Gifts and Hospitality Policy

Date Prepared	**September 2026**
Author	**Alison Moon – TBM / Chelsea Hamilton – Finance Assistant**
Date ratified	**13th October 2026**
Review date	**September 2027**

Gifts and Hospitality Policy

Contents

1. Introduction
2. Purpose
3. Policy Statement
4. Offers of Donation
5. Reasons for Declining Donations
6. Accounting for Donations and Banking
7. Discounts

Gifts and Hospitality Policy

1. Introduction

1.1. This policy and procedure framework for the acceptance and management of donations to the Academy Trust has been drawn up to be consistent with the requirements laid out in the Academy Trust Handbook. This policy supports the Trust Board's financial oversight responsibilities. Trustees, particularly those on finance, audit and risk committees, receive appropriate financial training to enable effective scrutiny of donations and their management

1.2. Donations and gifts may be in the form of cash, goods or services. They may be given with or without conditions. Donation means a contribution that is voluntarily transferred by one person to another without compensation or benefit flowing from the giver to the receiver. Generally, donations are irrevocable, and, beyond a possible designation of use, the donor does not impose contractual requirements or subsequent reports as a condition of the donation. The term donation in this policy includes **sponsorship** and **gifts**.

2. Purpose

2.1. Academies need to value and record contributions from sponsors. The academy's accounting procedures must clearly identify receipt of all donations. The academy must also differentiate between donations, discounted purchases and gifts given with conditions.

2.2. The purpose of this policy is to clarify the process for acceptance and accounting for donations.

3. Policy Statement

3.1. The Trust Board of Veritas MAT supports the solicitation for, and acceptance of, external donations, gifts and sponsorship that promote the objects of the Trust.

3.2. Donations, gifts and sponsorship are accepted free of obligation to the donor.

3.3. Donations, gifts or sponsorship will be declined where they are given with conditions that are incompatible with: the objects of the Trust; public procurement legislation; genuine principles of donation without obligation; or because of the source or conditions of the donation might bring the academy into disrepute.

3.4. Donations will be accounted for so that their receipt and subsequent expenditure or transfer to other funds can be readily identified and reported.

4. Offers of Donation

4.1. Offers of donations made to individual Governors or members of staff should be referred to the CFO in the first instance. The CFO will determine whether the donation is consistent with the Academy Trust's Objects as defined in its Articles of Association. For donations that are equal to, or greater than £5,000 in value, the CFO will consult with the Chair of the Trust Board before making a decision about accepting the donation. The CFO will ensure full transparency with the Trust Board regarding all donations, including any potential risks or irregularities. This forms part of the CFO's personal assurance to the board regarding compliance with the Academy Trust Handbook

4.2. All donors should be requested, for audit purposes, to put in writing details of their gift, the fact that it has no conditions attached (where relevant), their estimation of the value of the gift and when the academy will receive the gift.

4.3. Where there are conditions attached, it is unlikely the amounts can be recorded as donations of an unrestricted nature. Also, discounted amounts cannot be treated as charitable donations, but must be shown as a reduction on costs.

5. Reasons for Declining Donations

An offer of a donation will be declined if at least one of the following conditions exist:

5.1. The donation has conditions attached that are inconsistent with the Academy Trusts Objects;

5.2. The donation has conditions attached that are inconsistent with procurement best practice or legislation;

5.3. The donation has conditions attached that are inconsistent with the principle that a donation is a contribution that is voluntarily transferred by one person to another without compensation or benefit flowing from the giver to the receiver.

5.4. The source of the donation or its intended purpose are inconsistent with the characteristics of an Academy as laid out in the Funding Agreement or are likely, in the view of the CEO/Headteacher, to draw adverse publicity for the academy or bring it into disrepute.

6. Accounting for Donations and Banking

6.1. Donations made in cash will be banked in the 'School Fund' account in the first place. The Accounting System will register receipt of donations, as if it was into a separate bank account, so that all receipts of donations and the subsequent transfer of these to other bank accounts, or their expenditure, can be identified and reported.

6.2. Gifts of cash are the easiest to value. However, a proportion of contributions may be in the form of **gifts in kind (i.e. assets)**.

6.3. Gifts in kind will 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 will 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.

6.4. The key valuation test for a gift in kind 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.

6.5. The Academy may also receive assistance in the form of donated services (e.g. 'time') or facilities. Such incoming resources will 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 for a couple of hours a month, this will be included in the accounts. However, a police officer talking to a group of pupils as part of his/her community liaison role will not be classified as a donation, as this service would always be provided free as part of normal police activities.

6.6. In contrast to donations as part of a trade or profession, the **contributions of volunteers** are 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 may 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.

6.7. The value placed on those donations, which are included in the Statement of Financial Activities, will 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

6.8. 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.

6.9. 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 governing body's responsibility to account for the gift at a valuation, which they can justify to their auditors.

6.10. In many instances, obtaining a valuation will be relatively straightforward or the Trust Board 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 Trust Board will 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 governors in purchasing similar services or assets; and
- What the governors would be prepared to pay for that gift out of the academy budget.

6.12. The **auditors** will wish to see evidence of the valuation of gifts and therefore evidence obtained as above will be retained and discussions on valuation at the Trust Board's meetings will be minuted.

6.13. Time spent by Trustees/governors in attending Trust Board/Local Academy Committee meetings is part of their responsibility in undertaking their governance role and therefore will not be included as a business contribution. However, if a Trustee/governor gives additional free time to the academy providing professional advice outside their role, this may be accounted for as a donation. The Trust Board will rely on Trustees' Term of reference to provide clarity about what constitutes the work and role of Trustees/governors before determining whether additional assistance from a governor is classified as a donation.

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

7. Discounts

7.1. 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 Trust Board is required to obtain value for money, the offer of discounts should be taken into account in making purchasing decisions.

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

7.3 When considering donations of goods or services, the CFO will ensure that the trust's decision-making process is documented, including consideration of whether DfE-backed

buying opportunities would have been more appropriate. This documentation will be retained for audit purposes