

Ethical Business: Gifts and Hospitality Policy

June 2016

Approving authority:	Court
Consultation via:	Secretary's Board, CJNCC
Approval date:	27 June 2016
Effective date:	1 August 2016
Review period:	3 years
Responsible Executive:	Secretary of the University
Responsible Office:	Governance & Legal Services

POLICY

**HERIOT-WATT UNIVERSITY
ETHICAL BUSINESS: GIFTS AND HOSPITALITY POLICY
CONTENT**

Section	Page
1 Introduction	3
2 Purpose	3
3 Scope	4
4 Guidance For Accepting Gifts And Hospitality	4
5 Presenting Gifts / Providing Hospitality	7
6 Registration of Gifts and Hospitality	8
7 Lines of responsibility	8
8 Monitoring and Evaluation	9
9 Implementation	9
10 Related Policies, procedures and further reference	9
11 Further help and advice	10
12 Policy Version and History	10
Appendix 1 Pro forma for the Declaration of Gifts & Hospitality	11
Appendix 2 The Seven Principles Of Public Life	13
Appendix 3 CASE	15

POLICY

1. INTRODUCTION

Heriot-Watt University values its reputation for ethical business practice, honesty, financial probity and reliability.

We recognise that the University's good reputation is a significant asset. In our determination to protect our reputation, the University is committed to the 'Seven Principles of Public Life' * set out by the Nolan Committee: *Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership*. (* these Principles are set out fully in Appendix 2 of this Policy).

In the conduct of our business the University aims at all times to:

- act with honesty, integrity, equality and transparency;
- act in an ethical and lawful manner;
- act in compliance with all relevant laws and regulations: in the UK and in other countries in which we carry out business activities;
- foster an ethical and sustainable business culture within the University and communicate this to others with whom we engage and associate; and
- demonstrate our zero-tolerance towards bribery.

The University shall only give and accept gifts or hospitality for business purposes. Permissible hospitality and gifts will include, for example, ceremonial or promotional gifts, mementos or low value gifts which are proportionate to circumstances and not of a scale or frequency that these might reasonably be judged inducements to undertake or award business, or to influence business decisions. For the purposes of this Policy a low value gift should have a monetary value of not more than £50.00.

The University recognises that what is considered customary and appropriate may vary significantly from country to country and from one area of University business activity to another. The recipient must always be entitled to receive the gift or hospitality under the law of the recipient's country.

2. PURPOSE

This Policy, and the supporting guidance, aims to inform staff, students, agents and Members of the Court on what actions should be taken in the following circumstances:

- when offered gifts by students;
- when offered gifts and/or hospitality by external organisations;
- they have personal, financial or other beneficial interests in any transaction between the University and a third party; and
- they are in a position which requires them to offer gifts/hospitality.

In the case of third parties, such as international recruitment agents, acting on the University's behalf, all contracts and agreements make explicit reference to the University's requirement under the Bribery Act to ensure that no-one associated with it tries to obtain, award or retain business for the University through bribery. Agents acting on behalf of the University are required to confirm that they will not engage in any corrupt practice, and in particular will not try to influence any person for the University's benefit by offering money or any other advantage.

3. SCOPE

This Policy applies to all University staff, third parties acting on behalf of the University, and students accepting gifts and/or hospitality whilst undertaking business on behalf of the University.

This Policy also applies to all members of the governing body (the Court) and those serving on its committees.

For the purposes of all guidance set out in this Gifts and Hospitality Policy, all such persons are as "persons in the scope of this policy".

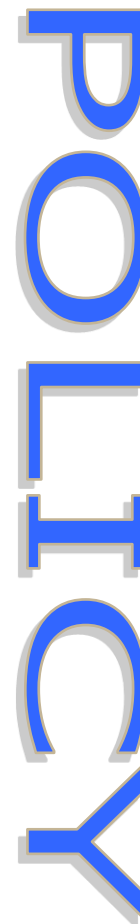
4. GUIDANCE FOR ACCEPTING GIFTS AND HOSPITALITY

The following paragraphs provide guidance regarding the acceptance of gifts and hospitality. We include examples of situations where gifts and hospitality are deemed acceptable and unacceptable. The examples below are not exhaustive, so if you have a specific query please contact the relevant Head of School / Director of Professional Service or the Secretary of the University.

Accepting Gifts and Hospitality: Monetary gifts

4.1 Gifts

- Personal gifts of money (or monetary instruments) must never be accepted regardless of amount.
- Gifts of money to the University should only be received if they are clearly charitable donations, coordinated through the Development & Alumni Office (see below).
- Personal gifts with a value of less than £50.00 (or equivalent outside the UK) may be accepted if appropriate. For the avoidance of doubt, for some staff, including those in Procurement roles, acceptance of gifts with more than a nominal value will not be appropriate. If there is any doubt as to whether the acceptance of such an item is appropriate, staff should decline the gift or refer the matter to their line manager.
- If unsolicited gifts of a value of more than £50.00 arrive from contractors they should be returned with a polite explanation that the University's Policies do not allow their acceptance. If staff have any doubts about whether an offer of a gift should be refused on the grounds that refusal may cause offence, they should consult their line manager, who in turn should discuss the matter with the Secretary of the University to determine whether the gift should be accepted and on what terms.
- Should receipt of a gift of a value of more than £50.00 be unavoidable, the gift should then normally be regarded property of the University and used or retained accordingly. Such gifts should be considered for inclusion in the University's Museum Collection. The Head of Heritage & Information Governance can advise whether a gift is in accordance with the Collection Development Policy. If the gift is sold the proceeds will go into general University funds.



- It is expressly prohibited for a member of staff to accept any gift, hospitality or benefit from an organisation that is actively involved in a tender process at the University. This prohibition commences at the point that an invitation to tender is published and extends to a period 3 months after a contract has been awarded. Any offers of gifts, hospitality or benefits during this period must be refused and the offer should be reported to the Chief Procurement Officer. Where a gift or inducement is offered to the University corporately (rather than to an individual employee) in the course of a purchase negotiation, the representative in the negotiations should refer to the Financial Regulations / Purchasing Regulations for guidance. Staff must avoid any perception of influence by those with vested interests.

4.2 Gifts to the University

- The Court shall act as the trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University in accordance with the Statement of Primary Responsibilities.
- Philanthropic gifts from individuals, trusts and foundations and corporate donors play a vital role in university life and such support enables universities to do more – to provide more scholarships, to fund more research and to enhance university facilities for students, staff and the public.
- Heriot-Watt University seeks and accepts philanthropic gifts in accordance with the CASE (Council for Advancement and Support of Education) guidelines, [CASE Europe: Ethical Principles Behind the Acceptance of Gifts](#) (Appendix 3) and has in place a due diligence procedure for gift acceptance.

4.3 Gifts from students

Students are discouraged from making gifts to members of staff. However, there may be occasions when students make token gifts to staff of low value, in appreciation of support received during their studies which staff may feel unable to refuse. Staff may accept such gifts but must declare them in accordance with this policy and procedures.

- If a student offers or delivers a gift to a member of staff which could be misinterpreted by others or which could lead to allegations of impropriety, staff are advised to politely refuse and return the gift immediately, explaining this policy as the reason.
- See also Unacceptable Gifts / Hospitality (below)

4.4 Hospitality

This section of the Policy should be read in conjunction with Section 6 of the Travel and Expenses Policy, which details when entertaining is an allowable business expense for tax purposes.

It is accepted that, in the course of their normal duties, persons included in the scope of this Policy will sometimes receive conventional hospitality including, but not limited to:

- Working meals including meals taken in the course of meetings or training schemes.

- Meals provided by other organisations during fact finding or information sharing events.
- Attendance at formal functions as a representative of the University; a formal function is an event promoted by an organisation, usually ceremonial in nature, for which an official invitation is issued to and accepted on behalf of the University.
- Attendance at formal social functions in relation to which invitations have been issued to a number of staff members.
- Attendance at information gathering or sharing events such as meetings with representatives of other universities and organisations for the purposes of sharing good practice.
- Governors and staff may accept meals and equivalent hospitality only in the normal course of business and only when the hospitality is appropriate and proportionate. What is reasonable should take into account the nature of the event, and the University representative should ensure the hospitality does not compromise them in any way. In general a meal, moderate associated activity and refreshment would be regarded as acceptable. The frequency and scale of hospitality should not normally be greater than the University would be likely to provide in return.
- Particular care should be taken when offered any form of hospitality from a person or organisation which has, or is hoping to have, a contractual relationship with the University. A member of staff **must not** accept hospitality from an organisation that is actively involved in a tender process at the University, except where this is provided as part of a fact finding visit or meeting. If staff have any doubt about whether to accept any hospitality offered to them they should refer the matter to their line manager, who in turn may discuss it with the Secretary of the University.

4.5 Unacceptable Gifts/Hospitality

The types of gift/hospitality below are unacceptable and acceptance of such gifts/hospitality could result in disciplinary action being taken against the member of staff involved:

- Personal gifts of money (or monetary instruments) must never be accepted regardless of amount.
- Gifts/hospitality which are lavish or expensive, particularly where received on a frequent basis from the same source. Frequent acceptance of meals, tickets and invitations to sporting, cultural or social events.
- Travel or accommodation which does not have a clear business purpose.
- Holidays.
- Offers of items or services for personal use at trade or discounted price other than discounts generally available to all or most members of staff.
- Receiving payment or other reward from an external organisation/company for work undertaken in an individual's official capacity as an employee of the University. (See the Additional Payments Policy).

- Acceptance of gifts/hospitality which could be deemed as influential in the award of a contract or business to an external organisation – note that the perception of others is critical.
- Inducements that could lead to a contractual position between the University and a supplier, contractor or consultant.
- Acceptance of “gifts in kind” such as professional expertise which would normally incur a fee.
- It is unacceptable to ask for gifts and/or hospitality.
- This also applies to staff in relation to the timing of student gifts. Some staff could be perceived as being able to influence student marks and grades, progression and awards.

5. PRESENTING GIFTS AND/OR PROVIDING HOSPITALITY

As part of the University's everyday work, there will be circumstances where it is appropriate to provide gifts or hospitality. Where this is deemed appropriate, prior approval should, wherever possible, be obtained from the relevant line manager.

The University has developed an appropriate range of corporate gifts which can be used for such purposes as marketing, overseas etc.

The HWU Cultural Guide to Malaysia provides guidelines on the relevant Gift Giving Etiquette.

Appropriate and proportionate costs for entertaining third party business contacts will be reimbursed on production of receipts provided they are reasonable.

The claimant must provide the following information:

- a) the names of all 3rd party guests;
- b) the organisation which they represent;
- c) the nature of the entertainment;
- d) the purpose of the entertainment; and
- e) the date and place of the event.

It is illegal and unacceptable for any person included in the scope of this policy, or any third party acting on the University's behalf to:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure.

POLICY

6. REGISTRATION OF GIFTS AND HOSPITALITY

The University maintains a register in respect of the acceptance of offers of gifts and hospitality which is held in the Office of the Principal, each School and Professional Service

- Members of the Court and Committees of the Court should record receipt of gifts in their annual Register of Interests submission to the Secretary of the University, via the Register of Interest Form which forms part of the Conflict of Interest Policy.
- Staff or any third party acting on behalf of the University are required to record gifts and hospitality with a value in excess of £50.00 on the form within 28 days of receipt and return this to the Office of the Principal, Head of School or Director of Professional Service . The disclosure form is available online at Appendix 1.
- The information from the forms will be collated and entered onto the Register.

The register will be open to inspection by the internal and external auditors and may be released and/ or published in accordance with Freedom of Information (Scotland) Act requirements.

It is the responsibility of each person in the scope of this policy to ensure that they comply with this Policy.

7. LINES OF RESPONSIBILITY

The Secretary of the University has overall responsibility for the Ethical Business: Gifts and Hospitality Policy and its implementation. Other officers with particular responsibilities include:

- Assistant Principal (International Development) in relation to the University's International Strategy and associated processes.
- Assistant Principal (Development) in relation to gifts of money to the University that are Charitable donations.
- Director of Finance, in relation to Financial Regulations and associated processes.
- Director of Governance & Legal Services, in relation to compliance with legislative requirements.
- Director of HR, in relation to employee awareness, training and discipline.
- Director of Research & Enterprise Services, in relation to research, technology transfer and enterprise related activities.
- Director of Marketing & Communications in relation to corporate gifts
- Director of Student Recruitment in relation to recruitment related activities and recruitment agents.
- Heads of Schools, in relation to their respective staff.
- Chief Procurement Officer, in relation to procurement regulations and associated Processes.
- Head of Heritage & Information Governance in respect of Collections.

POLICY

8. MONITORING AND EVALUATION

This Policy will be reviewed every three years. The procedures associated with this Policy will be reviewed annually in the light of the outcomes of the University's risk assessments.

The University's record of hospitality and gifts, signed off, as required, by the relevant Heads of School/Professional Service, will be reviewed annually.

The Secretary of the University will provide the Audit & Risk Committee with an annual report on the register of gifts and hospitality.

9. IMPLEMENTATION

The Secretary of the University is responsible for ensuring the effective implementation of this Policy and the associated policy procedures, delegating authority as appropriate to the senior officers set out in 7 above.

The University **will ensure** that implementation of this Policy is supported by effective procedures guidance and appropriate generic and role-based communications, training and awareness-raising measures, applicable to all individuals and bodies referred to in 6 above.

10. RELATED POLICIES, PROCEDURES AND FURTHER REFERENCE

Charter and Statutes / Policies / Regulations:

University Charter and Statutes

<http://www1.hw.ac.uk/ordinances/charter-and-statutes.htm>

Court: Statement of Primary Responsibilities

<http://www1.hw.ac.uk/committees/court/statement-of-primary-responsibilities.pdf>

Public Interest Disclosure (Whistleblowing) Policy

<http://www1.hw.ac.uk/hr/htm/policies/PID%20Policy%20-%20Approved.pdf>

Ethical Business: Bribery Prevention Policy

<http://www.hw.ac.uk/documents/ethical-business-bribery-prevention-policy.pdf>

Ethical Business: Conflict of Interest Policy (Governors)

<https://www.hw.ac.uk/services/docs/Conflict-Interest-Policy-governors.pdf>

Travel and Expenses Policy

<http://intranet.hw.ac.uk/ps/gls/procurement/Travel%20Information/Travel%20Expenses%20Policy.pdf>

University Financial Regulations

<http://www1.hw.ac.uk/reference/financial/regulations.pdf>

Fraud Prevention and Response Plan

<http://www1.hw.ac.uk/reference/finance/fraud-prevention-plan.pdf>

POLICY

HWU Cultural Guide to Malaysia

[http://www.hw.ac.uk/documents/HWU_Malaysia_Cultural_awareness_document_190315\(1\).pdf](http://www.hw.ac.uk/documents/HWU_Malaysia_Cultural_awareness_document_190315(1).pdf)

Further reference:

Scottish Code of Good Higher Education Governance

<http://www.scottishuniversitygovernance.ac.uk/wp-content/uploads/2013/07/Scottish-Code-of-Good-HE-Governance.pdf>

Charities and Trustee Investment (Scotland) Act 2005

<http://www.legislation.gov.uk/asp/2005/10/contents>

Ethical Standards in Public Life etc (Scotland) Act 2000

<http://www.legislation.gov.uk/asp/2000/7/contents>

Model Code of Conduct for Members of Devolved Public Bodies

<http://www.scotland.gov.uk/Publications/2014/02/4841>

Freedom of Information (Scotland) Act 2002

<http://www.legislation.gov.uk/asp/2002/13/contents>

Committee on Standards in Public Life

<http://www.public-standards.gov.uk/>

The Bribery Act 2010

<http://www.legislation.gov.uk/ukpga/2010/23/contents>

The Chartered Institute of Procurement & Supply Code of Conduct

<http://www.cips.org/en-GB/aboutcips/CIPS-Code-of-Conduct/>

The UK Corporate Governance Code (Financial Reporting Council)

<https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-September-2012.pdf>

Companies Act 2006

<http://www.legislation.gov.uk/ukpga/2006/46/contents>

[CASE Europe: Ethical Principles Behind the Acceptance of Gifts](#)

11 POLICY VERSION AND HISTORY

Version No	Date of Approval	Approving Authority	Brief Description of Amendment
V. 4	27 June 2016	The Court	N/A

POLICY

APPENDIX 1

PRO FORMA FOR THE DECLARATION OF GIFTS AND HOSPITALITY

Acceptance of gifts and hospitality with a value in excess of £50.00 (or equivalent) must be formally registered using this pro-forma within 28 days of the date of receipt.

Name (block capitals)	
School/ Professional Service	
Date of Receipt of Gift/ Hospitality	
Person or Organisation offering the Gift/ Hospitality	
Brief Details of Gift/ Hospitality	
Estimated or Actual Value of Gift/ Hospitality	

Signed:

Date:

Completed forms should be emailed to the relevant Head of School / Director of Professional Service or their respective nominee.

In respect of the Office of the Principal, completed forms should be emailed to: j.m.morris@hw.ac.uk

POLICY

POLICY

APPENDIX 2

THE SEVEN PRINCIPLES OF PUBLIC LIFE

SELFLESSNESS

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

POLITICIAN

POLICY

APPENDIX 3

CASE Europe: Ethical Principles Behind the Acceptance of Gifts

Guidelines for UK Higher Education Institutions

The 10 principles are:

1. Universities should seek philanthropic support which is aligned with their values, strategic goals and financial needs, as a legitimate, sustained and vital component of their income.
2. Ethical guidelines for the acceptance of such gifts in any institution should be available in the public domain.
3. Impartial, independent research, scholarship and teaching are the basis for the furtherance of knowledge. Universities should not accept philanthropic gifts if this is not clearly understood and accepted by all parties.
4. Universities are charitable bodies and must observe the requirements of charity law and other relevant legislation in relation to the receipt and expenditure of funds. Ultimate responsibility regarding the acceptance and refusal of donations rests with the governing body of each university.
5. Where the authority for the acceptance of donations is delegated to the Vice-Chancellor and other senior academics or officers, that authority should be explicit and the responsibility of those accepting gifts to implement the institution's detailed ethical policies and procedures on donations must be clearly understood and consistently applied.
6. Universities should take all reasonable steps to ensure that they are aware of the source of funding for each gift, and have processes in place to satisfy themselves that the funds do not derive from activity that was or is illegal, or runs counter to the core values of impartial, independent research, scholarship and teaching.
7. Discussions with potential donors which are likely to give rise to significant public interest, or which raise complex questions with regard to acceptability, should be considered at the earliest stage possible by the appropriate decision makers who should be fully informed of the purpose and the background to the donation and the source of funds.
8. The legal and reputational rights of potential donors should also be considered as part of any due diligence undertaken in assessing the acceptability of a proposed donation. In this regard, a clear distinction should be drawn between rumour or speculation and matters of confirmed fact or legal finding, whilst also accepting that institutions may wish to consider the reputational risks that could be incurred through public perception of any particular donor.
9. Donors must accept and, for significant gifts (as determined by individual institutions), sign appropriate gift agreements to confirm that the management and governance of programmes funded through benefaction rest solely with the university. Individual institutions typically choose, without undermining this core principle, to offer donors opportunities for continuing engagement with the activities that they have funded. Universities should employ their standard procedures relating to recruitment, admissions, hiring, promotion, procurement, management and governance for all research, teaching, outreach, capital development, or student scholarship programmes funded by gifts.
10. Universities should have procedures in place for reviewing and reconsidering previous decisions taken in good faith relating to the acceptance of particular gifts if subsequent events or the subsequent availability of additional information require it. The response to such circumstances should be transparent and proportionate to the particular circumstances that have arisen.

