Gifts & Hospitality Policy

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GIFTS AND HOSPITALITY

Key Contacts

Name	Telephone	Email
Husham Khan Interim Head of Schools Financial Services		husham.khan@birmingham.gov.uk

Gifts and Hospitality

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Gifts and Hospitality

1 Purpose

1.1 The purpose of this guidance note is to advise schools on the City's policy on the giving and receiving of gifts and hospitality and the use of school budget share and other unofficial school funds.

2 Official and Unofficial Funds

2.1 Official funds are defined as any fund, provided by the Local Authority or other body to meet the Local Authority requirements to provide education. Examples of such funds include:

- School Budget Share
- Devolved Capital
- Educational Visits
- Music Tuition

Official funds may also include other monies received by schools for specific projects which are required, as conditions of the funds, to be dealt with through the school's official accounting system.

2.2 Unofficial funds are defined as funds operated, wholly or in part, by any employee of the school because of his/her employment, for which the Local Authority does not have a statutory requirement to provide the resources for which the fund is being used. Examples of such funds include:

- School Funds
- Tuck Funds
- Vending Machine Funds
- PTA Funds

3. Gifts and Hospitality Given

3.1 Official or unofficial funds must not be used for buying gifts for school staff or other people who may assist the school in a voluntary capacity.

3.2 Official or unofficial funds should not be used for providing hospitality or meals for staff. All staff in school must provide their own refreshments and official or unofficial funds must not be used to pay for personal consumption. The only exemption to this is where a member of staff is undertaking lunch time supervision duties.

3.3 A pool of refreshments such as tea, coffee, milk and sugar for consumption by visitors to the school is permitted and the purchase of these items can be made through the school budget. Schools are advised to set up a cost centre for 'Hospitality' so that there is a clear audit trail for expenditure of this type.

3.4 If meetings with visitors to the school extend through the lunch period it is usually acceptable to provide sandwiches or a finger buffet and non-alcoholic drinks, all of which may be purchased through the school budget.

3.5 There may be occasions when more than light refreshments are required to entertain visitors to the City. Expenditure of this nature should be agreed, in advance, with the Governing Body and setting out the reasons for granting approval.

3.6 Under no circumstances should alcohol be purchased using official or unofficial funds.

3.7 Official or unofficial funds must not be used for the purchase of food or beverages at restaurants or hotels for school staff and/or their families.

3.8 It may be reasonable to provide refreshments and a light meal on school premises at staff training days or as part of a development activity. Food for such occasions is usually provided via the school kitchen, but should this be unavailable, alternative arrangements can be made but will require Governing Body approval.

NB. Details of the notional value of the meal provided must be sent to the Local Authority at financial year-end as there may be a tax liability See Section 14 of the **'Payroll and Pensions'** chapter.

3.9 Where school staff are on residential training courses, personal expenditure incurred during an overnight stay such as mini bar, newspapers, private telephone calls etc is the responsibility of the individual employee and this must be paid for in full before leaving the hotel/venue.

4. Gifts and Hospitality Received

4.1 School staff should consider if the acceptance of any gift and/or hospitality could be regarded by a third party as compromising or likely to compromise the impartiality or integrity of a public servant.

4.2 If in doubt, the offer should be declined in a polite manner so as not to offend the giver of the gift and/or hospitality and so that they understand there are high corporate and ethical standards to be maintained.

4.3 During undertaking their duties, it is inevitable that school staff will be offered some gifts and/or hospitality at some point and in particular this

may apply to staff with financial responsibility – Head Teachers, Business Managers, Budget Holders etc. Accordingly, all such staff should lead by example and uphold high standards of integrity.

4.4 Where any gift and/or hospitality is offered by a person or organisation seeking to do business with the school, particularly where the offer is made to an individual member of staff, it is necessary to exercise extreme caution. The expectation is that as a minimum the individual should consult either the Head Teacher or in the case of the offer being made to the Head Teacher, the Chair of Governors.

4.5 A 'Trivial Gift' (see point 6.4) or modest gift of a promotional nature given to a wide range of people and not uniquely to one individual may be deemed as acceptable. Such gifts may include calendars, diaries, pens or other small items and in such cases do not need prior approval for acceptance and do not need to be recorded in the Gifts and Hospitality Register (See point 4).

4.6 Hospitality is sometimes offered to representatives of schools and in such cases extreme caution is needed particularly where the host is seeking to do business with the school or the Directorate or to obtain a decision from it. It is important to avoid any suggestion of improper influence.

4.7 A working lunch of a modest standard may be acceptable to allow parties to continue a business discussion, but extreme caution is needed if any such working lunches are taken with the same company on a frequent basis. Any such hospitality should be recorded in the Gifts and Hospitality Register (See point 4).

4.8 It is not acceptable to receive hospitality in the form of holidays or weekends away, tickets to theatres or other entertainment events or the use of company flats, hotel suites or hospitality boxes at sporting and other events.

4.9 If any gifts and/or hospitality are accepted they must be recorded, within 7 days of the offer of the gift and/or hospitality being made, within the schools' Register of Gifts and Hospitality **(See Appendix A).** This Register should be presented to the Governing Body on a termly basis. Failure to record the receipt of any gifts or hospitality will be deemed as a disciplinary matter.

4.10 Please note that where hospitality is provided at an official function of the City Council there will be no need to declare it within the Gifts and Hospitality Register.

4.11 If schools are in any doubt over any gift or offer of hospitality, they should seek appropriate advice from the Directorate. Corruption and bribery are criminal offences, and the City Council will not hesitate to refer such issues to the police for prosecution.

5. Gifts and Hospitality Register

5.1 High ethical standards, along with open and transparent arrangements, are essential to ensure integrity of all staff employed by the City Council. Accordingly, gifts and/or hospitality must be discussed with the Head Teacher or the Chair of Governors and if a decision to accept is taken, the details should be recorded in the Gifts and Hospitality Register.

5.2 The Gifts and Hospitality Register should be held and maintained by a nominated officer within the school and should be freely available for inspection by governors, staff, parents and Local Authority representatives.

6. Liability for Income Tax and National Insurance Contributions

6.1 In theory, the provision of any gift or reward to an employee may create some form of liability for the employee.

6.2 ALL gifts in the form of money or 'cash vouchers', including digital, (vouchers which can be exchanged for cash e.g. premium bonds or savings stamps) are subject to deductions of Income Tax and National Insurance Contributions.

6.3 'Non-Cash Vouchers' (vouchers redeemable for goods and services must be reported on Forms P11D and are also liable to National Insurance Contributions. P11D Forms are completed by the Local Authority based on information provided by schools on the Annual Return for the Provision of Gifts and Rewards for Employees. **(See Appendix B)**

6.4 Her Majesty's Revenue and Customs acknowledge that some gifts may fall under the heading 'Trivial Gifts'. There is no legal definition of a trivial gift, but some examples may include:

- Seasonal gifts such as a small box of chocolates or biscuits
- A diary or a key ring

Schools providing gifts/rewards to employees are advised to apply caution as there may be a tax liability to the employee. If in doubt schools should seek advice from the Payroll and Pensions Office.

7. Long Service Awards

7.1 Long Service Awards are exempt from tax liability provided that ‘qualifying conditions’ are met:

- The award marks not less than 20 years service
- No other long service award has been made in the preceding 10 years
- The chargeable amount does not exceed £50 per year of service
- The provision is not money or a cash voucher

Appendix A
REGISTER OF GIFTS AND/OR HOSPITALITY

SCHOOL:_____

Please use this sheet to record **any** gift or hospitality received from _____20…..

Date upon which the Gift and/or Hospitality was offered / received	Person / Organisation offering or providing the Gift and/or Hospitality	Brief details of Gift and/or Hospitality offered / received	Estimated or actual value of the Gift and/or Hospitality	Any reasons for accepting the Gift and/or Hospitality

Name of person: ……..…… Date placed on Register ……..……

Appendix B

BIRMINGHAM CITY COUNCIL

SCHOOLS' ANNUAL RETURN FOR HM REVENUE & CUSTOMS
PROVISION OF GIFTS AND REWARDS FOR EMPLOYEES

SCHOOL: ……

RETURN FOR TAX YEAR: ……

During the tax year shown above, the following employees were provided with gifts and/or rewards, the details of which are set out below:

Name of Employee	National Insurance Number	Pay Reference	Date Gift / Reward Provided	Details of Gift / Reward Provided	Value of Gift / Reward Provided

Name of Employee	National Insurance Number	Pay Reference	Date Gift / Reward Provided	Details of Gift / Reward Provided	Value of Gift / Reward Provided

Completed forms should be emailed to the Schools Finance Team on FairFunding@birmingham.gov.uk

Signed: …….. Designation: …… Date: