

Non-Business Staff Entertaining Policy

1. Purpose

This policy provides a consistent approach across the University to the funding of staff entertainment, together with HMRC guidance regarding the tax and NI implications.

The policy sets out arrangements for all Faculties/Schools and Directorates to fund an annual celebration for all staff.

2. Definition

The University's Financial Procedures currently define non-business entertaining as follows:

“Non-business entertaining is described as events paid for from University funds (irrespective of their source), which take place primarily for the benefit of members of staff. This would include, for example, meals with colleagues, retirement functions and school parties.

In the majority of cases non-business entertainment is subject to tax.

Leaving functions etc, funded entirely by voluntary contributions from members of staff are outside the scope of the University's finances and are not therefore classed as University entertaining of any type.”

3. Annual Christmas parties

The University will contribute a fixed amount, currently set at **£20 per head per annum for 2021**, towards providing an annual staff event at Christmas to thank staff for their hard work and contributions.

Each School/Faculty/Directorate/Department will be responsible for arranging their own event which must be funded from local budgets, and not exceed the amount stipulated of £20 per head.

This provision of funding is not an entitlement and only applies to those staff who attend the approved event. There is no entitlement for payment of an equivalent sum, or provision of funding for alternative events for any staff who are unable, or choose not to, attend the approved function.

The University reserves the right to vary the amount of any budget/celebrations from year to year, including the right to not approve celebrations or to withdraw this policy.

As all staff will have the opportunity to attend an event in their School/Faculty/Department, this will qualify under the HMRC rules for exemption from tax and NICs (see section 6 below for details).

Faculties/Directorates will be required to keep a record of staff numbers attending and calculate the cost per head of each function.

4. Other staff events

Individual Schools/Faculties/Departments may wish to hold other ad hoc events for staff during the year, for example, retirement functions. In accordance with HMRC rules the costs of these events, if funded by the School/Faculty/Department, will be subject to tax, NICs and reporting, as they are only open to certain staff (i.e. all University staff do not have the opportunity to attend similar events in their own area). This cost must be taken into account and be paid and reported by the individual School/Faculty/Department.

Faculties/Directorates will be required to:

- record staff numbers attending and calculate the cost per head of each function
- report this expenditure against the correct financial code with an I&E ending of 4031 (for staff entertaining). The tax and NICs will be calculated centrally and charged back to the local budget.

5. Equality & Diversity

Care should be taken to ensure events are inclusive to all staff and do not cause offence. When planning an event care should be taken to be sensitive to others needs (e.g. beliefs, religions, disability, age, etc) and to try to overcome any disadvantages. Such issues may include for example the suitability of:

- venue
- date
- whether party theme is likely to cause offence to anyone
- provision of non-alcoholic drinks
- menu alternatives and dietary requirements
- timing of event for those with caring responsibilities

6. HMRC guidance in relation to section 3 above (Annual Christmas parties)

The HMRC rules state that there is an exemption from tax, NICs and reporting if you provide a party or similar function for employees that meets the following three conditions:

- it's an annual event, such as a Christmas party

- the event is open to all of your employees
- the cost per head of the event is not more than £150

6.1 The meaning of 'open to all of your employees'

If your business has more than one location, an annual event that's open to all of your staff based at one location will qualify for the exemption.

If your workforce is organised into separate departments, then separate parties held for each department can also qualify for the exemption - as long as each of your employees will be entitled to attend one of the events.

7. Review

This policy will be subject to review annually by the Senior Leadership Team.

Document control box	
Policy / Procedure title:	Non-Business Staff Entertaining Policy
Date approved:	October 2013, updated Nov 2014
Approving body:	Senior Leadership Team
Version:	2
Supersedes:	1
Previous review dates:	October 2014
Next review date:	October 2015
Equality impact outcome:	
Related Statutes, Ordinances, General Regulations:	
Related policies:	
Related procedures:	
Related guidance and or codes of practice:	
Related information:	
Policy owner:	Director of Human Resources
Lead contact:	