



Sveriges lantbruksuniversitet
Swedish University of Agricultural Sciences

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Annex to: Vice-Chancellor's decision on policy and guidelines for entertainment and gifts at SLU 16 November 2022

Policy and guidelines for entertainment and gifts at SLU, including boundaries

Policy

SLU manages activities in which entertainment is both appropriate and necessary on various occasions. Entertainment should always be directly related to SLU's activities and be carried out with good judgement and moderation.

Entertainment falls into two categories. **External entertainment** is outward-oriented and aims to initiate or develop relations that are important to the authority's activities. **Internal entertainment** is inward-oriented towards the staff at the University and mainly aims to promote their wellbeing.

Entertainment must not be of such a nature that it could jeopardise SLU's reputation or affect public confidence in SLU. Consideration should always be to the risks of bribery and corruption in connection with entertainment. External entertainment must not be provided in connection with ongoing procurement or the exercise of public authority

General information on entertainment and gifts

The vice-chancellor makes decisions about the maximum amounts to be spent on gifts and entertainment. The spending limits are specified in this document.

Utskrifter av det här dokumentet är kopior och måste alltid stämmas
av mot originalet.
Printouts of this document are copies and must always be checked
against the original.

There is no clear definition for the term "entertainment" and it can cover different types of events depending on whether they involve the right to compensation for input VAT or the issue of the taxation of benefits. These guidelines use the term according to the former definition. The rules on entertainment and gifts apply regardless of funding as well as where the entertainment takes place, i.e. both within Sweden and on business travel abroad.

Directions for this governing document can be found in the Finance Handbook on the staff web.

Responsibility and approval

Decisions regarding entertainment and gifts are made by the heads of department/equivalent, and can be made verbally or in writing.

A head of department may delegate, in writing, any decision concerning entertainment to other department members/equivalent. The head of department is responsible within his/her department/equivalent for ensuring the entertainment and gifts conform to the rules on entertainment.

It is the responsibility of the individual initiating the purchase/order of the entertainment and gifts to be familiar with the policy and guidelines for entertainment and gifts.

The individual placing the order for the entertainment is responsible for knowing the rules (policy, guidelines and directions) regarding entertainment and gifts, and for informing the person on whose behalf the order is being placed of the rules for entertainment and gifts, as well as the boundaries.

Documentation for verification

In accordance with the directions in the Finance Handbook, complete accounting documentation must be provided for every invoice, travel expense or similar in order for the cost to be entered into the accounts as entertainment or a gift.

If the cost of the entertainment or external gift is expected to be a higher amount than that specified by the guidelines, in an exceptional case, the request for exceeding the limit must be made to the heads of department/equivalent or senior manager. The written request must be attached to the expense voucher and be duly justified.

It is the responsibility of the account coder/travel expense examiner to pay attention to the maximum permissible entertainment amount and to record all instances of the invoiced amount exceeding this, in accordance with this document.

Unless the head of department has approved the exceeding of the applicable spending limits, the person placing the order for the entertainment or gift must pay the excess amount personally, through a salary deduction in the first instance.

Entertainment

Entertainment often involves costs for food, drink and various types of arrangements, among other things. These costs must be proportionate in relation to the nature of the entertainment. Government authorities have no right to compensation for VAT on entertainment, but the entire amount including VAT must be entered as an expense.

Non-alcoholic alternatives must always be offered during entertainment. Beer and wine may be included in the cost of entertainment for a meal or supper to the extent that this is allowed by the recommended spending limits. Entertainment with alcohol must be characterised by restraint. Nor may entertainment be of such a nature that it could jeopardise SLU's reputation or affect public confidence in SLU.

Entertainment in the home must be avoided, and may only be authorised by the head of department in exceptional cases and where special justification is attached to the expense voucher. The rules for external and internal entertainment also apply to entertainment in the home.

External entertainment

External entertainment refers to the type of hosting duties and hospitality that facilitates external contact with representatives of activities that are of importance to SLU.

The entertainment must not include persons other than those directly involved in the contact between SLU and the guests. Relatives of employees will only represent SLU in exceptional cases. The number of representatives from SLU must be proportionate in relation to the number of guests.

SLU personnel should not outnumber the external personnel at the event. If SLU personnel outnumber the participating external personnel, the person who placed the order for the entertainment must attach a special justification to the expense voucher.

Repeated entertainment of one person or group of people may be considered as personal hospitality and must be avoided. If this does occur in an exceptional case, special justification must be attached to the expense voucher.

Spirits may be included in the costs for entertainment, in exceptional cases, during visits from foreign guests. Where appropriate, this must be justified and approved in advance by the heads of department/equivalent, or senior manager. Approval and justification must be attached to the expense voucher.

Internal entertainment

For an event to be categorised as internal entertainment, it must involve some form of hosting duties and the majority of the participants must be SLU employees.

Internal entertainment may take place in conjunction with staff parties and information meetings. A maximum of two staff parties per year is allowed, including the Christmas party.

An information meeting refers to an internal meeting in which the employer communicates important information to staff. For example, this may include information about reorganisation, changes to the premises, or other unique information. It should not apply to everyday work.

For other internal meetings that are not attended by the entire department/equivalent, simple food and drink of lesser value may be entered into the accounts as internal entertainment.

A farewell event when an employment position ends or somebody retires may be paid for by SLU and entered into the accounts as internal entertainment.

Boundaries

Staff welfare

Celebrations of a simple nature with, for example, flowers or simple food and drink for events such as the public defence of a doctoral thesis, birthday, someone leaving, etc., may be paid for by SLU. This is not regarded as entertainment or a gift; it is instead categorised as staff welfare. This type of celebration is exempt from taxation for the employee if everybody in the department/equivalent is treated equally. Certain criteria must be met. For example, staff welfare must apply for everyone, be of limited value, and be provided at the workplace.

As supporting evidence that everybody is treated equally within staff welfare, it is recommended that the department/equivalent should draw up an internal document for staff welfare within the boundaries found in this document. Internal documents for staff welfare are also recommended for other organisational groupings, e.g. for the head of university administration as manager of the university administration's divisional managers and the deans as manager of the heads of department.

There are different spending limits to remain within, depending on the type of staff welfare, in order that it does not constitute taxable benefits. Healthcare as staff welfare is determined in another policy.

Internal courses and conferences

Internal courses and conferences are operating costs with fully deductible VAT, provided that the rules set out in the directions in the Finance Handbook are followed and that the spending limits in this document are observed. If, in exceptional cases, the spending limits are exceeded, this must be specially justified, approved by the head of department, and entered into the accounts as internal entertainment.

Work lunches

"Work lunches", i.e. meals not covered under the categories of information meeting, staff party, internal course or conference, should not take place. This is in order to avoid the taxation of employee benefits.

Those participating in work lunches will be taxed on their benefits. The account coder/expense examiner must report to the Human Resources Division if the meals are to be taxed as benefits.

Gifts to persons or organisations outside SLU

Gifts to persons or organisations outside SLU may be given in the form of promotional or entertainment gifts. If a gift shall be given, there must be a direct connection with SLU's activities.

Primarily, promotional gifts should be given to persons and organisations outside SLU, e.g. as a thank you to hosts of study visits, and to organisers of and participants in conferences and seminars. Otherwise, simple entertainment gifts may be given, such as flowers, fruit baskets, boxes of chocolate or similar.

"Promotional gifts" are items of a non-personal nature and of relatively insignificant value. This type of gift must be furnished with the University's name and logo and consist of the promotional products provided by the Division of Communication. In order to give a promotional gift it must be possible to assume that a corresponding value will be received in publicity value from the recipient of the gift.

Entertainment gifts may be given in conjunction with the signing of agreements that are important to SLU, the start or completion of a valuable cooperation, and in the event of inaugurations or jubilees. On such an occasion, the gift can be presented to a representative of another authority, company, country or equivalent.

The head of department may decide that these spending limits may be exceeded within reasonable boundaries and if it is well justified. Any requests to exceed the limits are made to the heads of department/equivalent or senior manager. Requests must be made in writing and attached to the invoice, together with the approval.

Gifts and celebrating employees

Gifts to employees are essentially equivalent to remuneration for work performed under tax legislation. This means that such gifts constitute taxable income for the recipient.

Commemorative gifts, Christmas gifts of lesser value and customary jubilee gifts are exempt from tax as long as they remain within the established spending limits.

SLU will never give gifts that are taxable to employees.

Therefore, the spending limits established for gifts must never be exceeded. Exceeding the applicable spending limits means that the individual placing the order for the purchase of the gift must pay the excess amount personally, through a salary deduction in the first instance.

Commemorative gift

A tax-exempt commemorative gift may be presented to an employee who has had a long period of employment at SLU (25 years or more) or in the event of him/her leaving. One person can receive a maximum of two commemorative gifts throughout their public service career, including the distinction For Zealous and Devoted Service of the Realm, Nor.

At SLU, a commemorative gift is presented

- when permanent employment ends after at least six years, and
- Presentation of Nor

The distinction – For Zealous and Devoted Service of the Realm – is a commemorative gift that can be presented to a public service employee of 30 years (25 years on retirement). It is customary for the presentation of the distinction to take place in conjunction with a dinner. This is arranged on the initiative of the vice-chancellor.

Honouring a person who is leaving due to retirement or for other reasons in which a commemorative gift is presented is arranged on the initiative of the department/equivalent.

The cost of a commemorative gift must not exceed SLU's spending limits. In order for a commemorative gift to be presented when an employee is leaving, the employee must have worked at SLU for at least six years.

It is not permitted to give gifts paid for by SLU at events such as celebrations and farewell events for employees from other departments/equivalent. There would then be a risk that the recipient might be taxed on benefits. In order that the recipient of the gift is not taxed on benefits, the person who made the decision regarding the gift must pay the excess amount personally. In the first instance, a salary deduction will be made from the person who made the decision to purchase the gift.

Jubilee gift

A "jubilee gift" is a gift given to employees when SLU celebrates its 50, 75 or 100 years jubilee, etc. Decisions on jubilee gifts are made on the initiative of the vice-chancellor.

Christmas gift

Christmas gifts given to employees are tax-exempt for employees if the value does not exceed the Swedish Tax Agency's established spending limit for Christmas gifts. The value of the gift does not include your costs for administration and inward transport of the gifts. Heads of department/equivalent decides on any Christmas gifts.

Celebrating employees

It is not permitted to celebrate employees' birthdays under the auspices of SLU beyond what is covered within the context of staff welfare.

Spending limits for entertainment and gifts at SLU

Listed below are the maximum amounts permitted for entertainment at SLU on the basis of different types of entertainment. The amounts are determined at such a level in order that the benefits are not taxed.

Please note that, as a basic rule, free food is a taxable benefit, and for tax exemption to apply requires that gatherings are temporary and short-term, and are documented in terms of purpose, content and who participated in the entertainment. Work lunches are always taxable and should be avoided.

The maximum amount for external and internal entertainment may not be exceeded without the written consent of the heads of department/equivalent. In the event that limits are exceeded, the excess amount will be treated as a private living expense (through a salary deduction in the first instance) that shall be charged to the person who placed the order for the entertainment.

Type of event	Maximum permitted amount per person, including VAT
External entertainment	
Meals (lunch, dinner and supper)	SEK 1000
Light food and drink (breakfast, refreshments)	SEK 80
Ancillary costs (venue hire, musical entertainment, theatre tickets, etc.)	SEK 500
Entertainment gifts	SEK 700
Promotional gifts in the form of promotional products	All promotional products are permitted
Internal entertainment (<i>staff parties and information meetings</i>)	
Meals (lunch, dinner and supper)	SEK 800
Light food and drink (breakfast, refreshments)	SEK 80
Board meeting (only light food and drink)	SEK 80
Ancillary costs for a staff party (venue hire, musical entertainment, etc.)	SEK 500
Information meeting (lunch and dinner)	SEK 800
Information meeting (light food and drink)	SEK 80
Gifts to employees	
Christmas gift	SEK 500
Jubilee gift	SEK 1500
Commemorative gift, Nor	Up to the Tax Agency's amount
Commemorative gift, farewell event	SEK 2000
Staff welfare	
Flowers	SEK 500, excluding courier fee.
Light food and drink (breakfast, refreshments)	SEK 80
Operating costs	
Planning days ¹⁾	SEK 800
Internal conferences ¹⁾	SEK 800
In-house courses ¹⁾²⁾	SEK 800

Type of event	Maximum permitted amount per person, including VAT
Academic ceremonies (organised by the Academy Steward)	No fixed spending limit
Miscellaneous	
Floral arrangements for funerals	Wreath, grave bouquet, hand bouquet. No fixed spending limit.

- 1) Note that special conditions must be met in order to enter these costs into the accounts as courses, conferences or planning days; see the Finance Handbook: (<https://internt.slu.se/stod-service/admin-stod/ekonomi/ekonomihandboken/ekonomihandboken-kap-15/>)
- 2) Internal courses are courses arranged by SLU for the staff.

This document is regulated by the Income Tax Act (1999:1229), the general advice and position currently adopted by the Swedish Tax Agency.