

GIFTS & HOSPITALITY POLICY

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Gifts and Hospitality

As a general guideline, business gifts and hospitality should not be accepted by any member of staff, except as provided for below.

The intention of the policy is to ensure that the Dales Academies Trust or the Academies can demonstrate that no undue influence has been applied or could be said to have been applied by any supplier or anyone else dealing with the Academy. Dales Academies Trust or the Academies should be able to show that all decisions are reached on the basis only of value for money and for no other reason.

Any breach of this policy could lead to disciplinary action and may constitute gross misconduct.

Employees shall not use their authority or office for personal gain and shall seek to uphold and enhance the standing of Dales Academies Trust the Academies by:

- maintaining an unimpeachable standard of honesty and integrity in all their business relationships;
- complying with the letter and spirit of the law, and contractual obligations rejecting any business practice that might be deemed improper;
- at all times in their business relationships acting to maintain the interests and good reputation of the Dales Academies Trust or the Academies.

Any employee who becomes aware of a breach of policy must either report this immediately to his or her manager who will instigate investigations as necessary or refer to the whistle blowing policy.

Any personal interest that may impinge or might reasonably be deemed by others to impinge on an employee's impartiality or conflict with the duty owed to Dales Academies Trust or the Academies in any matter relevant to an employee's duties (such as conflicting business interests) should be declared in writing. Any member of staff who is aware of any business dealings conferring personal gain, or involving relatives or associates of members of staff must supply details of such transactions for entry into the Register of Business Interests.

Employees are permitted to accept gifts, rewards or benefits from members or the public or organisations which Dales Academies Trust or the Academies has official contacts only where they are isolated gifts of a trivial character, or inexpensive seasonal gifts (such as diaries or calendars). Gifts should not therefore be accepted if they appear to be disproportionately generous or could be construed as an inducement to effect a business decision.

Where purchased items include a "free gift", such a gift should be either used for Academy business or handed to Dales Academies Trust or the Academies to be used at charity raffles etc.

In relation to conventional hospitality (lunches, outings, tickets for events, etc.) 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 is disproportionately generous

- where an invitation could be seen as an inducement to affect a business decision.

Any hospitality other than of a nominal value (£25+) or facilities provided during the normal course of business should be reported for entry into the Register of Business Interests.

A register of all gifts & hospitality should be kept on site and reviewed by the Local Governing Body at Finance meetings at least annually. At the year-end a copy of the full register should be authorised, by signature, by the Chair of Governors and sent to Dales Academies Trust (even

Gifts in Kind

Gifts of cash are clearly the easiest to value. However 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 included in the academy's accounts within the Statement of Financial Activities – 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 to the academy or (less likely) the amount actually realised as in the case of second-hand goods donated for resale. The key valuation test is "what would the academy be prepared to pay to purchase the asset?"

For example:

- if the academy wants a mid-range PC and is given a high-spec PC, then the valuation of that gift should be based on that of a mid-range PC;
- if the academy needs a minibus and is given a 48-seater coach then the valuation should be that of the minibus.

Donated Services and Facilities

Academies 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 Financial Activities where the benefit to the academy is reasonably quantifiable and measurable. This would usually be limited to *donations by an individual or entity as part of their trade or profession*.

For example if a local accountancy firm agreed to supply an accountant free of charge to assist the academy's finance department for a couple of hours a month, this should be included in the accounts. However a police officer talking to a group of pupils as part of his/her community liaison role would not be classified as a donation, as this service would always be provided free as part of normal police activities.

In contrast to donations as part of a trade or profession, the *contributions of volunteers* should be excluded from the Statement of Financial Activities as the value of their contribution cannot be reasonably quantified in financial terms. For example parents or other volunteers assisting with reading in the classroom 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 the academy's activities. The value placed on those donations which are included in the Statement of Financial Activities should be the price the academy estimates it would pay in the open market for the services or facilities.

For example:

- if the academy requires a bookkeeper and is given the services of a chartered accountant for doing the work of the bookkeeper) then the valuation of time should represent what it would have cost to obtain the services of a bookkeeper;
- if the gift is classroom assistance irrespective of who is providing the time the appropriate rate from the relevant pay scale (i.e. unqualified or qualified) should be used.

Other 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 FARC's, Finance & Resources Committee's responsibility to account for the gift at a valuation which they can justify to their auditors.

In many instances obtaining a valuation will be relatively straightforward or the governing body will be able to satisfy itself 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. The FARC 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 of valuation:

- comparable quotations from alternative suppliers
- what the academy already pays for that service/asset
- cash realised if the gift were to be sold
- experience of the FARC in purchasing similar services or assets; and
- what the FARC would be prepared to pay for that gift out of the academy budget.

The auditors will wish to see evidence of the valuation of gifts and therefore evidence obtained as above should be retained and discussions on valuation at the FARC meetings should be minuted fully. Time spent by members in attending FARC meetings is part of their responsibility in undertaking their governance role and therefore should not be included as a business contribution.

However, if a FARC member gives additional free time to the academy providing professional advice, outside their role as a member, this may be accounted for as a donation.

Dales Academies Trust should ensure they are clear about what constitutes the work and role of FARC members before determining whether additional assistance from a member is classified as a donation.

"Free gifts" i.e. non-solicited gifts will only have a value to the academy if the gift assists in achieving its objectives as set out in the Academy Development Plan. However the auditors will expect annual accounts to show the full details of an academy's transactions, whether they are monetary or notional. Academies will therefore be expected to account for unsolicited gifts where applicable.

The general rule relating to discounts is that they are not acceptable as "gifts" and should not be recorded as income. This is because under generally accepted accounting principles, discounts are not accounted for as income but as a reduction in expenditure. As the governing body is required to obtain value for money, the offer of discounts should be taken into account in making purchasing decisions.

Full records of receipt of business contributions should be retained, as the auditors will require evidence of receipt.