



Gifts and Hospitality Policy

and

Entertaining Policy (including Rewards and Incentives to staff)

(This covers Receipts of Gifts and Hospitality, Entertaining of Third Parties and Entertaining/Rewards to Staff)

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Appendices

Gifts and Hospitality Register

Entertaining Expenditure Register

1. Gifts and Hospitality Policy

Purpose

This outlines the Delta Academies Trust (the Trust) policy with regard to the receipt of gifts and hospitality by its staff from any third parties arising from duties undertaken on behalf of the Trust or any of its academies or related companies.

The Trust is committed to ensuring that the governance of Delta Academies Trust and its academies is conducted in accordance with the highest standards of integrity, probity and openness. This policy has also been set in context of the Trust **Anti-Fraud Policy** and the Bribery Act 2010.

General Rules

- Trust and Academy staff must not receive gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal judgement or integrity. Staff are asked to immediately report any offer or receipt of such gifts to the Finance Office within the Academy or Core Finance office to be recorded in the Register of Gifts and Hospitality.
- Directors, local Education Advisory Body members and staff may accept the following gifts/hospitality without the need to seek the approval of Delta Core Finance or formally register receipt within the Register of Gifts and Hospitality:
 - courtesy hospitality at business lunches / dinners or attendance in an official capacity at a public function;
 - incidental promotional gifts such as calendars, diaries or pens;
 - receipt of small items from suppliers or contractors as expressions of gratitude such as boxes of chocolate or individual bottles of drink (at a value of less than £25)

NB: Care must always be taken to ensure that whenever such gifts / hospitality are accepted no obligation to the person or organisation in question is accepted. In cases of doubt academies should consult the Delta Director of Finance.

- The following examples of gifts/hospitality require approval by Delta Core Finance and should be formally recorded by the Finance Office in the Register of Gifts and Hospitality:
 - Attendance as a non-paying guest of a commercial organisation or individual at a non-work related cultural or sporting event (at a value of more than £25);
 - Promotional gifts worth in excess of £25;
 - Other offers of gifts/ hospitality not falling into any of the above categories.

Unacceptable Gifts/Hospitality

The following are examples of offers of gifts/hospitality which should be refused by staff:

- Gifts of money (not including donations to Delta, its academies or Delta Academies Charitable Trust)
- Free membership or subscriptions (e.g. sports clubs)
- Foreign travel unless as a specific element of a business, academic or research activity approved by Delta Academies Trust CEO in line with the Delta 'Expenses including Travel and Subsistence Policy'.
- Free goods, services or equipment which are normally provided by a supplier to Delta or its academies at a charge.

NB: Any offers of gifts and hospitality falling into any of the above categories should be reported immediately to the Delta Director of Finance.

2. Entertaining Policy

Purpose

This outlines the Delta Academies Trust (Trust) policy with regard to the provision of entertaining third parties by its employees and on the use of public funding for the provision of hospitality/entertaining of its staff.

The Trust recognises that it is customary and routine for education professionals to provide reasonable gifts and entertainment to clients and to receive the same from clients and suppliers. Entertaining must not be made with the purpose of gaining an unfair commercial advantage. We must avoid the situation where entertaining an individual employed by an organisation could breach that organisation's code or cause embarrassment.

The Trust is committed to ensuring that the governance of the Trust and its academies is conducted in accordance with the highest standards of integrity, probity and openness. This policy has also been set in context of the **Delta Anti - Fraud Policy** and the Bribery Act 2010.

Provision of entertaining to third parties:

- Where funding is to be used from the Trust and/or its academies then all entertaining must be approved and agreed with Delta Core Finance prior to that expenditure.
- Entertaining will not be reimbursed via monthly expense claims and the company credit cards cannot be used for entertaining unless approval has been sort from Delta Core Finance.
- If approved all entertaining must be recorded on the Entertaining Expenditure Register held by the Finance Office at the Trust/Academy. This should include an assessment of the impact on the recipient, value and the perception this may have within the market place.

Provision of entertaining to staff:

The provision of entertaining to staff with the use of educational funding is not encouraged, however we understand on occasions you may wish to hold a celebratory event for staff. These events are exempt from tax and National insurance as long as **all** staff within the single location are invited to attend (ie. All staff within an academy are invited).

- Maximum amount £5 per staff member per annum – this is at the discretion of the ELT/ Principal/Head of Academy.
- It is acceptable to provide staff with lunches for full day training events only (this excludes provision of alcohol). Other meals/lunches can only be provided / reimbursed in line with the 'Expenses including Travel and Subsistence Policy'.

- The Education and Skills Funding Agency (ESFA) have a strong preference that education funding should not be used for the provision of alcohol, however, we appreciate there may be occasions when you may wish to provide alcohol to staff in recognition of a celebratory event, completion of successful Ofsted or outstanding examination results or as an individual gift to recognise performance or long service. **The provision of alcohol must be kept to a minimum and full approval must be gained from Delta Core Finance prior to the purchase.** This should be recorded on the Entertaining Expenditure Register.

3. Penalties for Breach of either of the above policies

If a breach of these policies amount to a breach of the Bribery Act 2010 it may attract the following penalties:

- **Individuals** – the penalties for individuals on conviction are severe, and may include imprisonment up to 10 years for all individuals involved.
- **Corporate** – Delta Academies Trust itself and partners, officers and directors may be liable to severe financial penalties for bribery committed by employees, contractors, agents, representatives and other third parties who provide services for or on Delta Academies Trust's behalf. The costs of any external investigation ordered by the regulator may easily be more than £1m, and will be payable by the Trust.
- **Third parties** – any breach of this policy by any contractor, agent, consultant or supplier will normally result in the Trust's contract with any such party being terminated insofar as its terms or law permits.
- **Investigations** – any breach, or suspected breach, of this policy will be investigated and appropriate disciplinary action taken as necessary, which may include reporting to appropriate authorities.
- **Disciplinary action** – any breach of this policy may result in disciplinary action being taken in line with the Delta Disciplinary Policy, and may lead to dismissal if it constitutes gross misconduct. The Trust will support any employee or officer who makes such a report and will ensure that the report is treated appropriately. No disciplinary action may be taken against any person who makes a legitimate report, even if the suspicions reported turn out to be incorrect. Disciplinary action may be taken against any person who attempts to victimise or discriminate against a person making such a report.

4. Rewards/incentives to staff

Rewards/incentives to staff may attract PAYE tax and National Insurance contributions (NICs) and form part of an employee's pay. There are different rules depending on what the reward/incentive is.

Delta Academies Trust have a PAYE settlement agreement in place to deal with rewards/incentives to staff under the 'After School Activities Policy', however this does not deal with rewards made to individual members of staff.

The Trust recognises that rewards/incentives may be given to individuals. These include:

- Gift vouchers
- non-cash items like goods
- prizes for employer-run competitions

Gift Vouchers exchangeable for goods and services

The cost of the voucher must be added to the employee's earnings. For Example: If a voucher with a face value of £50 is given to an employee. This will be included on the employee's payslip, grossed up so that the Trust/Academy can pay the tax and NI due on this award. Full details of the employee and the reward/incentive given will need to be provided to Core Finance (Email corefinance@deltatrust.org.uk) within the month that the amount is awarded.

Other non-cash awards

Non-cash awards to an individual, can also be subject to Tax and National Insurance, however HMRC has set out statutory exemptions for trivial benefits. Under this exemption, if an employer provides a benefit to its employees, the benefit is exempt from tax as employment income if all the following conditions are satisfied:

- the cost of providing the benefit does not exceed £50
- the benefit is not cash or a voucher (see above)

If another organisation provides a non-cash award to an employee of the Trust it is up to the employee to report this to HMRC - you don't have to report or pay anything to HMRC.

Action

Please ensure any payments of rewards/incentives that fall under the above are notified immediately to Corefinance@deltatrust.org.uk. We can then ensure any payments/rewards are appropriately dealt with for Tax and Ni purposes.

5. Role of the Finance Office

The Role of the Finance Office within the Trust/Academies in relation to the above policies:

- Responsible for ensuring that any offer or receipt of gifts, hospitality or donations received by staff are recorded in Delta's or in the individual academy's Register of Gifts and Hospitality.
- To Report any possible conflict of interests arising from the offer or receipt of gifts and or hospitality to Delta Core Finance
- To ensure any entertaining expenditure is recorded within the Entertaining Expenditure Register with appropriate details.
- Return on a termly basis to Core Finance at Delta a copy of the Gifts and Hospitality Register and the Entertaining Expenditure Register (Dec, March, Aug). This must be notified even if no transactions are included.
- Notify to Core Finance any Rewards/Incentives awarded to individual employees which are not covered by the 'After School Activities Policy' and therefore under the current PAYE Settlement Agreement.

6. Review

This policy will be reviewed every three years, or when there are changes to relevant legislation.