Finance and Commercial
Advice note for Departments

Guidance on purchasing alcoholic drink using University funds (Purchasing Card, Expenses, Purchase Order)

Background

This advice note provides guidance on the purchase of alcoholic drink by University staff, irrespective of the source of funding or the method of purchase (i.e. whether incurred as expenses, charged to a Purchasing Card, purchased externally on a Purchase Order from a supplier, or supplied by Accommodation and Commercial Services using an Internal Trade Purchase Order). This note supplements the information contained in the University’s Financial Regulations.

NOTE: staff should be aware that failure to comply with this advice will result in any expenditure incurred being either: i) not reimbursed via the expenses system, or ii) being re-charged to them personally for items purchased by University Purchasing Card or Purchase Order in the first instance.

There are three circumstances under which it is acceptable for University staff to purchase alcoholic drink and these are outlined below. However, the University will not fund drinking sessions in pubs, bars or hotel mini-bars and the bulk purchase by staff of bottled, or canned alcoholic drinks is also not permitted.

1) Subsistence

There is a separate Guidance Note on the purchase of alcoholic drink as subsistence which provides advice on the reasonableness of staff purchasing alcoholic drink whilst they are away from the University on business. The general principle in relation to subsistence is that:

Staff may claim either the actual, reasonable costs of food and drinks taken en route supported by receipts or, as an alternative, scale subsistence expenses. The cost of up to two standard sized alcoholic drinks per member of staff may be reimbursed as part of the “subsistence” costs, but only where the drink is taken with a meal.

For alcoholic drink, staff must either retain receipts for reasonable actual expenditure incurred OR they may purchase any food or drink they wish to consume but their reimbursement is limited to the set per diem subsistence rates* only, which are:

(a) Day Subsistence Allowance (lunch): £6.00 providing they are absent from base for more than 5 hours, spanning one normal mealt ime
(b) Day Subsistence Allowance (lunch and dinner): £10.00 providing they are absent for more than 10 hours, spanning two normal mealtimes
(c) Day Subsistence Allowance (breakfast, lunch and dinner): £15.40 providing they begin their journey before 7 am and take breakfast en route and they complete their journey home or to their normal place of work after 7 pm; and are absent from each for more than 12 hours spanning three normal meal times

* NOTE: Subsistence claims not satisfying the 4 mile/minimum 5 hour absence rule will not be reimbursed
2) Entertainment, Hospitality and Meetings

The arrangement of hospitality, entertainment, meetings or other events that include external stakeholders, business partners or alumni may include the purchase of alcoholic drink. Paragraphs 78 to 85 in the Employees Fees, Expenses and Benefits procedures manual provide guidance on the cost of meals and drinks at meetings and during the entertainment of external stakeholders.

Unlike “subsistence” there are no set rates for costs of entertainment or hospitality. Staff must exercise sound judgement to ensure that the total cost incurred is reasonable and appropriate to the event, and the external stakeholders present. Expenditure on the provision of hospitality and entertainment is a matter of particular sensitivity and, irrespective of the funding source for the costs; details can be subject to release under the Freedom of Information Act. There must be no appearance of extravagance, which may give rise to criticism that University staff are benefitting at the taxpayers’ or other funding bodies expense.

HMRC require the University to record specific information every time we make certain types of purchases, including Entertainment and Hospitality. The guidance on Purchases of Travel, Accommodation, Hospitality and Events is available here. Staff must be prepared to provide detailed information that justifies the nature of the event, the choice of venue, the frequency with which the type of event is held, the rationale for the inclusion of the number of external stakeholders and the expectations of those attending the event.

It is recognised that occasionally Heads of Department or Faculty may need to arrange formal meetings with colleagues in their department to discuss items of strategic importance to the department. For the cost of any meals or drinks at such meetings to be funded by the University, it will be necessary for all of the following criteria to apply:

(a) the meetings must relate to the strategic operation of the Department and/or the University
(b) the meetings must be of a formal nature and have a specific agenda including tactical, development and management issues which need to be discussed in detail
(c) the number of such meetings must be limited to no more than twelve a year
(d) a record must be kept of the nature of the meeting and those attending, justifying its special and exceptional nature and thus allowing the exception
(e) the meetings must, for bona fide reasons, continue before, during and after lunch, and/or an evening meal
(f) the meals must ordinarily be provided by the University Catering Department

Although there is no specific restriction on the purchase of alcoholic drink at such events, because these are formal business meetings, staff either organising the meetings or purchasing meals and drinks on the day must exercise sound judgement when deciding on both the quantity and quality of any alcoholic drink consumed. Extra care should be taken to consider the appropriateness of the provision of alcoholic drinks at events where staff may be travelling after the meeting.

3) Annual Staff Events (eg Christmas parties)

There is a separate Finance Advice Note on the arrangements for Annual Staff Events such as Christmas parties. Alcoholic drink may be purchased as part of such annual staff events however the overall University contribution (including the cost of any meal as well as drinks) must not exceed £50 per person per annum. In order to give greater flexibility departments may hold more than one event per year, provided that the overall cost limit of £50 per person is not exceeded and operational needs are not compromised.