**THE EUROPEAN SUSTAINABLE COMPETITIVENESS PROGRAMME FOR NORTHERN IRELAND 2007-2013**

**MANAGING AUTHORITY GUIDANCE**

**ELIGIBILITY OF HOSPITALITY EXPENDITURE**


### 1.0 Introduction

* 1. The purpose of this guidance is to provide detail on the eligibility of hospitality within the Sustainable Competitiveness Programme. This guidance is based on DETI hospitality guidance and supplements DFP Guidance Note 5 (Northern Ireland Rules on the Eligibility of Expenditure).
	2. Public bodies and ‘publicly funded organisations’ have strict guidelines governing hospitality expenses charged to the ‘public purse’. These guidelines also apply to grant paid to projects from within this Programme.
	3. The provision of hospitality is not normally a critical part in the delivery of schemes/operations funded under the EU Sustainable Competitiveness Programme for NI (the Programme). Hospitality can only be grant funded in limited circumstances as described in this guidance. The overriding principle is that hospitality by a project at public expense must be justified, reasonable and is considered to be in the direct interest of the project and Programme. Entertainment in general is not an eligible expense.
	4. Within the public sector, approval for the provision of hospitality must be given by a sufficiently senior official/staff member within the organisation. Evidence of this approval should be retained as part of the audit trail supporting the expenditure.
	5. Hospitality should be, and should be seen to be, unostentatious and on a modest scale. Whilst it can be difficult not to offer hospitality as a gesture of reciprocity, this should neither be the sole reason, nor the main reason, for justifying the expenditure. The provision of hospitality should be limited to food and drink.

**2.0** **Light Refreshments**

2.1 It is sometimes necessary to host morning or afternoon meetings to which representatives of external organisations are in attendance. Generally speaking, the provision of tea or coffee and biscuits at meetings of this kind can be charged to the Programme.

2.2 The chairperson of any such meeting should consider whether the circumstances warrant the provision of refreshments. For example, such provision may not be appropriate if a meeting is expected to be particularly brief or if the number of internal representatives far outweighs the number of visitors.

2.3 Refreshments provided should be limited to tea or coffee and scones or biscuits.

**3.0 Dining**

3.1 Internal conference and dining facilities which are free of charge should be considered as a first choice for entertaining guests when numbers are relatively small. If internal dining facilities are unavailable or cannot cater for the numbers involved then consideration should be given to providing sandwiches or a snack meal from a caterer (procured in accordance with the tendering rules).

3.2 Unless justified through a procurement process, up-market hotels and restaurants should be avoided when entertaining guests and, where possible, a fixed or limited choice menu for food and drink at a fixed price should be settled in advance.

3.3 The following rules as to cost of food and drink should be adhered to when guests are entertained at hotels or restaurants:

1. The total cost per head including drink should not exceed £40; this should be regarded as an upper figure to cover for example, limited choice or a la carte dinner costs. It would be difficult to justify this level of cost for, say, lunch;
2. The element for drink should not normally exceed one-third of the total bill. However, if the food element is for some reason very economically priced, then a drinks charge up to a maximum of £12 per head may be admissible;
3. If no service charge is included in the bill, a tip of 12.5% would be reasonable, but this should be contained within the maximum cost specified at (i).

**4.0 General**

4.1 In all cases vouchers/invoices and receipts to cover expenditure must be obtained.

4.2 Expenditure on hospitality must be fully justified and integral to the successful delivery of the project as approved.

4.3 Expenditure on hospitality must be in full compliance with the terms and conditions of grant (Letter of Offer).

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