

**ELB GUIDANCE ON THE PROVISION
OF
GIFTS AND HOSPITALITY**

THE PROVISION OF GIFTS AND HOSPITALITY BY THE BOARD

1. Background

- 1.1 The purpose of this policy is to provide advice and guidance on the principles and requirements governing the provision of official gifts and hospitality. This guidance is based on DAO 10/06 which was issued by DFP on 10 August 2006 and further revised on the 23 June 2009.
- 1.2 Expenditure on gifts and official hospitality should only be incurred where it can be shown to be in direct support of the Boards' business. As with all public expenditure, gifts and hospitality must represent value for money and should only be incurred in accordance with the principles of regularity and propriety.

2. Gifts – General Principles

- 2.1 Official gifts should not be regarded as part of the normal conduct of Board business and should involve only modest expense. Token gifts made by the Board to its employees are dealt with in circular DAO (DFP) 05/2003.
- 2.2 The Board Accounting Officer has a delegated limit from the sponsor Department of £100 (inclusive of VAT) in all but exceptional circumstances where the expenditure could be deemed to be novel or contentious. For gifts over £100, the sponsor Department's prior approval must be obtained.

3. Hospitality - General Principles

- 3.1 As the expenditure of taxpayers' money on official hospitality is a sensitive matter which could lead to public criticism, care must be taken to avoid exposing the Board to allegations of extravagance or impropriety.
 - 3.2 Managers should always consider the justification for, and the form and extent of, any hospitality to be offered and should exercise economy in incurring
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expenditure for this purpose. Approval must be obtained at the appropriate level prior to hospitality being offered or provided.

3.3 Hospitality should not be provided for internal meetings attended only by Board officials. Hospitality should be primarily for guests of the Board. Hospitality should be in the form of food and refreshments appropriate to the occasion.

3.4 Where the provision of light refreshments enables the business of large meetings to continue, there may be a charge on public funds where the alternative would be an interruption of business.

4. Hospitality offered to visitors from outside the Board

4.1 The Board will normally meet expenditure for the provision of lunch/dinner to visitors (including those from other Boards and the sponsor Department) or for working lunches where a benefit will accrue to the Board or where such an occasion allows for the conduct of urgent business.

4.2 In such circumstances, expenditure may be authorised within the following guidelines: -

- (i) Approval should not normally be granted when only Board staff are in attendance.
 - (ii) The number of people invited should be kept to a minimum. The scale of hospitality should be appropriate to the needs of the occasion and the status of the guests.
 - (iii) Any hotels or restaurants used should be appropriate to the purpose. Board establishments should be utilized wherever possible.
 - (iv) Any meals should be on a modest scale, with the total cost per head not exceeding £30. The element for refreshments must not exceed one third of the total bill.
 - (v) Where no service charge is included, a tip of 10% is considered reasonable.
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- (vi) Partners and guests of Board staff are ineligible for official hospitality, other than in exceptional circumstances and with the specific agreement of the Chief Executive.

5. Working Lunches & Refreshments for Committees and Ad Hoc Meetings

5.1 Refreshments may be provided for business meetings where approval has been obtained at the relevant level. The provision of lunch at public expense will be acceptable only where:-

- (i) It is impossible to accommodate an urgent meeting other than at lunch time.
- (ii) It is preferable for participants to remain together during lunch, or
- (iii) Pressure of work is likely to be such as to make it impractical to allow a break long enough to give participants reasonable time to obtain lunch elsewhere (although such cases are likely to be rare).

5.2 The nature of the lunch should be appropriate to the purpose, with costs kept to the minimum. If morning or afternoon breaks are warranted, light refreshments may be provided at public expense, at the discretion of the relevant Head of Department.

6. Hospitality offered during Training Courses, Conferences etc

6.1 A measure of hospitality at public expense may be offered to those participating in training courses, both residential and non-residential. This facility may also be extended to cover conferences, seminars, approved team building sessions, workshops, etc. the following guidelines apply: -

- (i) **Residential** (i.e. where at least one night's accommodation is being provided and paid for as an integral part of the course).
 - (a) Whilst it is normal practice to meet the cost of meals and light refreshments, this facility should not be extended to include payments for alcoholic refreshments.
 - (b) Expensive hotels should be avoided.
 - (c) The total cost of food and refreshment should be appropriate to the purpose per person and should be kept to a minimum.

- (ii) **Non-Residential**

Depending on the duration of the course/event, hospitality should be restricted to the provision of morning and afternoon tea/coffee with biscuits/scones. The

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provision of a meal at lunch time should if possible be at a Board location. Where lunch and light refreshments are provided, subsistence expenses will not be payable. Board venues should always be considered in the first instance for hosting non-residential courses/events.

GUIDANCE ON OFFERS AND THE ACCEPTANCE OF

GIFTS AND HOSPITALITY

GUIDANCE ON OFFERS AND THE ACCEPTANCE OF GIFTS AND HOSPITALITY

Section 1

- 1.1 The Board recognises that contractors and other customers of our services may extend from time to time offers of gifts and hospitality to staff. The Board also recognises that its employees have a responsibility, in the interests of public confidence, to exhibit high standards of propriety, and carry out their role with dedication and a commitment to the Board and its core values: integrity, honesty, objectivity and impartiality.
 - 1.2 **Section 2** of this guidance sets out the principles governing the acceptance of gifts and hospitality by staff and provides some specific advice on how these principles should be interpreted across the Board. The guidance is designed to remind staff of their responsibility to exercise judgement and propriety regarding offers of gifts and hospitality. **The guidance is effective immediately but will be subject to review when required.**
 - 1.3 The Board's Code of Conduct for Board Officers indicates that board officers should conduct themselves with honesty and impartiality in the exercise of their duties. As a consequence, they should never receive benefits of any kind from a third party which might reasonably be thought to compromise their personal judgement or integrity. In this field, **perception is as important as reality.**
 - 1.4 The fundamental principle is that no member of staff should do anything which might give rise to the impression that he or she has been or might be influenced by a gift or hospitality or other consideration to show bias for or against any person or organisation while carrying out official duties.
 - 1.5 **Section 3** of this guidance sets out the monitoring arrangements that departments must put in place to ensure that the arrangements are operating effectively and that they can be seen to be operating effectively.
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Section 2

- 2.1 This guidance sets out good practice concerning the acceptance or rejection of gifts or hospitality, and details responsibilities and procedures for the authorisation and recording of such instances. As board officers our standards of conduct are determined by what the Government and the public as taxpayers expect and not by what may be a common practice in the private sector.
- 2.2 External people acting on behalf of the Board (for example, consultants, contracted staff etc) must also abide by the policy. If it is believed that an external person may have breached the policy, the matter should be reported to the Head of Service or more senior manager, who will take the matter forward with the individual or his/her company. **This requirement should be notified to external staff before they start work within the board.**
- 2.3 This guidance should also be seen as applying to **spouses, partners or other associates** if it can be argued or perceived that the gift or hospitality is in fact for the benefit of the official.
- 2.4 Any breach of the rules of conduct can lead to disciplinary action and in some circumstances can be a criminal offence.
- 2.5 The policy governing the acceptance of gifts, hospitality and awards by board officers is set out in Section 8 of the Code of Conduct for board officers.
- 2.6 This Guidance focuses on the key issues and the specific rules, which all staff in the Board should adopt.
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Legal Obligations and Fundamental Principles

- 2.7 Under the Prevention of Corruption Acts of 1906 and 1916 it is an offence for an officer in his/her official capacity:
- to corruptly accept any gift or consideration as an inducement *or* reward for doing, or refraining from doing, anything in that capacity; or
 - to show favour or disfavour to any person; or
 - to receive money, gifts or consideration from a person or organisation holding or seeking to obtain a Government contract.

All of these are deemed by the Courts to have been received corruptly unless it is proven otherwise.

Record of gifts, hospitality, invitations, etc

- 2.8 Each Department within the Board will maintain **Registers of Gifts, Hospitality and Awards** which will be available for periodic review. The purpose of the Registers will be to counter any possible accusations or suspicions of breach of the rules of conduct by staff. The registers are subject to **Freedom of Information (FOI)** queries. A template is attached at **Annex A** that should be used to register gifts, hospitality, invitations etc.
- 2.9 It will be the responsibility of each Department to ensure all staff are made aware of this guidance and that registers are in place and properly maintained and updated. To facilitate the monitoring arrangements at paragraph 3.1, the board will maintain a register for each Department and a separate register for each member of the senior management team.

Acceptance of Gifts

- 2.10 The general principle is that all gifts offered should be refused. However seasonal, promotional or trivial gifts (such as calendars, diaries, pens etc), which bear Company names and/or logos of the provider of the gift and have a value of less than £50, may be accepted by individuals without the need for these to be reported or approved in advance. A token gift may be accepted if it is presented by an organisation, however, these and the acceptance of any other gifts must have been approved by management (see paragraph 2.17) and must be declared by the member of staff in their Departmental register.
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- 2.11 More expensive or substantial items, valued at **£50** or more and gifts of lottery tickets, cash, gift vouchers or gift cheques, cannot on any account be accepted. All gifts offered (apart from those which are trivial or inexpensive), even if they are declined/returned need to be recorded in the register.

Trade, loyalty or Discount Cards

- 2.12 Trade, loyalty or discount cards by which an officer might personally benefit from the purchase of goods or services at a reduced price are classified as gifts and **should be refused or returned to sender**.
- 2.13 Frequent flyer cards used by airlines can be used by staff to avail of special departure lounges and priority booking and check-in. They must **NOT make private use of any flights/air miles**, which derive from flights paid for from the public purse.

Staff involved in the procurement or monitoring of a contract

- 2.14 Apart from trivial/inexpensive seasonal gifts, such as diaries, no gifts or hospitality of **ANY** kind from any source should be accepted by anyone involved in the procurement or monitoring of a contract. This will ensure that no criticism can be made regarding bias to a particular company or supplier.

Gifts received in recognition of work done

- 2.15 On no account should a gift or gratuity be solicited or requested. Where gifts by way of gratuities, vouchers or book tokens etc for lectures, broadcasts or similar occurrences are offered, then acceptance should be based on how much of the preparatory work for the event was done in the officer's own time, how much in official time and the extent to which board resources, other than, for example, use of an officially issued lap-top at home, were used in the preparation. The following guidelines should be applied:
- a) If the preparation was carried out entirely in the individual's own time and the event took place outside normal working hours at no expense to the board, it would be acceptable for the individual officer to retain the whole fee, token or other gift;
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- b) If, however, the preparation was done wholly in board time with use of board resources, no gifts or fee should be accepted unless the event is carried out outside of normal working hours when a gift or token to the value of up to **£50** is acceptable; and
- c) If the preparation was carried out and the lecture etc, delivered in an officer's own time but board facilities were used for typing, preparation of PowerPoint/overheads etc, then a gift or token to the value of not more than **£75** is acceptable.

2.16 In the case of either b, or c, the Board can, if they so choose, charge the organisation or body a fee based on the salary costs of the individual and/or the use of resources. If a series of gifts from the same source exceed the monetary limits set out above the same rules apply.

Reporting Gifts and Approval Process to be followed

- 2.17 If gifts (apart from those trivial or inexpensive gifts for which approval is not required under Paragraph 2.10 of this Guidance) are received, the **approval of the relevant line manager and the Head of Department/Chief Executive for senior officers should be sought using form A1 which is attached at Annex C**. If the recipient has or will reject the gift, they only need to send details to their line manager for inclusion in the Departmental Register.
- 2.18 In each case submitted to him/her, the approving officer will decide in writing or email, whether to:
- a) allow the recipient to keep the gift;
 - b) return the gift to the donor with a suitably worded letter explaining why the gift cannot be accepted. A template has been attached at **Annex B** which should be tailored to suit each individual circumstance;
 - c) use or dispose of it, if possible, in or by the board; or
 - d) donate the gift to a nominated Charity.

The approving officer will ensure that the details of the case and his/her decision are recorded in the Gifts and Hospitality register.

Hospitality

- 2.19 The handling of offers of hospitality is recognised as being much more difficult to regulate but it is an area in which staff must exercise careful judgement. In exercising this judgement it is acknowledged that there can be difficulty in distinguishing between a "gift" and "hospitality". It is also recognised that it can be as embarrassing to refuse hospitality, as it can be to refuse a gift.
- 2.20 The acceptance of what would be accepted as conventional hospitality, for example working lunches, should, in the main, cause no problem especially if there is some official means of reciprocity and provided that it is **limited to isolated occasions** and its acceptance is in the **interests of the board**. Hospitality, which would not be acceptable, would include invitations to frequent or more expensive social functions where there is no direct link to official business (sporting events, the theatre, opera or ballet etc), particularly where these come from the same source, and those which involve travel, hotel or other subsistence expenses. For further guidance refer to the checklist at **Annex D**.
- 2.21 It can be argued that if officers are to achieve the best value for money in dealings with suppliers or consultants then they need to build up contacts and that it is quite legitimate for them to have a close working relationship with organisations or individuals, which may involve a degree of hospitality. There may also be instances where staff receive invitations to events run by voluntary organisations such as Annual Conferences or Dinners. Attendance at such events is considered an integral element in building and maintaining relationships with these sectors and any hospitality received is likely to be reasonable and proportionate, and therefore acceptable. Additionally, very occasional acceptance of meals or tickets to public sporting, cultural or social events may be accepted if attendance is justified as being in the board's particular business interest. But it will be for the officer and his/her managers to demonstrate clearly that acceptance was in the board's interest.
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2.22 **The main point is that in accepting hospitality staff need to be aware of and guard against, the dangers of misrepresentation or perception of favouritism by a competitor of the host.**

2.23 To sum up, in deciding whether hospitality can be accepted, staff should consider if it:

- a) is likely to help business effectiveness;
- b) places no obligation or perceived obligation on the recipient;
- c) is not frequent, lavish or prolonged;
- d) is unconnected with any decision affecting the organisation or the individual offering it;
- e) can be justified; and
- f) provides benefits to the board, which outweigh the risk of possible misrepresentation of the hospitality.

Reporting Hospitality and Approval Process to be followed

2.24 When in doubt about accepting hospitality or an invitation line management or the head of department should be consulted. In **all instances** where other than conventional hospitality (infrequent working lunches) is offered, the **approval of the line manager and the Head of Department/Chief Executive for senior officers should be sought using form A1 which is attached at Annex D**. If the recipient has or will reject the offer of hospitality, they only need to send details to their line manager for inclusion in the Departmental Register. It is particularly important to ensure that a board is not over-represented at an event or function and care should be taken to ensure that this does not happen, for example, by enquiring from the host as to other staff who have received similar invitations. To guard against the multiple acceptance of invitations to the same event, each department should make arrangements to ensure that corporate consideration is given to all invitations.

Awards or Prizes

2.25 Staff should consult with their line management if they are offered an award or prize in connection with their official duties. They will normally be allowed to keep it provided:

- a) there is no risk of public criticism;
- b) it is offered strictly in accordance with personal achievement;
- c) It is not in the nature of a gift nor can be construed as a gift, inducement or payment for a publication or invention to which other rules apply.

2.26 A process as outlined in Paragraph 2.17 should be followed.

Section 3

Monitoring arrangements

3.1 Board Registers of Gifts, Hospitality and Awards will be subject to the following monitoring arrangements.

- Each Head of Department will be responsible for monitoring the Register for their Department on an annual basis.
- The Chief Executive will monitor the registers for Heads of Department annually.

Template for Return of Offer of Gift/Hospitality

(The content of this template should be tailored to suit each circumstance)

| | |
|---|---------------------------|
| Contact name | Name of Business |
| Name of company | Manager/Head of Division: |
| Address of company | Office Address |
| Date | |
| Dear | |
| The Board operates a Gift and Hospitality Policy to ensure high standards of propriety in the conduct of its business. | |
| On account of public confidence, perception is as important as reality and because of this I am obliged to return your offer of <u>INSERT: <i>Name of gift / hospitality.</i></u> | |
| This is not in any way meant to offend or to imply that your [gift/hospitality] was offered in anything but the utmost good faith, but is designed to protect both individual members of staff and the Education & Library Board. I hope you will accept our response in that spirit and that we can look forward to continued effective working relationships. | |
| Yours | |

Annex C

(Part 1 to be completed by recipient – part 2 overleaf to be completed by approving officer)

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|---|------------------|
| GIFT/HOSPITALITY FORM A1 (Part 1) DETAILS | |
| Offered to: | |
| Name of ultimate recipient if not as above (ie if gift or hospitality passed on to someone else): | |
| Date of event or gift offered: | |
| Who made the offer: | |
| Description of offer: | |
| Why was the offer made: | |
| Estimated/actual value of offer: | |
| State whether offer was declined: | |
| Is there a current/potential contract with the donor? If yes provide details: | |
| Signature: | Signed: Date: |

PLEASE TURN OVER FOR PART 2 TO BE COMPLETED BY THE APPROVING OFFICER

| | |
|---|------------------|
| GIFT/HOSPITALITY FORM A1 (Part 2) OUTCOME | |
| Decision: (Approved/Not Approved) | |
| Reasons why approval has/has not been granted: | |
| Is gift being returned? If so, a letter should be issued (template at Annex B to be used) | |
| Has the gift been used or disposed of? If so give details: | |
| Has the gift been donated to a nominated charity? | |
| Has the Gifts and Hospitality register been updated? | |
| Signature of Approving Officer: | Signed: Date: |

NB: FORM NOT VALID UNLESS BOTH PARTS 1 AND 2 HAVE BEEN COMPLETED

Offers of Hospitality Checklist

| Type of gift/hospitality | Approval required | Guidance reference |
|---|--|--------------------|
| 1. Modest conventional hospitality (eg working lunch). | No | 2.24 |
| 2. More formal lunch or dinner, by prior invitation. | Prior approval required from Head of Service or Head of Department/Chief Executive as appropriate. | 2.19 to 2.24 |
| 3. Hospitality for a team | Prior approval required from Head of Service or Head of Department/Chief Executive as appropriate. | 2.22 |
| 4. Commemorative or similar occasion organised by contractor, consultant or supplier (eg to celebrate an anniversary, opening or handover). | Prior approval required from Head of Service or Head of Department/Chief Executive as appropriate. | 2.19 to 2.24 |
| 5. Trade promotion on company's premises with meals or drinks. | Prior approval required from Head of Service or Head of Department/Chief Executive as appropriate. | 2.19 to 2.24 |
| 6. Annual dinner of Professional Institute or Association: <ul style="list-style-type: none"> • where the officer is a guest of the Institution or Association • where the officer is a guest of a particular consultant, contractor or supplier. | Prior approval required from Head of Service or Head of Department/Chief Executive as appropriate. | 2.19 to 2.24 |
| 7. Overseas visits to inspect manufacturers' products/premises. | Prior approval required from Head of Service or Head of Department/Chief Executive. | 2.19 to 2.25 |
| Form A1: Gifts and Hospitality Approval Form and Gift and Hospitality Register must be completed on all occasions. | | |
| Examples where hospitality may not be accepted (not a prescriptive list) | | |
| <p>*Leisure Events * Complimentary Tickets</p> <p>*Sporting Events *Weekend breaks or holidays, whether paid for or not.</p> <p>(very occasional acceptance of meals or tickets may be accepted - see paragraph 2.21)</p> | | |