



# Humber Education Trust

## Gifts and Hospitality Policy

Approved By:	Trust Board
Version:	1.1
Created on:	December 2017
Amended on:	March 2020
Next review date:	March 2022

## Contents

Policy Statement	Page 3
Policy Scope	Page 3
Definitions	Page 3
Register of Business and Pecuniary Interests	Page 4
Gift and Hospitality Thresholds	Page 4
Treatment of Gifts and Hospitality	Page 5
Considerations on Valuation	Page 6
Inappropriate Gifts and Hospitality	Page 7
Giving Gifts and Hospitality	Page 7
Policy Review	Page 8

## Policy Statement

Humber Education Trust (HET) will conduct all its affairs in an honest and ethical manner. HET has a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption.

The intention of the policy is to ensure that HET can demonstrate that no undue influence has been applied or could be said to have been applied by any supplier or 3<sup>rd</sup> party dealing and/or interacting with HET. HET should be able to show that all decisions are reached on a fair and equitable basis, driven by the concepts of effectiveness, efficiency, probity and propriety.

As a general guideline, business gifts and hospitality should not be accepted by any individual whether employed, volunteer or those with significant control of HET, except as provided for below.

## Policy Scope

This policy applies to all individuals whether employed, volunteer or those with significant control of HET. Any individual who becomes aware of a breach of policy must either report this immediately to the Chief Financial Officer (CFO), or the Chief Executive Officer (CEO) should be reporting of the matter directly relate to the CFO.

Alternatively, the reporting party may refer to HET's Whistle Blowing policy.

## Definitions

The following words and phrases and their definitions will apply to this policy:

- *Corporate Social Responsibility (CSR)*

A business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders.

- *Gifts*

A gift is any item or service, award, prize or any other benefit which is received free of charge; or personally offered at a discounted rate or on terms not available to the general public or which might be seen to compromise the personal judgment or integrity of the recipient.

- *Hospitality*

Hospitality is the offer of food, drink, accommodation or entertainment or the opportunity to attend any cultural or sporting event not available to the general public.

- *Net Realisable Value (NRV)*

NRV is the value of an asset that can be realized upon the sale of the asset, less a reasonable estimate of the costs associated with either the eventual sale or the disposal of the asset in question

## **Register of Business and Pecuniary Interest**

No individual acting on behalf of HET, shall use their position of authority or office for personal gain and shall seek to uphold and enhance the standing of HET by:

- maintain high standards of honesty and integrity in all their professional and business relationships,
- complying with the letter and spirit of the law, and contractual obligations rejecting any business practice that might be deemed improper; and
- at all times in their professional and business relationships acting to maintain the interests and good reputation of HET.

Any personal interest that may impinge or might reasonably be deemed by others to impinge on an individual's impartiality or conflict with the duty owed to HET in any matter relevant to an individual's role whether as an employee, volunteer or an individual with significant control should be declared in writing.

Any individual who has any business dealings conferring personal gain, or involving relatives or associates of members of staff must supply details of such relationship and/or transactions for entry into the Register of Business and Pecuniary Interests.

## **Gift and Hospitality Thresholds**

Any individual whether employed, volunteer or with significant control is only permitted to accept gifts, rewards or benefits from members of the public and organisations which HET has official interactions with and only where they are isolated gifts of a trivial character, or inexpensive seasonal gifts (such as diaries or calendars). Gifts and hospitality should not therefore be accepted if they appear to be disproportionately generous or could be construed as an inducement or bribe to affect a business decision.

Gifts and hospitality received from any one individual or corporate entity will only need to be recorded within the Register of Gifts and Hospitality, if the value exceeds the following threshold limits:

- Gifts

Any one item more than £20 or gifts exceeding £100 per annum.

- Hospitality

Any one instance exceeding £25 per individual or total hospitality exceeding £125 per annum.

Any gifts, donations, facilities and/or hospitality received in excess of threshold limits, provided during the normal course of business should be reported to the CFO for inclusion in the Register of Gifts and Hospitality

## Treatment of Gifts and Hospitality

Where a gift is received on behalf of HET, the gift remains the property of HET. The gift may be required for academy or departmental use or it may, with the CEO's/Principal's approval, remain in the care of the recipient. Unless otherwise agreed, the gift should be returned to HET, if no longer required.

All academies will maintain a Register of Gifts and Hospitality, Local Governing Bodies shall periodically review the register and annually submit a comprehensive statement to the Board of Trustees for approval. Gifts and hospitality will ordinarily be recorded in the register under one of the following headings:

- *Free Gifts*

"Free Gifts" whether unsolicited or included as a part of a purchased item should be either used for academy business (if appropriate) or otherwise handed to HET to be used directly or indirectly to support teaching and learning.

"Free gifts" i.e. non-solicited gifts shall be managed and accounted in the same manner as other gifts and recorded within the Register of Gifts and Hospitality.

- *Gifts in Kind*

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 recorded in the appropriate register of Gifts and hospitality as well as the academy's financial statements (Statement of Financial Activities – SOFA), if appropriate and 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 or the net realisable value in the case of physical assets and/or equipment.

- *Donated Services and Facilities*

HET 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 Comprehensive Income where the benefit to HET is reasonably quantifiable and measurable. This would usually be limited to donations by an individual or commercial/corporate entity as part of their trade, profession or CSR charter.

In contrast to donations; as part of trade, profession or CSR activities; the contributions of volunteers should be excluded from the Statement of Comprehensive Income as the value of their contribution cannot be reasonably quantified in financial terms e.g. parents or other volunteers assisting with school performances, sports days etc, 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 HET's activities. The value placed on those donations which are included in the SOFA, should be the open market value for the services or facilities provided.

- *Hospitality*

In relation to conventional hospitality e.g. lunches, outings, tickets for events, 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 appears to be or could be deemed to be disproportionately generous
- where an invitation could be seen as an inducement or bribe to affect a business decision.

## **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 responsibility of HET to account for the valuation of gifts in an objective and unbiased manner for inclusion within its financial statements and subject to review by external audit.

In many instances obtaining a valuation will be relatively straightforward or HET may be satisfied 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. HET 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 for valuation purposes:

- comparable quotations from alternative suppliers,
- what the academy already pays for that asset/service,
- cash realised if the gift were to be sold.

Auditors will wish to see evidence of the valuation of gifts and therefore evidence obtained as above should be retained.

## **Inappropriate Gifts and Hospitality**

Examples of gifts or hospitality that should not be accepted are as follows:

- cash or monetary gifts,
- gifts or hospitality offers to a member of your family or friends,
- gifts or hospitality from a potential supplier or tenderer in the immediate period before tenders are invited or during the tender process,
- attendance at sporting and cultural events at the invitation of suppliers, potential suppliers or consultants. (Where it is considered that there is a benefit to HET, in a Member, Trustee, Governor or member of staff attending a sponsored event, the attendance must be formally approved and registered by the Chair of Trustees and the CFO).

## **Giving Gifts and Hospitality**

HET will not normally give gifts to other organisations or individuals. If gifts are given, individuals must ensure that the decision is fully documented in the Gift and Hospitality Register and has regard to the propriety and regularity of the use of public funds. This does not apply to the award of gifts and prizes related to the achievement of pupils e.g. attainment or merit awards.

Where hospitality is provided by the HET this should be approved in advance and care should be taken to ensure it is not in breach of the UK Bribery Act 2010, and that the costs are proportionate and appropriate for a publicly funded entity. Hospitality such as working lunches, coffees etc and modest hospitality in the form of meals are perfectly acceptable where it is appropriate to offer these in support of good relationships with visiting staff or professional advisors. These activities and the associated hospitality provided would not normally be added to the register however, hospitality provided above this level should be recorded in the register.

## **Policy Review**

The Trustees have agreed that the Gifts and Hospitality Policy will be reviewed on an annual basis unless Government guidance, changes in legislation or a change in the operating circumstances of HET forces an earlier revision.

Any review will take into consideration all aspects of applicable legislation and advice current at the time of the review. The next 'Period of Review' will be September 2018

## **Sign Off**

Approved By (print name):	
Role Title:	
Signature:	
Date:	

**Where everybody counts,  
every moment matters.**

