must be offered or made in the name of BDAT without prior approval of the CEO or Head Teacher whichever is appropriate.