

HOSPITALITY, TRAVEL AND EXPENSES POLICY

Hospitality, Travel and Expenses Policy

<p>Introduction</p>	<p>City, University of London values its reputation for ethical behaviour and financial probity and reliability. Consequently it is important that we have policies to guide staff when receiving hospitality or incurring expenses whilst on City business and to alert them to relevant legislation.</p> <p>This document is in four sections:</p> <ol style="list-style-type: none"> 1 General principles and guidelines. 2 The policy for hospitality or gift(s) funded by and or provided to City, where the beneficiaries include staff. 3 The policy for travel on City business, including overnight accommodation. 4 The policy for reimbursement of expenses.
<p>1 General principles and guidelines</p>	
<p>Scope</p>	<p>These policies apply to all staff. The policy relates to relevant expenditure whether claimed as personal expenses, incurred using a OneCard or paid for by a Purchase Order.</p>
<p>Anti-corruption and bribery policy</p>	<p>City recognises that any involvement in bribery will reflect on its image and reputation and to limit exposure it introduced an Anti-corruption and bribery policy in 2016. Anti-corruption and bribery policy.doc</p> <p>City absolutely prohibits the offering, giving, soliciting or the accepting of any bribe in whatever form to or from any person or company, public or private by any council member, staff, contractors, consultants, agents, overseas agents, external examiners and any non-employee service providers engaged on City business for whatever reason.</p> <p>The prevention, detection and reporting of bribery is the responsibility of all staff. To this end staff should be aware of the Public Interest Disclosure process at: https://www.city.ac.uk/media/intranet-site/documents/hr/policies/Whistleblowing_Procedure_November_2013.pdf</p>
<p>Authorisation</p>	<p>Any hospitality must be authorised by the Budget Holder or if the budget holder is taking part, the Budget Holder's line manager. Should the proposal exceed the expenditure limits, a request to deviate from the policy should be made to the CFO.</p> <p>The Budget Holder is responsible for ensuring an expense claim is appropriate and is fully justified.</p>
<p>Value for money</p>	<p>Employees are expected to behave responsibly when spending</p>

	<p>City's money and to avoid extravagance. A value for money judgment should be made prior to booking (e.g. cheap flights to airports distant from the destination which require considerable onward travel or overnight stays might not offer value for money).</p>
Committing expenditure	<p>Any expenditure on travel, hospitality or gifts must follow the University's purchasing procedures.</p> <p>Purchases/bookings must be justified, authorised and receipted. They should preferably be made using an SAP purchase order or a OneCard. Where this is not possible personal credit/debit cards or cash may be used and receipts claimed via the expenses process.</p>
Health and Safety	<p>Any hospitality given or accepted must comply with City safety standards. Risk assessments of activities should be ratified with the Safety Officer.</p> <p>Staff intending any travel, especially outside the UK, should undertake a risk assessment. https://www.city.ac.uk/staff-hub/safety-office</p>
Compliance and ethical behaviour	<p>Budget Holders should monitor compliance with the policy, with particular focus on the appropriateness of the expenditure and delivery of vfm. Internal Audit will periodically audit compliance.</p> <p>Staff are expected to take personal responsibility to obtain appropriate VAT receipts to support expense claims and OneCard transactions, and to provide all information required to adequately support the claim or the transaction.</p>
Political contributions and donations to charities	<p>City, University of London, receives funding from the Government, and along with all HEIs, is classified as a Public body under the definitions of the Freedom of Information Act. City is also a registered charity. Consequently, it is important that the institution directs its expenditure for the purposes that it is received.</p> <p>Payments that could be interpreted as Political contributions are not allowable. City, University of London will not make political contributions, ie contributions, financial or in kind, to support a political cause.</p> <p>Financial contributions include both donations and loans. In-kind contributions include gifts or loans of property, provision of services, advertising or promotional activities endorsing a political party, purchase of tickets to fundraising events and contributions to research organisations or 'think-tanks' with close associations to a political party.</p> <p>It is also not accepted practice to make payments to other Charities.</p>

Taxable benefits	<p>Expenses must be shown to have been incurred ‘wholly, exclusively and necessarily on City business’ for them not to be treated as a taxable benefit by HMRC. Hence it is important to provide sufficient supporting documentation for expense claims, including receipts. Failure to justify claims could result in the expenditure being disclosed as a taxable expense, with the employee liable for any resulting tax charge.</p> <p>Items claimed as expenses that could be regarded as taxable benefits have to be disclosed on an annual return for each employee (form P11D), or in some cases are taxed via PAYE.</p>
Tax implications of staff hospitality	<p>City currently has in place a PAYE settlement agreement (PSA) which allows the employer to cover the liabilities on ‘staff events’. Part of City’s PSA currently covers the below items Small Gifts and Staff Hospitality, as included in this policy. This means that the individual does not have to pick up the tax liability, via a P11D, but City still does.</p> <p>Any all-staff gathering such as the leaving parties and team building events allowed for in the policy, will attract a charge that is payable to the HMRC, of 88.8% of the cost. Therefore, the actual cost of these events can be almost double the amount allowed for in the policy because the tax liability is calculated and transferred into the relevant cost centres on a periodic basis.</p> <p>It should also be noted that there is no limit on this amount and so if we were to raise the expenditure limits, as proposed, City will have to pay more to the HMRC as a consequence.</p> <p>The HMRC will allow employers to arrange an annual staff event that is not treated as a benefit in kind in any way ie no additional cost of Tax. The limit is up to £150 per head and if the employer was to not exceed the £150 limit on one annual event, for example the Christmas Party, then potentially a second annual event may be available without an additional tax liability to City. This is only allowed if the combined amount per head doesn’t exceed £150. ALL staff have to be invited to qualify or, if this is not possible, an event per department should be made available – much like the existing arrangements for the staff Christmas parties. This allowance therefore covers us for the local Christmas Parties and the City-wide staff events.</p>
Applicable legislation and regulations	<ul style="list-style-type: none"> •1 Prevention of Corruption Acts 1906 and 1916 •2 Bribery Act 2010 (OECD Anti-Bribery Convention) •3 Nolan Committee Report – Standards in Public Life •4 HMRC Tax Liability •5 Corporate Manslaughter and Corporate Homicide Act 2007 •6 Health & Safety at Work Act 1974

2 Hospitality policy

<p>Overview</p>	<p>The purpose of the policy is to provide information on the duties of the individuals concerned; when hospitality or gifts are appropriate; what type of hospitality or gift is acceptable by occasion type; and the funding limits for each hospitality or gift type.</p> <p>A moderate amount of expenditure on staff is deemed acceptable but should not be excessive.</p> <p>There should be a clear business justification for any hospitality or gift which is funded by City or accepted by staff, which must meet the test of reasonableness, where reasonableness is defined as being appropriate for a recognisable business purpose.</p> <p>The hospitality should not contravene any other policy in place in City. Hospitality or gift organisers should be particularly aware of City's Health and Safety obligations as set out in the Events Managements Safety Procedure.</p>
<p>Unacceptable hospitality and gifts</p>	<p>Due consideration should be given to accepting hospitality or gifts from suppliers, students and others. Staff may not accept hospitality or gifts, irrespective of value, which might influence or be seen to influence the outcome of an exam, an award of business (contract) or the use of City's Intellectual Property or other assets, or to benefit personally or for the benefit of anyone/body connected to that person. Acceptable hospitality/gifts may become unacceptable due to timing, such as during a tendering exercise or to an academic prior to marking papers etc.</p> <p>Cash, gift certificates, weekend trips, holidays or any other high value hospitality or gifts may not be accepted under any circumstances. Any such offers made should be brought to the attention of the Director of Internal Audit as soon as practicable.</p>
<p>Hospitality and gifts acceptance</p>	<p>Hospitality and gifts should be logged in a hospitality register, which takes the form of an e-mail account: registerofinterests@city.ac.uk</p> <p>Any gift retained by a member of staff with the exception of low value items (<£25), will be deemed to be of the same status as a bribe retained.</p> <p>Occasional business lunches or hospitality and invitations to outside events may be accepted when appropriate. If the invitation is deemed to be generous, it should be logged in the register of interests.</p> <p>Offers of extended hospitality (e.g. hospitality at a sports event) from a vendor or potential vendor should be referred to the Director of Internal Audit before it is accepted.</p> <p>The register of interests is monitored by the Procurement team, and</p>

	will also be reviewed from time to time by Internal Audit and should be available without notice being required. Any hospitality received by Deans and PSDs should be reviewed by the President or their designate annually. (The designate is The Director of Internal Audit or Deputy CFO).
Gifts for staff	<p>If gifts are purchased for visitors or members of staff, details of the recipient and reason for the gift should be provided on the expense claim or OneCard transaction detail. Gifts for staff will be treated as a taxable benefit.</p> <p>Gifts and cards for members of staff should not be purchased from University funds, with the exception of acknowledging bereavement of a close family member. Gifts to recognize births, marriage and similar are not allowable expenses.</p> <p>A maximum of £200 is allowed for retirement gifts.</p>
Staff meals and refreshments	When staff meet together to discuss business either internally or externally meals or drinks may not be claimed as expenses or paid for using a OneCard. Likewise, the cost of outings to welcome new starters should not be claimed. (This is not referring to subsistence when travelling on City business).
Internal hospitality for meetings	<p>Internal hospitality such as lunch or refreshments etc. should not be arranged for meetings of less than two hours. When arranged it should be used sparingly and approved by the budget holder.</p> <p>Food can only be provided when it is necessary to hold a meeting during a normal meal time (breakfast - before 9.00am, lunchtime - between 12.00 and 2.00pm, or evening - after 6.00pm), and it is not practical to expect staff to bring their own food. No alcohol can be provided. Where possible the meeting should be held on City premises and food provided by City's catering providers.</p>
Allowable hospitality expenses	
Staff hospitality and taxable benefits	<p>The cost of entertaining customers, suppliers or business contacts is deemed to be a normal business expense. Where there is a ratio of greater than 2:1 staff to external contacts, the cost of the meals of additional members of staff is treated as a taxable benefit. For example if there were three staff to one external visitor, City settles the liability on one of the meals i.e., 25 per cent of the bill.</p> <p>This cost is recharged back to the cost centre from which the hospitality was paid. This means that such expenditure can cost significantly more than the billed cost of the hospitality.</p> <p>The majority of staff-only functions will attract the taxable benefit charge except for Christmas meals, where it is assumed that the University offers a Christmas meal to all members of staff.</p> <p>The policy rules and the taxable benefits also apply to similar expenditure paid for using a OneCard.</p>

Staff only functions	<p>Staff-only hospitality can be claimed as follows, with maximum amounts allowed indicated in each case:</p> <ul style="list-style-type: none"> •1 £40 per head for Christmas celebrations. Occasions are limited to attendance at one annually. •2 Maximum of £300 for leaving event for staff who have worked for City for more than five years. •3 Maximum of £300 for retirement event for staff who have worked for City for between five and ten years. •4 Maximum of £1000 for retirement event for staff who have worked for City for more than ten years, depending on the number of guests anticipated A maximum of £15/head should be used when 60 guests or fewer are expected to attend. <p>Note: the amounts available to pay for leaving parties are not transferrable to gifts. These are capped at £200.</p>
Business entertaining	<p>This applies to claims for meals and drinks incurred when:</p> <ul style="list-style-type: none"> •1 Entertaining external parties for sales/marketing/development purposes. •2 Entertaining visiting academics (Note that Visiting Lecturers who are already teaching at City are regarded as employees). <p>Claims for entertaining should be supported with records of amounts spent, the nature of the entertainment, the persons entertained and the reasons for the entertainment. The ratio of staff to external visitor(s) should not exceed 2:1 where possible to minimise the tax liability.</p> <p>The threshold for the claim will be set at £50 per head (inc. VAT). Amounts exceeding that will require supporting justification.</p>
Student/Alumni events	<p>Claims for entertaining groups of students or <i>alumni</i> should be supported with records of amounts spent, the reasons for the entertainment, and the number of students/<i>alumni</i> present.</p> <p>The ratio of staff to students/<i>alumni</i> should not exceed 2:1. If it does, the cost will be treated as a taxable benefit.</p>
3 Travel Policy	
Overview	<p>The policy covers all travel on City business including overnight accommodation. The purpose is to achieve travellers' service requirements in the most convenient, cost-effective and environmentally friendly manner, with safety an important consideration.</p> <p>The policy applies to all staff spending City funds on travel and associated expenses regardless of the origin of the funding. This includes funds awarded in the form of research grants (Note that if travel is being funded by an external source, any travel rules which are applied by that source must also be followed).</p>

	Travel and/or accommodation costs borne by other external parties where the source is not a research contract or similar should be recorded in the register of interests.
Passports	When necessary, please ensure passports and Visas (single or multiple entry) satisfy the travel requirements of the UK Immigration Service and the Immigration Services of the destination countries.
Authorisation	All travel should be agreed in advance with the Budget Holder. All overseas travel requires a Health and Safety risk assessment .
Allowable travel and subsistence expenses	
Air Travel	<ul style="list-style-type: none"> •1 The preferred Travel supplier, identified on the Marketplace should be used for all non-UK travel and hotel bookings wherever possible. •2 First class travel is not allowed. •3 Economy class should be booked for all flights under six hours duration. •4 Premium economy must not be booked for flights lasting less than 6 hours •5 Where a long international flight is overnight and followed by a meeting/presentation, business class may be booked but this should be pre-approved by the Dean/Professional Service Director. Letter/Email approval to be attached to EOD claim. •6 In the case of travel funded by research grants, prior confirmation of eligibility of business class travel should be sought from the Research Office.
Use of own vehicle and claiming mileage	<ul style="list-style-type: none"> •1 Public transport should be used wherever possible. •2 Private car usage must be pre-authorized, the car must be road worthy, reliable, presentable and insured for “business use”. •3 £0.45 per mile up to 10,000 miles, thereafter £0.25 per mile (due to HMRC regulations). •4 The London Congestion Charge (or similar) is not claimable unless it is absolutely essential to bring a car into the charging zone.
Hire Cars	<ul style="list-style-type: none"> •1 Hire cars should normally be used unless it is considerably cheaper to use a private vehicle.
Public Transport	<ul style="list-style-type: none"> •1 Staff should travel standard class. •2 Use of public transport in London: The cost of a daily Travelcard can be claimed for a return journey to another venue
Taxis	<ul style="list-style-type: none"> •1 Taxis should only be used where there is genuinely no public transport alternative or staff are required to travel late at night (after 10.00pm) or early in the morning (before 6.30am). •2 Claims exceeding £20.00 require justification

	<ul style="list-style-type: none"> •3 Taxi fares must be receipted. •4 Taxis may only be used between City buildings by exception and the claim in these cases shall be limited to £10.
Home to work	Home to work/work to home is not expensable in the normal course of business. On rare occasions it may be claimed where a member of staff has temporary mobility problems. This should be approved in advance.
Hotels	All staff are expected to keep value for money in mind when sourcing overnight accommodation, utilizing the cheapest room option in a chosen venue. Room upgrades should not be included eg an additional cost of a room with a sea view.
Subsistence	<p>Meals can be claimed while away on City business up to the following maximum limits. Values include VAT and any local taxes:</p> <ul style="list-style-type: none"> •1 Breakfast: £10.00 when consumed during business travel or a home departure prior to 06:00 •2 Lunch: £15.00 •3 Evening Meal: £27.50 can be claimed for overnight stays or home returns after 20:00 following a business trip. <p>Dry cleaning and/or laundry may be claimed if trip exceeds four days or when the trip duration has been extended.</p> <p>The following may not be included in subsistence claims:</p> <ul style="list-style-type: none"> •4 Personal telephone calls* •5 Entertainment unless approved in advance •6 Meals consumed by a family member or friend.
Other Travel related costs	Internet connection costs and visas are allowable expenses. Internet roaming should be requested for use of university provided phones when abroad.
Incidentals	<p>Nightly Incidental expenses can be claimed as follows:</p> <ul style="list-style-type: none"> •1 £5.00 in UK •2 £10.00 outside the UK <p>This is a fixed rate to cover personal phone calls, coffee in transit, newspapers. No receipt is required, unless the expenditure is charged to a research grant.</p>
4 Expenses Policy	
Overview	Claims will be met where the expenses are shown to have been properly and necessarily incurred on behalf of City. Before incurring any expense, staff should obtain approval for the expenditure from the relevant budget holder. Staff are encouraged to use the normal ordering procedures or OneCards to avoid expense claims wherever possible.

Claiming and approving expenses	<p>All claims will be reviewed by an approver, who will mostly be the Budget Holder or their line manager. The approver is responsible for confirming that the claim is appropriate against the SAP cost centre or internal order code being used. When approved the claim will be passed on to the Finance office to be checked against the receipts.</p> <p>Scanned receipts can be accepted when these are scanned onto the online expense system.</p>
Reimbursement of expenses	<p>Claims must be submitted promptly, preferably on a monthly basis and certainly within three months of the expenditure being incurred. If the expenditure is being charged to a Research Grant or Contract, all expense claims from members of staff must be submitted in time to be included on the final invoice to the sponsor.</p> <p>Receipts will be matched to claims by Finance before claims are paid. Reimbursements will be made via a BACS on a weekly basis.</p>
Payment of advances	<p>Advance payments for travel and subsistence can be made where the anticipated expenditure is expected to exceed £200 for overseas travel.</p> <p>Within two weeks of returning, a final expense claim must be submitted showing the actual expenses incurred (with receipts or other supporting documentation). If a claim has not been submitted two months after returning, the advance issued may be deducted from salary.</p> <p>An advance will not be made if the claim or receipts for a previous advance are still outstanding.</p>
Allowable expenses (not covered in Sections 2 and 3)	
Conference costs	Claims should be supported by a description of conference, location and breakdown of the cost.
Training courses	Training should be booked by the purchasing process. However, if some form of training is purchased by the individual, the description and purpose of the training should be provided, with an explanation of why it was not purchased by City.
Phone costs	Essential business phone calls or connections to the network may be claimed through the expenses process. Claims have to be supported by an itemised bill that shows which are the business calls. The cost of mobile phone top-up payments/vouchers can also be claimed if purchased for business use.
Subscriptions	Corporate subscriptions should be paid for by the purchasing process. However, it may be appropriate for a person to take out a subscription to a journal or publication in their own name for valid business reasons. Claims should be supported by details of the organisation.

Journal submissions	Individuals may have to make a payment on submission of a paper to a journal. Claims should be supported by the name of publication.
Professional Subscriptions	The cost of an annual subscription to a Professional body that is relevant to the role being undertaken, can be claimed subject to the local rule applied by the School or Professional Service. This is limited to only one such subscription per person per annum.
Books	Academic colleagues can make purchases of books up to a value of £100, to take advantage of offers at conferences and similar. Claims should be supported by titles of books.
Office related costs	Office items and IT equipment must be obtained via the purchasing route. This expense option is available for low value items purchased while travelling, e.g. postage, print facilities or items that have to be purchased by the individual such as apps for iPads. A description of the item is required.
Season Ticket Loans	Claims for season tickets will be paid as an advance. The receipt for the season ticket has to be submitted within a month of purchase. The salary deduction will commence automatically the month following the advance payment. Deductions will be made over 12 months.

Policy Identification Number	
<i>Policy ID to be inserted by SP&PU</i>	
Policy Title	
HOSPITALITY, TRAVEL AND EXPENSES POLICY	
Policy Enabling Owner and Department	Responsible for Implementation and Department
CFO, Finance	Finance
Approving Body	Date of Approval
ExCo	28 November 2017
Last Reviewed	Review Due Date
2017	September 2019
Publication of Policy (<i>tick as appropriate</i>)	
For public access online (internet)? NO	For staff access only (intranet)? YES
Queries about this policy should be referred to	
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