

EXPENSES AND BENEFITS POLICY AND PROCEDURE

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UNIVERSITY OF HUDDERSFIELD
STAFF EXPENSES AND TRAVEL PROCEDURES

INTRODUCTION

This document describes University procedures for the authorisation and reimbursement of business expenses relating to UK and overseas travel, and other miscellaneous items, whether incurred by University purchase order, by University procurement card, by Travel and Expenses credit card or personally by individual members of staff.

Claims for the reimbursement of expenses must not contravene the University's Financial Regulations and must comply with University Financial Procedures, e.g. expenses incurred in connection with travel, but paid using a procurement card, must comply both with the staff expenses policy and the procurement card procedures.

It is University policy that claimants are only reimbursed for expenses wholly, exclusively and necessarily incurred in performing business activities for the University's benefit. This policy is based on HM Revenue and Customs guidelines, so that claimants and the University should not incur tax liabilities/penalties.

Compliance with these procedures in respect of both UK and Overseas travel and expenses is mandatory for all staff. This policy applies to all expenditure regardless of the source of funding.

In the event that an expense claim or benefit is contemplated in respect of any item not included in this document, or an employee has a query relating to the payment of expenses under this policy, the matter must be referred in the first instance to his or her Budget Holder/Finance Manager who may thereafter need to refer to Financial Services for guidance. Any further advice which may be required by the University from HMRC will be sought by Financial Services.

The information and procedural instructions in this manual are for the guidance of all members of the University Council and its Committees and of all employees of the University. Unless otherwise stated, the term "employee" refers to all levels of University employees, and for the purposes of this manual, all members of the University Council and its Committees. The policies are designed to ensure that employees are reimbursed for expenditure actually and necessarily incurred on the University's business. The procedures provide a mechanism for enabling such expenditure to be reimbursed.

The policies are the policies of the University but they have been prepared in the light of the income tax regulations and the tax/NIC treatment has been agreed by the University's tax office.

Those benefits which state that “no tax or NIC liability will arise” are covered by a “form P11D dispensation” issued by the tax office (this confirms the Inspector of Taxes’ agreement that business expenses covered by it are allowable for tax purposes). In these circumstances the Inspector of Taxes has agreed that employees need not report these details in their tax returns.

Where it is stated that a benefit is subject to tax and/or NIC liability and where expenses are paid outside the scope of this manual, the University will, at the end of each tax year, prepare a form P11D or form P9D in respect of each employee in receipt of such expenses. This will give details of all such provision made in that year and will be submitted to the Inland Revenue by 6 July following the end of the tax year in order that the Inspector of Taxes may collect any tax and/or NIC due from the employee. A copy of this report will be provided to the employee for the purposes of his or her tax return.

This document states that some benefits will form part of a PAYE settlement. Where this is applicable the tax and/or NIC liability which an employee would normally pay personally will be paid at the discretion of the University, on their behalf by the University directly to the Inspector of Taxes. Paying these liabilities on behalf of the employee is in itself a benefit and as such gives rise to a second amount of tax and NIC which will also be paid by the University. Where this is applicable all tax and NIC costs will be recharged to the School or Service from which the initial benefit was provided. Under these circumstances no form P11D or form P9D will be issued as no liability falls to the employee.

Benefits known at present which will need to be reported by employees in their tax returns (in accordance with the above) are as follows:-

- Redundancy payments and/or benefits which exceed £30,000;
- Discretionary relocation expenses

EXPENSES REIMBURSEMENT PROCEDURE

It is the policy of the University that employees are reimbursed the rates as set out in this manual or the actual cost of expenses incurred wholly, exclusively and necessarily in the performance of the duties of their employment. Employees are expected to minimise costs without impairing the efficiency of the University.

Expenses incurred on behalf of the University should be claimed in accordance with the instructions in this manual and are to be recorded in detail on an employee expenses claim form. Claims should normally be made within one month of the expense being incurred. These claims must be supported by receipts wherever the supplier can reasonably be expected to provide a receipt. Where individuals have used their own credit card on company business, details of the purchase should be entered onto the claim form and the original receipt attached. The original credit card receipt should be used where no other form of receipt is available.

The claim form must be signed by the claimant and the form must be authorised under the procedures described below under "Authorisation of expense claims".

Petty cash vouchers are to be used only for small items of actual expenditure not related to travel and subsistence. The maximum amount which may usually be claimed through the petty cash system is £20 in respect of any one item. All other expenses must be claimed using an employee expenses claim form. Any item claimed on a petty cash voucher must be fully described and a receipt attached wherever the supplier can reasonably be expected to provide a receipt.

AUTHORISATION OF EXPENSE CLAIMS (INCLUDING PETTY CASH) AND COMPANY CARDS

The claim form must be signed by the claimant and authorised as follows:

<u>Claim form submitted by</u>	<u>Authorised by</u>
Staff below Budget Holder/Delegate level	Budget Holder/Delegate
Budget Holders/Delegates	The School Dean or Director of Service
Deans/Directors of Service	Deputy/Vice-Chancellor or respective Pro Vice-Chancellor
Deputy/Pro Vice-Chancellor/University Secretary	Vice-Chancellor
Vice-Chancellor (checked by Executive Officer)	Chair of Audit Committee
Members of University Council/Council Committees (checked by University Secretary's staff)	University Secretary

Any amendments made to expense forms should be initialed by the claimant and by the individual authorising the claim. Under no circumstances will self authorised claims be accepted for payment.

The completed forms should normally be submitted to the Procurement Section of Financial Services, together with all supporting documentation (receipts, etc.) no later than the end of the month following that in which the expenditure was incurred. The forms and supporting documentation will be retained by Financial Services for at least six years.

Any attempt to submit a false claim will be treated as gross misconduct under the disciplinary rules of the University.

VAT

It is important that VAT invoices are provided wherever possible with claims, in order to ensure that the University can recover the full amount of VAT to which it is entitled.

In most circumstances, goods or services being acquired for business purposes should be purchased using a University purchase order or University procurement card and the supply should be made to the University.

If this is not possible and an employee purchases the goods or services personally then they must obtain a receipt wherever possible in order to obtain reimbursement.

UK AND OVERSEAS TRAVEL EXPENSES

Before travel both the traveller and the Budget Holder should check that sufficient funds are available to cover the proposed Itinerary and that the expenditure does not contravene the purpose for which the funds were planned to be used by the School or Service or in the case of grants in line with grant expenditure.

Members of staff are responsible for ensuring travel has been obtained at the lowest cost/best value having regard to all the circumstances. The preferred method of travel is by public transport, followed by hire car, then private transport for which mileage can be claimed.

Air travel where cost effective should be by economy class unless it is cheaper to travel by business class and this should be shown on the claim form.

Similarly with rail travel all travel should be standard class. First class will only be reimbursed where there is an objective justification and should be endorsed in advance by the School or Service Manager or Finance Officer.

Taxis may be taken where no public transport is available, or travel is at times where public transport is unavailable. Taxis may also be taken where travellers have to carry extra baggage to support their business visit, but not if the extra baggage is for holidays attached to the visit.

If the UK travel involves an overnight stay then travellers are expected to book through a recognised hotel online provider and obtain the best rate available. If a specific hotel is required such as attendance at a conference or event, this should be first discussed with the budget holder.

Whenever possible accommodation should be booked by the budget holder or admin team in advance and paid for either by University procurement card or purchase order.

UNIVERSITY PROCUREMENT CARDS

At the discretion of Financial Budget Holders/Finance/ School/Service Managers, employees can apply for a University procurement card. These cards are for business use only and **MUST NOT** be utilised for private use. All transactions should be in accordance with the terms of this manual and the Purchasing Card procedure and comprehensive details of the card usage must be entered onto a log sheet. The log sheet will be used to check against the monthly card statement issued electronically to each card holder by Finance before authorising the month's expenditure. All original receipts should be retained by the school/service for seven years in order to fulfil audit requirements.

UNIVERSITY TRAVEL AND SUBSISTENCE CARDS

Employees who are required to travel/entertain regularly in the course of their work may, at the discretion of Financial Services, be provided with a company credit card. These cards **MUST NOT** be utilised for private use. Full details of the card usage must be entered onto a log sheet and all original receipts attached. Where the card is used in respect of travel, subsistence and/or entertaining, comprehensive details and costs must be provided. All company credit card transactions should be in accordance with the terms of this manual. The log sheet must be authorised in accordance with page 3 and should be submitted along with the statement to Financial Services.

CAR HIRE AND USING YOUR OWN VEHICLE

The University has a framework agreement in place for Car Hire and the appointed supplier must be used at all times.

Before hiring any vehicles staff are reminded that they should have presented a copy of their Driving Licence and a copy of their motor insurance to the School or Service admin teams responsible for booking their vehicles. When driving Hire Vehicles providing they have presented the licence and insurance to their respective admin team, drivers will be covered by the University's motor insurance policy when using the car for business purposes. Hire of vehicles must not be used for private purposes at any time.

Vehicles can be booked online by the administration teams and paid for by procurement card.

Vehicle hirers are reminded that they must choose a vehicle which offers economy and is adequate for their needs. This will be monitored by Arnold Clark and reports sent to central Procurement.

The vehicles should arrive fully fuelled and the supplier will see to the tanks being refilled on the return of the vehicle. If during the hire the hirer feels that fuel will run out he or she should fill the car with the appropriate fuel and claim this back via employee expenses. Drivers on picking up the vehicle must check around the vehicle for any damage and mark the hire sheet with this damage making a note themselves just in case of comeback from the supplier.

If the vehicle is involved in an accident or is damaged during a hire the driver must report this to central Procurement who will arrange an insurance claim form to be issued for the driver to fill in and return. Failure to report damage or accidents will result in the driver being unable to hire in the future. Drivers also should report any motoring offence or speeding which may have been detected during the hire by cameras or the police and hirers will be responsible for paying any penalties associated with the offence.

Travellers using their own vehicles must make sure that their own insurance covers business travel and copies of the policy must be presented to budget holders/line managers in advance of any such use. Failure to have this cover will prevent claims being authorised for payment.

Where a journey begins or ends at home the employee may claim only the cost of the **lesser** of the distance:-

- actually travelled; or
which would have been travelled if the journey had started or ended at the employee's normal place of work, as appropriate

No allowance is payable for insurance cost as this is covered in the mileage allowance for staff which is 40p per mile for the first 1,000 miles and 23p thereafter. The figure for mileage is cumulative and should be kept by the individual and entered onto the claim form.

Any accident occurring whilst driving their own vehicles should be reported to the driver's own insurers who will deal with the matter. Drivers have no claim on the University's insurance when driving their own vehicle on University business.

No tax or NIC liability arises in respect of claims for the use of the employee's own motor vehicle under the above rules and details need not be reported in tax returns.

MOTOR CYCLE ALLOWANCES

Where authority is granted by the University, expenses incurred whilst on University business, will be reimbursed at the following rate:-

Motor Cycle Allowance 24p per mile

Employees authorised to use their own motor cycle on University business should make claims on an employee expenses claim form attaching all receipts.

No tax or NIC liability arises in respect of claims for the use of the employee's own motor cycle under the above rules and details need not be reported in tax returns.

OVERSEAS TRAVEL

Travellers are reminded that before travel they must fill in a risk assessment and forward this to the insurance officer via e-mail at least 14 days prior to departure. This is mandatory and failure to do so could lead to the individual being uninsured and not able to claim any business expenses. The form is downloadable from the University intranet and can be found on the Human Resources website, under Overseas Travel. Travellers are also required to give a detailed Itinerary of their travel at the time of the risk assessment. This is helpful in tracking travellers in cases of emergency or security issues.

Travellers are reminded that the University's travel insurance only covers them whilst on the business of the University and that any personal holidays are not covered. If personal holiday is included or added to the trip travellers should seek their own insurance cover.

Where possible travel bookings for flights, hotels and conferences should be paid for prior to departure, by the School or Service admin Staff. This will minimise expenditure for travellers.

Frequent travellers abroad can apply via their Finance Managers for a travel and expenses card (credit card) to be used when travelling abroad.

All expenses should be documented either by receipts or where this is not possible by a note from the traveller stating the nature of the expense. The University's dispensation to pay expenses from HMRC is based on receipted expenditure. Where expenses are incurred in foreign currencies, a breakdown of the amounts should be shown both in the foreign currency and its sterling equivalent and receipts received in a foreign language should be translated to assist the people checking the claim. The exchange rate used must be the rate on the day that the expense was incurred.

The university will reimburse the cost of any necessary vaccinations which employees have to receive before undertaking certain business journeys together with the costs of

any preventative medication. Travellers should also note that the University will reimburse any expense incurred in obtaining the necessary Visas.

All claims should be submitted via the Staff Expenses form and receipts should be attached and retained by the School or Service for audit purposes.

ADVANCES FOR OVERSEAS TRIPS

Staff may request a cash advance for trips abroad. The amount will be determined by the traveller's Line Manager/Finance Manager and will reflect the planned expenditure which may be incurred by the traveller.

The completed Advances form should be submitted to Financial Services who will arrange for the advance to be paid into the traveller's bank account. In order for this to be done in a timely manner travellers are requested to submit the advance 14 days before travel.

When the traveller returns they must submit an expenses claim, deducting the advance amount and attaching the receipts for expenditure incurred. If this leaves a positive balance then the traveller must make arrangements to pay this balance back to Financial Services. If after expenses the total expenditure exceeds the advance then these expenses will be paid by Finance when processing the expenses claim.

No further advances will be paid if there are outstanding claims to be paid from previous overseas trips. All advances must be accounted for within one month of the travel occurring. The University reserves the right to recover any uncleared advances from any moneys owed to the employee.

HOTEL ACCOMMODATION

When it is necessary for members of staff to stay overnight in the course of their work, the University will bear the reasonable cost of the accommodation. As a guide 3 or 4 star hotels are acceptable.

Where ever possible accommodation must be booked prior to the travel using one of the University travel agents or direct using trivago, booking.com, or similar agents with the objective of securing value for money and the best rate available. Travellers are reminded that the sooner in advance these deals are booked normally affords the greatest discount probably with the exception of travelling to London where prices are higher than the rest of the UK. As a guide for London, and other major cities, this should be no more than £200 per night, the rest of the UK no more than £85 per night, overseas £120 per night; over these amounts budget holders must pre-approve the expenditure. If a specific hotel is required, such as for attendance at a conference or event, this should be discussed in advance with the budget holder.

Staff paying their own accommodation bills must claim the overnight accommodation costs back through the expenses system remembering that they cannot claim for personal incidental expenses, such as alcohol, newspapers, laundry or personal phone calls.

No costs are reimbursed for accommodation when staying with family or friends.

There will be no tax or NIC liability in respect of hotel costs claimed under these rules and details need not be reported in tax returns.

SUBSISTENCE & OTHER OUT OF POCKET EXPENSES

Staff who are required to travel in the course of their work are entitled to claim the actual, reasonably incurred costs of meals taken whilst away on University business. The business trip should occupy the whole or most of the working day encompassing normal meal breaks.

Expenses incurred when entertaining clients or potential business partnerships should be claimed via the staff expenses form and receipts must be provided unless paid for in advance or on the day by University credit card. Alcoholic drinks taken in moderation with meals can be claimed when supported by a receipt.

Subsistence may not be claimed when staff are using any of the University catering outlets. This should be pre-booked online with Catering Services.

Other reasonably incurred expenses such as parking, public transport tickets, taxis and snacks etc can be claimed as business expenses when accompanied by a receipt.

No tax or NIC liabilities arise in respect of any of the above expenses claimed in accordance with these rules.

RELOCATION EXPENSES

The purpose of the relocation policy is to compensate, in part, the financial loss incurred by new employees who are required to relocate their permanent residence to within daily travelling distance of the University. This benefit is not a grant but a sum against which a claim can be made for reasonable expenses incurred in moving home.

The scheme applies to members of staff, employed on senior staff contracts, taking up a first appointment with the University of at least three years' duration and who have to change their place of residence as a consequence of taking up appointment. Applicants should be aware that if they leave before serving three years' continuous employment with the University from the date of appointment they will be required to refund some or all of the expenses paid. The Vice-Chancellor has discretion to widen the scope of the scheme to include other employees given the particular circumstances in each case.

Relocation expenses will normally only be payable to senior staff who move to within 30 miles of Huddersfield (i.e their main campus base), providing that the original home was more than this distance from their main campus base. It is expected that staff will make every effort to move house in as short a time as possible and in any case within 12 months of the start of their employment. The University is sympathetic to the difficulties associated with moving house and extensions to this timescale may be available depending on individual circumstances. Any concerns about this deadline should be discussed with the Head of Human Resources. However, the maximum period will be in accordance with HMRC rules for exemption of tax and Class 1A NIC liability i.e. before the end of the tax year following that in which the employee takes up the new appointment.

Where two members of staff are relocating to the same home the University will only accept one claim up to the maximum £8,000 value on behalf of the new household.

Relocation costs will be refunded in full or up to a maximum of £8,000 whichever is the lesser sum. Relocation costs are defined as those necessarily incurred in the relocation of home and individuals must change their main place of residence. Qualifying expenses are specified by HMRC and must be supported by receipts. These are:

- disposal or intended disposal of old residence acquisition or intended acquisition of new residence
- transporting belongings
- travelling and subsistence
- domestic goods for the new residence

In the event of a resignation or termination of the contract, including the non renewal of a temporary contract, within three years of the date of appointment, repayment of relocation costs will be required as follows:

Resignation within a period of one year: 100%

Resignation after one year but before 3 years: Repayment of full amount received less 1/36th of this amount for each calendar month of service

In special cases, such as those involving movement from overseas or in times of recruitment difficulty, the Vice Chancellor may, at his discretion, exceed the limits of the allowance

To apply employees should complete Reloc 1 form and submit this to the Head of Human Resources for authorisation. Claims will be processed by Financial Services.

Where the maximum relocation expenses the University will reimburse does not exceed the amount allowable by the Inland Revenue, no income tax or NIC liability will arise on the reimbursement of such expenditure. Where, at the discretion of the Vice-Chancellor or the Chair of Council these limits are exceeded, payments will be subject to income tax and NIC as applicable.

HEALTH ASSESSMENTS

Where the University requires a medical report or an employee to undergo routine medical health checks or medical screening, the University will make the necessary arrangements with the employee's general practitioner or other relevant specialist and will pay direct the costs so incurred. Employees must not pay the practitioner and reclaim the costs via the expense claim system. All medical reports will be supplied direct to the University but copies will be made available to the employee on request. Health assessments may be required as follows:

- pre-employment medicals for staff generally;
- for the purpose of retirement through ill health;
- where the University requires a report on the employee's fitness.

The University will only pay for medical treatment or diagnosis where it is deemed that an employee's health is affecting their work and where recommended by the University's Occupational Health Unit.

No tax or NIC liability arises in respect of the above and details need not be reported in tax returns.

SPECTACLES FOR VDU OPERATORS ONLY

Where employees are required to operate VDU equipment in order to carry out their duties and for these purposes an employee undergoes a VDU examination, the University will pay for the cost of the examination in accordance with the following:

A written statement must be issued by the Head of Department, School Administrator or Director of Service confirming that the employee is a VDU user as defined by the University's Display Screen Equipment Code of Practice. This statement should be passed to the Occupational Health Department who will then issue an Eye Examination Voucher (to the value of £20.00), entitling the employee to go to any Optician participating in the scheme.

Following the eye and eye sight test the Optician will provide the employee with a certificate of recommendation which must be returned to the Head of Department, School Administrator or Director of Service. If the use of spectacles solely for VDU work is recommended, the employee will be issued with a Spectacle Voucher up to the value of £55.00, by the Occupational Health Department. The voucher should be taken to the Optician for the spectacles to be ordered. An employee wishing to have frames from outside the permitted range must meet any additional cost. Where an employee already wears spectacles for non VDU work but now requires additional spectacles for VDU work, it may be possible to include them with a bifocal or varifocal lens. The employee is only responsible for the cost of the non VDU element.

No reimbursements will be made to employees. Consequently, no tax or NIC liability arises and details need not be reported in tax returns.

HOME TELEPHONE COSTS

In exceptional circumstances where an employee performs significant duties mostly at home and needs to make regular business use of a home telephone line, the University will reimburse the employee for the cost of a dedicated telephone line. Calls made on the business line should be kept to a minimum and the employee will reimburse the University for the full amount of any private calls plus VAT.

No tax or NIC liability will arise to employees in respect of home telephone costs claimed in accordance with these rules and no details need be reported in tax returns.

MOBILE TELEPHONES

Mobile telephones are supplied on request by Telephone Services. Where it is necessary for a mobile telephone to be provided, the University will make the necessary arrangements for staff following approval by the Line Manager or Budget Holder, for the rental of the equipment and will pay all costs including call costs. Arrangements for the reimbursement of private call costs should be made by the employee with their School/Service.

The University will not reimburse employees for hiring, leasing or purchasing such equipment of their own, irrespective of whether the equipment is required for the proper performance of the duties of employment. The University will meet the costs of business calls incurred by employees using such equipment, provided detailed evidence of the costs is supplied with the claim form.

No tax or NIC liability arises in respect of use of mobile telephones in accordance with the above and details need not be reported in tax returns.

PPE, CORPORATE CLOTHING AND SAFETY EQUIPMENT

The University will provide uniforms for the following categories of employee. The provision of clothing will be arranged by the University. Costs may not be claimed by way of reimbursement in cash:-

- Campus Support Staff
- Cleaners
- iPoint

- Catering Services
- Post Room
- Combined Services Group
- School Staff (at the discretion of The School)
- Team Hud

The University may also provide specialist clothing and safety equipment such as hard hats, safety boots, fluorescent jackets and chefs whites to employees whose duties require that they are so equipped. Certain protective clothing and recognised corporate uniforms are provided by the University for the above members of staff. Uniforms are also provided by the University for Nurses to enable them to work safely and enable the University to meet its obligations as an employer under Health and Safety legislation. The University will also provide specialist clothing or safety equipment to certain groups of staff or students for the completion of set activities (such as designated helpers at Open Days).

Clothing provided as recognised corporate uniforms, specialist as well as protective clothing must be prominently and permanently labelled with the University's logo imprinted/stitched or otherwise permanently attached to them so as to identify the wearer as an employee of the University and it must not be suitable for everyday wear outside of the working environment. Expenses of laundering the clothing referred to above may be deducted from the employee's salary or will be the responsibility of the individual concerned.

The University also provides protective clothing for those working in a clinical/laboratory environment. These are issued to enable them to work safely and enable the University to meet its obligations as an employer under Health and Safety legislation. Expenses of laundering these items may be met by the University.

No tax or NIC liability arises in respect of clothing and laundry costs provided under the terms described above and details need not be reported in tax returns.

At the discretion of Financial Budget Holders/Finance/ School/Service Managers, employees can apply for a University procurement card. These cards are for business use only and **MUST NOT** be utilised for private use. All transactions should be in accordance with the terms of this manual.

PROFESSIONAL SUBSCRIPTION

Where an employee's membership of an approved professional body is a requirement of their employment and where the University agrees to cover the cost, the University will make payment, where possible, directly to the organisation concerned on receipt of an authorised invoice. Where the employee pays the costs directly they follow the

normal expenses claim and authorisation procedures. By authorising the invoice the Budget Holder is taking responsibility for checking that the membership is a requirement of employment and that it is with an approved body (see www.hmrc.gov.uk/list3/index.htm for list).

EXTERNAL TRAINING COURSES

Employees may be required to attend training courses in order to perform their duties effectively. The University organises many training courses in-house and the costs of these courses are borne by the University. Where, however, it is necessary for employees to travel to courses external to the University, any travel and subsistence expenses incurred can be claimed using the staff expenses claim form.

Additionally, at its discretion, the University will bear the cost of external training courses. The University may agree to meet the cost of courses where the training leads to the acquisition of knowledge or skills which are necessary for the duties of the employment or directly related to increasing effectiveness in the performance of the employee's present or prospective duties in the employment. Where either of these conditions is met the University may agree to bear the cost of the course fees and the cost of essential books in addition to the costs of travel and subsistence.

Where the University agrees to bear the costs, invoices should normally be made out to the University who will make payment directly to the supplier/trainer. In exceptional circumstances where an employee pays the aforementioned and reclaims the expenses via an employee expenses claim form, the form must specify which course was undertaken and in the case of an NVQ course the word 'NVQ' must be clearly marked. Claims will be reimbursed subject to the normal rules for reimbursement of expenses as set out in this manual

Where the claim does not relate to an NVQ course no tax or NIC liability arises in respect of such payments and details need not be reported in tax returns. In the case of NVQ courses please refer to Financial Services for guidance.

EXTERNAL TRAINING COURSES TRAVEL AND SUBSISTENCE EXPENSES

Provided the period of training on an external course is less than 12 months and the employee returns to their normal place of work at the end of the period of training, any reasonable travel and subsistence expenses incurred in attending the course incurred can be claimed using the staff expenses claim form.

No tax or NIC liability arises in respect of such costs and details need not be reported in tax returns.

PRIZES/AWARDS/GIFTS

To External Individuals/Organisations

Where it is necessary to provide gifts to individuals who are not employed by the University they should be purchased at the discretion of the School or Service Manager using an official University purchase order or procurement card.

In all circumstances the following information must be shown on the order or purchase card log sheet:-

- the name(s) of the recipient;
- the organisation(s) which they represent;
- the reason for provision.
- date

Gifts should not be provided in the form of cash, food, drink, tobacco, or vouchers and should not exceed £50 per year for any one recipient.

In the circumstances described above no tax or NIC liability arises in respect of such costs and details need not be reported in tax returns.

Receipt of Gifts

Accepting a gift or gratuity from anyone who deals with or is seeking to deal with the University can place an employee in a compromising position. No monetary reward or gifts in kind for personal use should be accepted from outside individuals or organisations except as set out below and where refusal would impair relationships.

Token gifts with a value up to £50 e.g. calendar, pen, book, review copy, etc. can be accepted and need not be reported within the University.

Potential recipients must obtain prior approval from their Dean or Director of Service or from the Vice-Chancellor (or Deputy Vice-Chancellor) in the case of Deans or Directors of Service, before accepting gifts with a value of £50-£100. Recipients should be aware that such items may be recorded as University property.

Gifts which are over £100 in value should be reported to the recipient's Dean or Director of Service or the Vice-Chancellor (or Deputy Vice-Chancellor) in the case of Deans or Directors of Service as well as to the University Secretary who will maintain a University register of such gifts. These items will either be recorded as University property or sold (the proceeds going into general University funds).

If the gift is substantial, an employee should normally politely refuse in accordance with the University's Code of Conduct, which is contained within the Financial Regulations and explain that they are not permitted to accept such a gift. In order not to impair

relationships, recipients should obtain prior advice from their Dean or Director of Service or from the Vice-Chancellor (or Deputy Vice-Chancellor) in the case of Deans or Directors of Service.

In the circumstances described above such costs will not be reportable by the University on an individual's P11D or P9D.

Provided By The University To Members Of Staff

The University may occasionally provide an employee with a small gift of flowers, to mark an event such as a wedding, birth, bereavement or illness. These items should be purchased using a University purchase order or University procurement card and full details should be given.

Providing this is not a reward for services, no tax or NIC liability will arise to employees in respect of such expenses and no details need be reported in tax returns.

Other gifts, prizes and awards provided by the University or anyone connected with the University to members of staff are generally liable to tax and/or NIC and such items will either be reportable on each individual's form P11D or P9D or form part of a PAYE settlement. Guidance should be sought from Financial Services, prior to purchase. Gifts to staff purchased entirely from voluntary contributions by their colleagues do not fall within the scope of these regulations.

Long Service Awards

Employees completing 15, 25 and 35 years continuous employment may, at the discretion of the University, be presented with a gift in the form of a digital mastercard via Vivup which they can spend as they wish. No tax or NIC liability will arise providing the employee has not received such an award within the previous 10 years and so long as the value of the gift plus any related buffet does not exceed the limit set by the Inland Revenue (contact Financial Services for information). Where an employee has received a long service award within the previous 10 years this will form part of the University PAYE settlement.

HOSPITALITY/ENTERTAINING/FUNCTIONS

Alcohol

When entertaining external business contacts **away** from University premises, the reasonable costs of alcohol may be reimbursed by submitting an employee expenses claim form and attaching all receipts. The following information must be shown on the form under 'business expenses':-

- the name(s) of all attendees;
- the organisation(s) which they represent;
- reason for provision.

Receipt of Hospitality

Members of staff may accept meals or equivalent hospitality only in the normal course of business and only when the hospitality is of a reasonable level and not extravagant. Examples of what might be acceptable include an offer of a drink after a visit or an invitation to attend a function as a representative of the University. Examples of what would be considered unacceptable are accepting holidays, hotel, theatre tickets. Prior approval from the recipient's Dean or Director of Service or from the Vice-Chancellor (or Deputy Vice-Chancellor) in the case of Deans or Directors of Service must be sought.

In the circumstances described above such costs will not be reportable by the University on an individual's P11D or P9D.

Entertaining/Hospitality for External Business Contacts

Necessary costs of hosting external business contacts will be reimbursed on production of receipts by completing an employee expenses claim form. The following information must be shown on the form under 'other expenses':-

- the name(s) of all attendees;
- the organisation(s) which they represent;
- reason for provision.

Similarly, where external business contacts are entertained using the University's catering facilities or where an order is raised in respect of such expenses, the host employee must enter details as above, on the order.

As a general rule there should be no more than three University employees per external business contact. Where this general rule is applied no tax or NIC liability will arise to employees and details need not be reported in tax returns. In exceptional circumstances where external business contacts are hosted and the general rule is not applied, the expenditure is reportable on an individual's form P11D or P9D. The University may agree to include these as part of the University PAYE settlement though all queries relating to this matter should be directed to Financial Services prior to the event taking place.

Staff Meetings/Functions/Away Days

Where there is a genuine business reason for staff to be provided with food/refreshments at a business meeting or where the University holds a function for its staff, the University internal catering provisions should be used and an internal order raised.

In exceptional circumstances where external catering companies are used for such provision or where events are held away from the University campus, at the end of each tax year (5th April) Schools and Services are responsible for providing Financial Services with the following information:

- date of provision;
- reason for the provision of hospitality including whether any element of training was involved;
- external catering company used;
- names of those attending;
- method of payment (e.g. procurement card, order, expense claim, etc.);
- total cost including VAT.

Food/refreshments provided by the University internal catering provisions as described above, are not liable to tax and/or NIC and details need not be reported on an individual's form P11D or P9D.

Where external caterers are used either at the University or elsewhere unless there is an element of training involved in the event, the costs are liable to tax and/or NIC and as such are reportable on an individual's form P11D or P9D. In some circumstances the University may agree to include these as part of the University PAYE settlement though all queries relating to this matter should be directed to Financial Services prior to the event taking place.

Entertaining/Hospitality for Spouses/Family Members/Friends

Spouses of members of staff may be invited to attend and act as host/hostess at University functions and consequently receive free hospitality as an incidence of business entertaining.

For any individual event the number of spouses for whom there is a genuine role as host/hostess will be small and will relate to the nature of the occasion.

Written approval must be sought and obtained from the Vice-Chancellor in advance and such approval would also need to be formally notified to the Financial Services Department.

Generally the costs relating to spouse, family members or friends are liable to tax and/or NIC and as such items will either be reportable on each individual's form P11D or P9D or form part of a PAYE settlement. Prior guidance should be sought from Financial Services.

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POLICY SIGN-OFF AND OWNERSHIP DETAILS

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Equality Impact Assessment:	
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REVISION HISTORY

Version	Date	Revision description/Summary of changes	Author
V1.2	June 2021	Minor Policy amendment. Adjustment made to Long Service Awards narrative (Committee approval not required)	Director of Finance
V1.1	June 2020	Minor Policy amendment. Adjustment made to Long Service Awards periods (Committee approval not required)	Director of Finance
V1.0	July 2017	Major Policy review. <i>Previous versions of this Policy are held by Finance. Please note this is Version 1.0 under the new Policy Framework.</i>	Head of Procurement