FINANCIAL REGULATIONS SUPPLEMENTARY INFORMATION

SIA24

Policy on Gifts and Hospitality to and from external parties

1. Introduction

This Policy has been prepared to give clarity to staff on the giving and receiving of personal gifts and the receipt or provision of hospitality in the context of University activities. It covers those circumstances when a member of staff is in receipt of a gift (or an offer of a gift) and also when they are in receipt of hospitality being provided by someone or an organisation external to the University. In each case, the gift and/or hospitality will have arisen due to the staff member’s University employment, position or role in relation to that external party.

This guidance also covers the provision of hospitality and/or gifts by the University to visitors, donors, alumni or other business partners. This Policy supports the information in relation to Meetings, Hospitality and Gifts that can be found at paragraphs 77-86 in SIA2, the Staff Fees, Expenses and Benefits Procedures Manual.

In relation to the giving or receipt of hospitality and/or gifts, this document should also be read in conjunction with the SIA21 of Financial Regulations on Inducements, Bribery, Fraud and Corruption and also the University’s Anti Bribery Statement.

The Development and Alumni Relations Office should be contacted for any queries and advice in relation to Donations and Fundraising practice. Contact details are available here from their web pages.

2. Gifts and Hospitality Registers

Supplementary Information Appendix 21 of the Financial Regulations contains the following instruction in relation to gifts and hospitality:

“Departments must keep a gifts and hospitality register detailing all significant events of hospitality and/or gifts received or offered to ensure transparency.”

The giving and receipt of gifts and hospitality should be recorded in the gifts and hospitality register and this record should include a description of the item(s), the date received or given, received or given by whom and a brief description of the event or relationship that prompted the hospitality or gift being made. The financial threshold above which all gifts or hospitality given or received must be recorded is £50 per person. Departments may, if they wish, record details below this sum and, if the financial value is difficult to ascertain, the default position is to make an entry in the register for the sake of transparency.
Departments should make all staff aware that such a register exists and it is their responsibility to provide information to ensure that it is kept up to date. The register should be made available to any member of staff who requests access and a copy should also be returned to the Department of Finance as part of the annual "financial health checks". A template Gifts and Hospitality Register is provided here.

3. Gifts

a) Why are gifts received or given during the course of University business activities?

There are a variety of reasons why a member of staff may be offered or receive a gift during the course of their University employment. Many suppliers and business partners use gifts as a means of recognising a business relationship and may seek to secure goodwill and brand loyalty.

A gift is something different to a free sample of a business product. Gifts are sometimes branded to act as a reminder of the organisation’s name however this may not always be the case. When in receipt of a gift or the offer of a gift, University staff must always be aware that the item must be viewed as a gift to the University and not to the individual. The intrinsic value of the gift and whether the item is clearly marked as being from a particular organisation may help clarify that the item is a gesture of goodwill and not an attempt to influence business decisions made or to be made by the staff member on behalf of the University.

The University has business partners and contacts throughout the world and the giving or receiving of gifts during visits is often a culturally expected practice.

This guidance note is not intended to prevent gifts being accepted or given as part of this cultural exchange however it offers some points for consideration.

In certain circumstances the purchase of gifts to be made by the University will need to exceed the £50 value threshold as stated in the Staff Fees Expenses and Benefits Procedures Manual. Advice from the Director of Finance must be sought before any gift related expenditure in excess of this sum is made.

b) Points for consideration when receiving or giving gifts

I. Is the gift to be made to an individual or to the University?

A member of staff may be in receipt of a gift that has been made to the University. For example, the gift of an item of art which is intended for display at the University as recognition of the relationship between the University and the donor. However, for other items, it can be less clear that the item is not intended for the use or consumption by an individual. Care must be taken to ensure transparency in the recording of the receipt of a gift, the date and name of the giving body and, crucially, the location of the item thereafter. Gifts made to the University should be accessible to other staff members or be capable of use within a Department, Faculty or University wide manner.
II. Is the gift branded or otherwise obviously linked to the donor, its activity, region or country?

Where a gift has a clear link to the organisation giving it, perhaps by virtue of the gift itself or a regional or national speciality, then this helps in securing transparency of the reason that the gift was made. For example, the gift of an engraved item of stainless steel would provide an obvious link to the City of Sheffield. However, a gift of a set of golf clubs from a large pharmaceutical company would present less obvious reasons for this being given to a member of University staff.

III. Is the gift capable of only being used or consumed by an individual?

The circumstances described above where a gift is clearly made to the University, or a branding or local, regional or national speciality is present, provide transparency of the rationale for the gift being made. Gifts that are tangible items and are not capable of being consumed should be recorded in a register and should be easy to locate if needed. However, gifts of a consumable nature, including services or an event to be attended, have a limited life span and, if accepted, may only be used or consumed by an individual. In this way, the line between the receipt of a gift “on behalf of the University” and the receipt of a personal gift is far less clear.

Gifts of food or drink will therefore present particular issues in the recording and use of such items. A small number of such items, with relatively low value, received and then consumed by an individual does not present an obvious attempt to influence a business decision but should still be recorded for transparency. However, if offered, the receipt of, for example, a case of 12 bottles of wine should be viewed as something where there is an alternative to consumption by one individual. The wine could be used at a future business dinner hosted by the University or it could be shared amongst a group of staff who have been involved with the business relationship with the giving body.

IV. Is the gift able to be used as if it were cash or converted into cash?

Gifts in the form of vouchers or cash itself to external parties are strictly against University Financial Regulations.

This is because making a gift in this form will appear to be an attempt to reward an individual for certain decisions or behaviours made or to be made.

Gifts of cash or vouchers to third parties may also be construed as payment for services by the recipient to the University. If this is the true nature of the relationships it must be properly documented. There would be financial consequences for the recipient, such as tax on the value of the voucher or the cash given, which would generally be set out in an appropriate contract.

Items that could be readily sold or converted into cash should also be considered very carefully. An individual member of staff must not take a gift they received during the course of their University employment, role or position and be able to sell this on and hence keep the cash as an individual reward.
4. **Specific points on Hospitality**

It is recognised that University staff will be involved in business meetings, hospitality and entertainment with external stakeholders and this may include incurring costs of food and drink to be funded by the University. Necessary University costs (including reasonable gratuities) in respect of such events with external stakeholders/visitors/business contacts will be reimbursed via expenses or accepted as legitimate costs charged to a University Purchasing Card on the production/submission or retention in the Department of original VAT receipts providing robust evidence for the expenditure. For this purpose, business contacts and external stakeholders do not include other staff of the University or any associated organisation.

In all cases and regardless of whether the costs are subject to an expenses claim, have been charged to a University Purchasing Card or paid via normal supplier invoice, the following information must be shown on a Hospitality form - FIN/HOS/1.

(a) The name(s) of all attendee(s);
(b) The organisation(s) which they represent; and
(c) The purpose of the meeting, hospitality or entertainment (for example, “negotiation of contract”).

**The ratio of staff to external stakeholders/business contacts/visitors must not exceed 6:1 provided that the people present are directly relevant to the occasion or meeting. In exceptional cases, events where the ratio would be greater than 6:1 must be notified to the Tax Office within the Department of Finance with a written explanation.**

The completion of the Hospitality form - FIN/HOS/1 does NOT remove the requirement for the details to be also recorded on the Departmental Gifts and Hospitality Register. The Register represents a single source of information for ALL instances of Hospitality and Entertainment and the University’s Consolidated Register provides necessary transparency and if required to be published under the Freedom of Information Act.

**Useful links for additional guidance**

SIA21 – Inducements, Bribery, Fraud and Corruption
SIA2 – Staff Fees, Expenses and Benefits
Financial Advice Notes – Template Gifts and Hospitality Register