



## REPRESENTATION EXPENSES

### Recommendations for decisions at departmental level

Representation expenses at Umeå University are governed by the Finance Handbook, Chapter 8 which as a whole is a Vice-Chancellor decision.

[https://www.anstalld.umu.se/digitalAssets/124/124024\\_kap-8-2013-01-29.pdf](https://www.anstalld.umu.se/digitalAssets/124/124024_kap-8-2013-01-29.pdf)

The following is a summary and clarification of Chapter 8 of the Finance Handbook. Applicable procurement rules and agreements must be observed. The examples below are fabricated and have been checked by the Finance Unit.

**Decisions concerning representation expenses should be made in advance by the head of department or equivalent.** The authorised representative must be aware of the threshold amounts that apply and preferably agree with the restaurant in advance of the visit about the amount to be invoiced. If it exceeds the threshold amount, dispensation should be sought with the budget director in advance or paid on site by the person/persons who are representing. Deductions to salary must be made in cases where the above is not followed.

Representation expenses must be characterised by moderation and be justifiable. Representation expenses must not be directed at the same group of people and there must be no regularities. Representation expenses must not be of a luxurious nature. There must be a direct link between the representation expenses and activities at the university.

#### 1. EXTERNAL REPRESENTATION EXPENSES

Threshold amount. SEK 590 per person including VAT. (SEK 100 incl VAT for more basic dining.)

External representation expenses relate to hospitality to outside visitors. The number of participants from Umeå University must be carefully considered. External representation expenses may, for example, be claimed following negotiation or if they have a promotional purpose.

The University will not pay for meals for remunerated staff, such as guest teachers, as the remuneration is intended to cover meals, among other things. During the period that a guest teacher receives a salary or remuneration, the rules for internal representation expenses apply. In some other situations, it may be assessed as being a case of internal representation expenses even though the person is remunerated in another way.



Only in exceptional cases can representation expenses with accompanying people be granted. Dispensation must be sought from the budget director in advance.

Account 5531, 5541. A list of participants, purpose and date must be attached.

*Example.*

*At a disputation the opponent receives a fixed lump sum in compensation. In doing so, the opponent is considered to have received a fee that can pay for meals and cover other expenses associated with his/her stay with us.*

*However, we hold a dinner the day before the disputation. At this dinner 3-5 people participate from the department, while the student (who must defend a thesis) may not attend this dinner. It is the supervisor who decides which individuals are to participate and ensure that people observe the threshold amounts for external representation expenses.*

*The threshold amounts to be observed include a maximum allocation of alcoholic beverage in relation to the meal of 25 % and 75 % respectively. A clear and complete record of the names of the participants must be attached before any expenses/invoices are approved/certified for payment.*

*At the risk of exceeding the maximum amounts, dispensation must be obtained from the Budget Director prior the representation occasion. If these rules are not observed, a payroll deduction is implemented for the supervisor for the amount exceeding the set limits.*

## **2. INTERNAL REPRESENTATION EXPENSES**

Threshold amount. SEK 410 incl. VAT. (SEK 100 for more basic dining.)

Internal representation expenses in the form of, for example, a joint Christmas lunch are permitted twice per employee per year and must be targeted at everyone. The faculty recommends the departments to predetermine the occasions you want to prioritise.

Account 4961. A list of participants must be attached



## **2.1 Cultural events.**

You can utilise cultural events twice per year per employee. For example, theatre, tickets to sporting events. As a general rule, the event must be aimed at all staff. If you go in smaller groups, this must be duly justified. Max cost SEK 360.80 including VAT (deductible VAT SEK 10.80)

Account 4962. A list of participants must be attached.

### *Example.*

*For large departments, it may be difficult to organise joint activities. It may then be permitted to hold events in smaller groups.*

*A research/working group would like to conduct a social activity, day or evening, to create a better team spirit that leads to better cooperation and results. The activity could, for example, be theatre or sports tickets, bowling, laserdome, curling or similar.*

## **2.2 Operating expenses**

Meals in connection with internal courses, conferences and planning days are not counted as representation expenses but as an expense for the business. However, the meal must not finish the activity if it is a one day conference. It then becomes internal representation expenses instead (one of the two occasions a year). The employer must have the employee's time at its disposal. At conferences, the conference period must be at least 6 hours per day and be booked through Umeå Congress (activities on campus) or Umeå Folkets Hus (activities outside campus).

Account 4961 or 5794. Programmes and protocols/memoranda must be attached for internal conferences.

Refreshments at meetings and working sessions do not count as representation either.  
Account 5690 or 4931.

### **2.2.1 Working lunch**

Lunch may only in exceptional circumstances be paid for by the university. The lunches must not be directed at the same group of people and must not be a regular occurrence. It is the employer that must have control over the employee's time and the work conducted during the meal, i.e. no break for lunch. It should be a matter of internal work and be approved by the



head of department/equivalent in advance. Lunch must be taken on campus, and the total meeting time should exceed 3 hours, lunch included. The same threshold amounts as for internal representation expenses.

Account 4961. Purpose, date and a list of participants must be attached.

*Example 1.*

*A working group is to meet. You cannot find a suitable time other than holding the meeting in connection with lunchtime. Minutes or memoranda are recorded during the meeting.*

*Example 2.*

*Two research groups at the department have jointly applied for an external project grant where Chalmers University of Technology is the coordinator. The good news is that the application has been granted and the research groups are quickly called together for an early initial meeting at 9 o'clock in the morning. The discussions are dragging on and it is decided to eat a joint lunch in order to continue to plan and be able to provide some information to the coordinator before the end of the week. After the Head of Department has agreed to include a joint lunch in the meeting, the Universum restaurant and one of the researchers pay for all participants to have lunch. He/she then reports back the outlay in Pass and specifies the date, purpose and participants.*

*Comments: The working lunch requires working at lunch, that is no interruptions and the employer decides how the time is spent. Work at lunch was not planned in advance. The lunch can be justified in that it was important to prepare the supporting documentation to Chalmers in good time. The lunch was not recurrent by nature and the meeting time exceeded 3 hours. The Head of Department approved the working lunch which was held on campus and was within the threshold amounts.*

### **2.2.2 Research group meetings.**

See the section on Working Lunches.

Account 4961. Programmes, minutes/memoranda, date, purpose and list of participants must be attached.

*Example. (Does not meet the criteria)*

*A research group that includes a research leader, a postdoc and three graduate students and a research engineer have booked a meeting to plan activities for the coming year and to provide the research leader with supporting documentation for the project budgets that he/she must submit to the relevant financial administrator. The meeting starts at 10.00 am and will, according to the notice last over lunch and end no later than 3.00 pm. The notice lists the items to be brought up for discussion.*

*Comments: This lunch **does not** meet **the requirements** for a working lunch and must be paid for by the employees themselves. Research groups can rarely eat lunch at the employer's expense. This type of meeting goes under the category of ordinary operations and planning and is a necessary element of most jobs. The employee must always ask the question as to why the employer should pay for the lunch.*

### **2.2.3 Kick-off/start up meetings**

See the section on Working Lunches. Dinner is not allowed if it is a one-day meeting or one-day conference. In this case, it is counted as one of the two permissible internal representation expense occasions.

*Example 1.*

*A research/working group want to plan activities and work together as a group over one day. They are either on campus or off (and book via Folkets Hus). If the day ends with dinner, participants pay themselves. Lunch may be included if the event is booked as a conference with a programme lasting at least six hours. Programmes, minutes/memoranda and a list of participants must be attached.*

*Example 2.*

*Ahead of a new project or new year, the research/working group would like to plan activities and work together as a group. Several days with overnight stays – booked via a procured conference broker (currently Umeå Folkets Hus). Dinner may then be allowed as the employer controls how the time is spent.*

*Example 3.*

*The department is to conduct a review of the administrative functions and has booked a one-day conference at Umeå folkets hus for all the administrative staff. The financial administrator checks that the price of the lunch does not exceed the threshold amounts for internal representation expenses. There is a programme for the day which starts at 8.30 am. Breaks are made for coffee and lunch and the conference ends at 4.30 pm. Participants decide to eat dinner together, which is paid for by the participants themselves. When the*



*invoice from UFH comes, the financial administrator attaches a list of participants with date and purpose, and the programme and memoranda/minutes.*

*Comments Example 3: The conference that cannot be considered as recurring, continues throughout the day and meets the requirements of at least 6 hours of meeting time. There is a programme for all day and a conference package has been purchased by Umeå folkets hus. As the programme ends at 4.30 pm, dinner is not included as part of the conference, and should therefore not be paid by the employer.*

#### **2.2.4 Staff excursions.**

Refers to outings for staff at their own unit. Maximum amount SEK 200 incl. VAT. The general rule is that the arrangement should be directed towards all staff, and any deviation from this must be justified. The outing must take place during working hours.

Account 4932. The invitation must be documented ensuring that it is clear that everyone has had the opportunity to participate.

#### **Example.**

*A research/working group would like to hold a social activity which involves basic refreshments. Procured suppliers are to be selected. Dining should be of a lighter kind, such as sausage or sandwich that is not a full meal. Alcohol consumption is not permitted. If you buy ingredients to prepare food at work, or at someone's home and the university pays the cost, this counts as internal representation expenses and is therefore allowed a maximum of two times per year.*

#### **2.2.5 Residential course**

Residential course here means a minimum two-day planning meeting at another location with overnight stay. The meeting time must be at least 6 hours per day or 30 hours per week, evenly distributed throughout the week. For residential courses with overnight stay it is usual that dinner is allowed. A residential course is to be invoiced through our contracted provider of conferencing services which is currently Umeå Folkets Hus.

Account 5794. Programme, purpose and a list of participants must be attached.

**Example.**

*Management at the Department is to meet and plan the upcoming year's activities and budget. The work is extensive and it is deemed that the job would be best carried out working in a concentrated manner elsewhere. They decide to set up the planning using the residential course format, and contact Umeå Folkets Hus who book Källan Spa for the purpose. The Head of Department prepares an agenda for the planning days and there will be a group bus ride up. Upon arrival lunch is taken as part of the conference package and then work until dinner time. The dinner, as well as other meals are included in the fee. The following morning, planning continues according to the agenda, lunch is then taken together and the bus then departs to Umu. Arrive at 4.00 pm*

*Comments: The threshold amounts are the same as for internal representation expenses. The total meeting time per day is less than 6 hours, but because there is a plan for two full days including travel time, the set-up is acceptable. Our contracted provider for conference services outside the campus has been used, which is what should be the case.*

*If the planning days were relocated to Campus, Umeå Congress would have used instead and the lunch on day two would have been funded by the employees.*

*If the residential course is arranged in close proximity, i.e. just a short bus ride from Umeå, you would need to justify lunch on day two.*

**3. MEAL BEVERAGES**

Alcohol-free options are always offered. Alcohol is allowed but must be limited and moderation should be applied. Spirits are not allowed. Typically, the ratio of food and drink should be 75/25 in order to use the standard VAT rate of SEK 14. Please read more in Umu's alcohol policy.

**4. GIFTS TO EMPLOYEES**

The institution may give a Christmas gift to a maximum value of SEK 400 incl. VAT. The Department may also provide a gift when a person's employment is terminated. The faculty recommends that the Department determines guidelines for farewell ceremonies, such as upon retirement. The value of the gift's may, for example, be set in relation to the employment period.

Account 4968. Note the purpose.



## 5. IMPLICATIONS FOLLOWING VIOLATION

Fringe benefit tax must be applicable when the employee receives more than two internal representation meals throughout the year. The responsibility for contacting payroll administration for further action rests with the employee.

Payroll deductions are to be made when threshold amounts are exceeded (except on dispensation).

Volunteer, social activities related to conferences are to be paid for by the employee.

**The person who is representing (or if there is activity cost) should consult his/her financial administrator if they are unsure how the rules are to be interpreted.**

## 6. DRAFT DECISION AT DEPARTMENT/UNIT LEVEL.

- Threshold amount for Christmas gift, retirement gift
- Alcohol policy
- The number of participants from Umu for external representation expenses
- The activities that the department wants to prioritise with respect to internal representation expenses (two times per year plus two cultural events per year)