



University
of Exeter

Entertainment, Hospitality and Gifts Policy*

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*(Expenses are covered in a separate policy)

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1. Principles

- 1.1 The purpose of this policy is to ensure that the University manages its resources appropriately and complies fully with statutory regulations, in particular around tax and bribery. Compliance with the policy affords staff and the University protection from unwarranted accusations, tax or national insurance liability and removes the need for individuals to report under self-assessment. It is designed to protect individuals and the University through transparency and appropriate recording of information.
- 1.2 This policy applies to **all staff** of the University, including individuals engaged on a casual basis, its subsidiary undertakings and any persons on University business (including employees, third parties, agents, consultants, contractors, suppliers and subsidiaries) and students when operating on the University's behalf in a paid or voluntary capacity.
- 1.3 The University is a charity, receives public funds and is therefore subject to Freedom of Information requests and external scrutiny from funders and auditors.
- 1.4 There may be circumstances where staff **and** the approving senior manager or budget holder agree to operate outside the rules and financial limits and in all such circumstances this must be subject to prior agreement with the appropriate senior manager, which will normally be the PVC, Faculty Registrar or Director of Service or designate (referred to throughout as appropriate senior manager).
- 1.5 If an **external grant or research funder** stipulates higher financial limits this University policy will take precedence. If external funders stipulate lower financial limits then the external funder requirements will take precedence as this will represent the maximum the sponsor is willing to reimburse.
- 1.6 The University will only permit reasonable expenditure on hospitality and entertaining which must be:
- | |
|---|
| Wholly, necessarily and exclusively incurred
in official University business |
|---|
- Staff will be required to justify, substantiate and be accountable for their expenditure and adhere to the rules and guidelines set out in this policy document.
- 1.7 Hospitality/entertaining expenditure is not permitted as a 'reward' for employee performance other than in exceptional circumstances (outlined in 4.6).
- 1.8 It is expected that most hospitality will take place on University premises and be provided through the University's catering team/outlets, although it is accepted that on occasion, off-campus hospitality may be deemed necessary.

Hospitality on University premises must be exclusively offered by the University's Campus Services Catering, Events, and Commercial Services department. This involves providing all drinks, food, and alcohol for licencing purposes. Campus Services will make every effort to fulfil all needs. If they are unable to do so, they will attempt to procure the necessary items through a contractual provider. Only these designated staff members are allowed to purchase, deliver, or prepare food items for hospitality events due to food safety regulations. Staff should not contact or make agreements with external hospitality providers for hospitality on University facilities, please refer to the Campus Services Catering, Events and Commercial Services team.

[Catering and hospitality guidance and FAQs · PS Connect](#)

- 1.9 **The University reserves the right to refuse reimbursement for any claim which does not conform to this policy.** PS Connect - Finance will review claims that exceed mandatory, or guideline amounts and refer those who persistently exceed guidelines to the Chief Financial Officer (CFO). The CFO may ask claimants for their justification and has the right to impose restrictions on current and future claims. Failure to comply with this policy could result in disciplinary action.
- 1.10 The University does not cover any costs for partners unless an event is specifically in an individual's honour and it would cause offence if not included. Approval for such an expense must be sought from the appropriate senior manager and retained for audit purposes as required.
- 1.11 The University's [Codes of conduct](#) and [Bribery Act](#) Guidance provides details on when gifts and hospitality should or should not be accepted. These documents provide guidance on when it is appropriate for the University to be the donor of gifts and hospitality.
- 1.12 No attempt should be made to gain a business advantage through the acceptance of gifts or hospitality. An employee in any doubt about accepting gifts or hospitality should consult their appropriate senior manager, PS Connect Finance or HR at the earliest opportunity. The University is committed to undertaking its academic and business functions fairly, openly, honestly and ethically nationally and internationally. Bribery and corruption of any kind will not be tolerated and may lead to disciplinary action. Further guidance is provided on the University website: [Bribery Act](#)
- 1.13 To ensure it is not a taxable benefit, University funded entertaining/hospitality must have a genuine business purpose. Failure to record on a timely basis, on the Register ([Record of Entertainment, Hospitality and Gifts](#)), as required by this Policy and the Code of Conduct, could result in disciplinary action. The register will be presented to the Compliance Committee on an annual basis, or more frequently as determined by the Committee.

2. Providing Entertainment and Hospitality

What is Entertainment/Hospitality?
Food, drink, accommodation, entertainment provided free of charge or heavily discounted for business purposes

- 2.1 To ensure it is not a taxable benefit, University funded entertaining/hospitality must have a genuine business purpose and details of the event recorded and retained for audit purposes in the [Record of Entertainment, Hospitality and Gifts](#).
- 2.2 Reciprocal hospitality may only be accepted in the course of business and must not be accepted if it could be deemed to unduly influence a business decision. Any hospitality accepted should be recorded in the [Record of Entertainment, Hospitality and Gifts](#).

Entertaining Guests

- 2.3 Staff must always take care to ensure that their actions do not leave the University open to criticism. Expenditure should be kept as low as possible whilst being appropriate for the occasion and standing of the guests. Please refer to sections 2.5 and 2.9 for appropriate amounts.

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2.4 Only functions which include external guests qualify for reimbursement; internal staff only entertainment is covered in section 3. The names of all attendees must be recorded, distinguishing between University staff and external visitors. There must be a clear business reason for the presence of internal staff which must be recorded or this could be deemed as staff entertainment and subject to statutory declaration of tax. Normally a ratio of two employees to one visitor is considered reasonable by HMRC. Recording attendees and the business reason for internal staff is recorded in the [Record of Entertainment, Hospitality and Gifts](#).

2.5 The total amount reimbursable for entertaining is subject to the following limits:

Mandatory	Total spend per person
Entertaining External Guests	£45 exc. VAT

This limit cannot be exceeded unless prior approval is sought from the Senior Vice President and Provost, Senior Vice President and Registrar & Secretary or Chief Financial Officer and where a clear business case can be demonstrated.

2.6 **Although the University does not prohibit the purchase of alcohol, it should be at a reasonable cost (house wine or equivalent), and not involve excessive quantity.** The reasonable cost of alcohol for entertainment purposes or accompanying a meal will be reimbursed when external visitors are present (note, however, that this will be included within the £45 limit above).

2.7 Sampling proposed venues for future functions designed to entertain third parties is not reimbursable.

Staff Entertainment

2.8

Staff parties/social events, including **annual events** (usually staff Christmas party or summer BBQ), will not be funded.

2.9 **Private departmental/recognition meals.** Hospitality events provided, for example to acknowledge staff contribution or to reward following completing of a challenging project, will only be funded in exceptional circumstances, with a clear business reason and the prior approval of the appropriate senior manager and recorded in the [Record of Entertainment, Hospitality and Gifts](#). This will allow the University to make a required voluntary disclosure of this to HRMC and pay tax applicable which will be recharged to the Budget Centre.

2.10 Payment for functions for members of staff who are leaving is not permitted (except for official University presentations organised by the Registrar's office) and the University will be required to declare this to HRMC. In the event of a function being approved, a record of any such costs incurred must be recorded in the [Record of Entertainment, Hospitality and Gifts](#).

3. Arranging Meetings, Training Events and Away Days

3.1 The purchase of tea and coffee and other refreshments for the **general use of staff** (including concession outlets) is not reimbursable nor should it be paid for by the University purchasing card or by any other procurement route.

Working Lunches/Meetings and Refreshments

3.2 Meetings with internal and external attendees must be conducted at a University address and be provided through the University’s catering team/outlets. If exceptional circumstances require external facilities to be used, prior approval from the appropriate senior manager must be obtained to ensure that expenditure can be reimbursed appropriately.

3.3 Reasonable costs for working lunches or refreshments will only be allowed when promoting the smooth running of official business if:

Mandatory
Internal Attendees Only – meetings must:
<ul style="list-style-type: none"> • Be in excess of two hours and/or held between 12 noon and 2:00pm; plus • Have valid justification (e.g. attendees cannot attend at any other time); but • Must be infrequent, of a non-regular nature, have an agenda and a record kept of the names of all attendees to comply with audit purposes; • £12 per head Inc. VAT

It is expected that any food remaining will be made available to colleagues.

Mandatory
With External Attendees – meetings must:
<ul style="list-style-type: none"> • Be in excess of two hours and/or held between 12 noon and 2:00pm • Normally a ratio of two employees to one visitor is considered reasonable by HMRC • £12 per head Inc. VAT

Teamwork-based Training/Away days

3.4 Expenditure on teamwork-based training/away days is permitted provided there is a strong business case. To avoid incurring a tax liability, the event must:

- have aims or objectives supported and agreed by primary budget holder;
- be supported by a formal agenda related to business requirements and;
- have a record made and retained of the names of all individuals attending; and
- involve activities which clearly relate to the day’s events (e.g. a business-focussed meeting during the day with an evening’s bowling activity would become seen as staff entertainment and therefore taxable); and
- involve expenditure which is reasonable in relation to the event (e.g. if the event could be construed as providing a reward/personal enjoyment for employees, which is more than just ‘incidental’ to the main purpose of the event or expenditure is particularly lavish and/or there is no commercial justification for an expensive location).

3.5 Where available, a standard package which includes delegate refreshments should be chosen.

Guideline
All-Inclusive limit per person per event
£50 (excluding travel to/from venue)

Alcohol costs are not permitted under any circumstances in relation to teamwork-based training days.

4. Giving Gifts

What is a Gift?
An item that is given or received for which no payment or service was given in return, e.g. meals, bottles of wine, hampers, overnight stays, sporting events, gift vouchers

4.1 Further guidance and requirements around the giving and receiving of gifts and hospitality can be found at [Bribery and Gifts](#) and the employee [Codes of conduct](#).

4.2 The purchase of gifts using University funds, is only permitted in exceptional circumstances and should be modest/proportionate expense. Refer to the Quick Guide (Appendix A) for further detail on limits and requirements.

Gifts to Third Parties

Mandatory If Giving a Gift to a Third Party, it must:
<ul style="list-style-type: none"> ● Be given in the University's name; ● Not include cash or vouchers; ● If in excess of £20, excluding VAT, to be recorded in the Record of Entertainment, Hospitality and Gifts ● Not exceed a total of £50 to an individual in any one year where more than one gift; ● Recorded when Gifts are given ● Not be likely to cause offence under cultural sensitivities.

4.3 Gifts should not be offered to government officials, representatives or agents, politicians or political parties without the prior written approval of the Registrar or Vice-Chancellor, both in the UK and internationally.

4.4 Any gift being offered to an external contact must have prior approval from a senior manager and should be selected from the University's portfolio of branded goods, available from Communication and Marketing Services. If this is not possible, approval by the appropriate senior manager must be given before any other purchase is made.

Gifts to Staff and Volunteers

Gifts are not permitted if they:
<ul style="list-style-type: none"> ● Reward performance (see 4.6) ● Reward personal achievement or milestones (e.g. birthdays, weddings, births, adoptions, exam qualifications or other celebrations – this includes celebration cakes)

In unfortunate circumstances where staff welfare is a concern (e.g. close family bereavement, accident requiring hospitalisation, illness in excess of 1 month), gifts to employees can be given up to a **maximum value of £30** but must not be cash, voucher or alcohol.

4.5 Staff in grades B to D receive a Long Service Award of £100 after twenty years' continuous service and an additional £100 after 40 years' continuous service. Staff are able to choose an item up to these values to enable the University to make the purchase (contact HR Services for more information).

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4.6 Gifts that reward staff performance are not permitted. If a member of staff has made a significant contribution, requires recognition for long service or retirement, such reward and recognition is administered through the '[Above and Beyond](#)' scheme. It should be noted that HRMC view this type of benefit as being provided in recognition of particular services performed as part of the employee's duties and is therefore taxable through the Payroll systems (or a PAYE Settlement Agreement).

4.7 The cost of vouchers as a token gift of thanks to students and other volunteers who participate in a research project/experiment as volunteer subjects will be reimbursed.

Guideline	Spend per person
Gift vouchers for volunteers	£20

See also [participation payments to research volunteers](#)

5. Receiving Entertainment and Hospitality

What is Entertainment/Hospitality?
Food, drink, accommodation, entertainment provided free of charge or heavily discounted for business purposes

5.1 To ensure it is not a taxable benefit, University funded entertaining/hospitality must have a genuine business purpose and details of the event recorded in the [Record of Entertainment, Hospitality and Gifts](#).

5.2 Reciprocal hospitality may only be accepted in the course of business and must not be accepted if it could be deemed to unduly influence a business decision. Any hospitality accepted should be recorded in the [Record of Entertainment, Hospitality and Gifts](#).

5.3 Where it is appropriate to attend events in a business capacity (e.g. speaking for professional institutions and industry organisations), accommodation/meals offered do not constitute a gift or hospitality but should be recorded if costs are excessive in the [Record of Entertainment, Hospitality and Gifts](#).

5.4 Where entertainment or hospitality is offered by a third party, staff should obtain prior consent of the Faculty PVC or Registrar and Secretary.

5.5 Sampling proposed venues for future functions designed to entertain third parties is not reimbursable.

5.6 Attendance at training events, free seminars, CPD activity which includes the provision of hospitality may be accepted if other organisations are in attendance.

6. Receiving Gifts from Third Parties

What is a Gift?
An item that is given or received for which no payment or service was given in return, e.g. meals, bottles of wine, hampers, overnight stays, sporting events, gift vouchers

6.1 Further guidance and requirements around the giving and receiving of gifts and hospitality can be found at [Bribery and Gifts](#) and the employee [Codes of conduct](#).

6.2 It is advisable not to accept gifts from third parties but:

Mandatory If Receiving a Gift from a Third Party:
<ul style="list-style-type: none"> • Trivia/Low value items below £20 (branded gifts, calendars, diaries, pens, USB sticks) may be accepted; • High value items above £20 (wine/spirits, hampers, meals, sporting events. Weekends) should only be accepted if offence would be caused and should be raffled or given to charity and not used for personal gain and recorded in the Record of Entertainment, Hospitality and Gifts

Quick Guide

Appendix A

General Principles: must be wholly, necessarily and exclusively incurred in University business, a reasonable cost and not a reward for staff. Hospitality must be held on University premises/use University catering where possible and a register of gifts and hospitality should be retained for all functions [Record of Entertainment, Hospitality and Gifts](#). Partners are not covered. **Entertainment and Hospitality** (food, drink, accommodation, entertainment provided free of charge or heavily discounted for business purposes): must have a genuine business purpose and details must be recorded in the [Record of Entertainment, Hospitality and Gifts](#)

Type	Spend per person	Additional Information
Entertaining Guests	£45 exc. VAT	If high staff to visitor ratio, justification required
Staff entertainment	£35 per annum exc. VAT	Annual, prior approval and open to all within Faculty/Department
Departmental/recognition meals	Reasonable	Prior approval, open to all, with a clear business reason
Leaving functions	n/a	Only permitted if organised by Registrar's Office
Working Lunch/Refreshment Internal attendees only	£12 per head inc. VAT	Must be in excess of two hours <u>and/or</u> held between 12 noon and 2pm <u>and</u> have valid justification (e.g. attendees cannot attend at any other time). Must be infrequent, of a non-regular nature, have an agenda and a record kept of the names of all attendees. Must be held on University premises/through catering where possible
with External attendees	£12 per head Inc. VAT	
Sampling of proposed venues	n/a	Not permitted
Teamwork-based training/Away days	£50 limit exc. VAT (excl. travel)	Strong business case, all attendees documented, and agenda related to business and activities must relate to the day's business, not seen as reward/personal enjoyment. Alcohol costs not permitted
Accepting hospitality or entertainment from a third party	n/a	Prior consent of Faculty PVC or Registrar & Secretary (in the case of Professional Services) and recorded on the Entertainment, Hospitality and Gifts Register

Gifts (an item that is given or received for which no payment or service was given in return (e.g. meals, bottles of wine, hampers, overnight stays, sporting events, gift vouchers): externally given gifts must be given in the University's name and recorded in the [Record of Entertainment, Hospitality and Gifts](#) if in excess of £20. They must not be given to Government officials, representatives, agents or politicians and be aware of cultural sensitivities. If possible, purchase University official merchandise. Must not include cash or vouchers. The total must not exceed £50 per annum to one individual.

Example	Approx. Value	Rules
Giving		
Rewarding performance, personal achievement or milestone (birthday, wedding) including cakes/chocolates	n/a	Not permitted

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Exceptional major event (close bereavement, accident with hospitalisation, illness over 1 month)	Up to £30 exc. VAT	Permitted (not cash/voucher/alcohol)
Gift voucher to volunteer	£20 exc. VAT	Permitted
Receiving		
Trivial/Low value items (calendars, diaries, pens, USB sticks)	Up to £20 exc. VAT	May be accepted
High value items, including wine/spirits, hampers, meals, sporting events	Over £20 exc. VAT	If acceptance would cause offence, item should be accepted but raffled or given to charity and not used for personal gain

If unsure, always check with senior manager, HR or Finance Services. Do not risk being accused of bribery