

## **Appendix 11: Staff Expenses Policy**

### **ACTIVE LEARNING TRUST EXPENSES POLICY. Updated January 2017**

#### **1. General principles**

- 1.1 The purpose of the Expenses Policy is to ensure that employees are reimbursed for all necessary expenditure reasonably incurred and approved in the performance of their duties. Employees should adopt the principles of best value in deciding when and how expenditure is incurred. The school relies on employees to act reasonably and apply common sense when incurring expenses, having in mind the potential for reputational damage if claims are seen to be inappropriate excessive or extraordinary.
- 1.2 The basis of expenses claims is actual expenditure up to the limits specified in this policy. Limits will be reviewed annually. The limits are maximum actual amounts; they are not allowances. Some of the limits set within this policy follow HMRC guidance. It is important that these are adhered to as the school will not be put in the position of providing a taxable benefit for individuals. Nor will the school accept liability for any additional tax on behalf of employees.
- 1.3 Expenses can only be claimed for additional costs that staff have incurred over and above those they would have incurred during a normal working day as determined by the conditions of their contract of employment. This policy sets out those expenses which are allowable and those which are not.
- 1.4 The policy relates to expenses incurred by staff at their personal expense and then claimed back. The principles and claim limits also apply to travel and accommodation paid for using normal purchasing arrangements, including company credit card commitments made by the employee on behalf of the school.
- 1.5 All expense claims must be approved by a manager with the appropriate level of authority who must also be someone other than the claimant. Some types of expense such as air travel and first class rail tickets require approval in advance.
- 1.6 The school wishes to reimburse employees without undue delay and with the minimum administrative burden commensurate with proper accounting and audit requirements. Employees are therefore expected to use the monthly Expenses Claim Form system and to adhere to the timescales set out in the policy or as notified by the Trust Director of Finance and Operations from time to time.
- 1.7 Claims for items not allowed under the policy will be rejected. Staff should note that authorising managers have no authority to vary this policy. Actions or claims which knowingly contravene the terms of this policy may be treated as a disciplinary matter. The school reserves the right to recover any additional costs that it incurs as the result of an employee's non-compliance with the policy from the employee's salary or otherwise.

## 2. Guidelines for claiming expenses

- 2.1 Original receipts must accompany all claims. Personal credit card slips or statements will not be accepted as evidence of business expenditure. A VAT invoice/receipt is required for all expenditure where VAT has been charged. The school cannot reclaim the VAT without a VAT invoice/receipt which meets HMRC requirements.<sup>1</sup>
- 2.2 Claims are submitted using the expenses claim form which includes space for the authorising manager's signature, usually the line manager. If the usual authorising manager accompanied the claimant on a journey or attended the same event then the claim must be authorised by an alternative senior manager who is familiar with the employee's work.
- 2.3 For security and to ensure compliance with HMRC rules all expenses other than those allocated directly to a company credit card are normally reimbursed through the monthly payroll. For this purpose claim forms must be submitted at the end of each month in the agreed format. Claims arriving after the payroll processing deadline will be held and processed with the payroll at the end of the following month.
- 2.4 For large or unexpected amounts, or where delay would cause financial hardship, the Finance Director may authorise immediate payment by cheque or direct bank transfer. Reimbursement will not be made from petty cash.
- 2.5 The Trust has a dispensation with HMRC which allows both the Trust and its individual employees not to make declarations of benefits of the type shown in HMRC form P11D. This is strictly on the basis that all expenses payments and benefits comply with the terms set out in this policy. Payments made for membership of private healthcare schemes may be classed as a benefit in kind for which the recipient may need to make arrangements for this to be taxed as a benefit in kind via HMRC.
- 2.6 The school will maintain sufficient records to be able to demonstrate that claimants were entitled to each payment. The Trust may also undertake routine checks to ensure that the travel expense rules are being followed.

## 3. Travel - general

- 3.1 Staff should always consider whether travel is essential, particularly for face-to-face meetings. Teleconference and videoconference facilities, should be used whenever practicable.
- 3.2 Unless several people are travelling together, public transport is usually the most economic mode of travel and is the default option for employees. Taxis should be used only when there is no reasonable alternative and the reason for this summarised on the claim.
- 3.3 Any travel beyond the UK that is paid in part or in full with school funds, needs to be approved in advance by the Trust's Director of Finance and Operations.
- 3.4 The following travel-related expenses are **not** allowable:
- Travel to/from home to 'normal' place of work (commuting);
  - Car parking at normal place of work, unless making a business journey to/from another location;
  - Car wash/valet;
  - Taxi fares without receipts or specific justification for use.

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<sup>1</sup> A VAT invoice/receipt must include the name and address of the retailer, the retailer's VAT registration number, the date of the purchase, details of what goods or services have been purchased and the VAT inclusive value of those goods or services in sterling. A VAT registration number consists of nine digits and is set out in the following format: 123 4567 89.

#### **4. Rail travel**

- 4.1 The policy is for staff to travel standard class.
- 4.2 The cost of First class travel is not to be claimed as an expense. The only exception is where it can be demonstrated that it is the cheapest ticketing option of all available tickets. Members of staff who choose to travel first class may do so provided that they only reclaim the cost of standard class travel from the school.
- 4.3 Travel should be arranged as economically as possible. Advance and off-peak tickets should be used whenever possible. The availability and validity of cheaper tickets should be taken into account when arranging business meetings.
- 4.4 Eligible staff may claim the cost of a railcard where this is cost-effective over the period of validity of the card.

#### **5. Travel in London**

- 5.1 Oyster fares are generally cheaper for travel in London. If the card is registered with Transport for London then a print-out of the statement from the TfL web site with the relevant journey(s) highlighted is acceptable as a receipt for travel.

#### **6. Taxis**

- 6.1 Taxi fares may be claimed where:
- there is no suitable public transport, or
  - the journey time by public transport would be excessive, or
  - the employee is required to transport items unsuitable for public transport or
  - taxi transport is required as a reasonable adjustment for a disabled employee
- 6.2 Claims must be supported by a receipt showing the final destination.

#### **7. Air travel**

- 7.1 Air travel should be regarded as exceptional and should normally be booked in advance rather than claimed as a personal expense. Economy class air fares may be claimed subject to managerial approval in advance but only where there is a clear practical or economic advantage over other means of transport.
- 7.2 See paragraph 3.3 (above) where any travel beyond the UK is planned.

#### **8. Driving – car mileage and fuel reimbursement rates**

##### *Employees*

- 8.1 Car fuel cost reimbursement rates are shown in Annex A.

##### *All car users*

- 8.2 It is the employee's responsibility to ensure that the car is roadworthy and insured for business use.

8.3 Reasonable parking fees, tolls and, where unavoidable, congestion charges will be reimbursed provided a receipt or other evidence of payment is submitted.

8.4 The following costs are not allowable expenses:

- Car parking at normal place of work;
- Car wash/valet;
- Parking penalty charges;
- Fines

## 9. Day subsistence expenses

9.1 No meals will be reimbursed while working at a school, irrespective of whether or not it is the employee's normal place of work or whether or not it has catering facilities. An exception will be made to this Policy only where a simple cold buffet-style meal is provided where working arrangements carry over the meal break times or where personnel from outside of the Trust are involved. No alcoholic beverages will be consumed.

9.2 In relation to residential training courses/conferences it is normal practice for meals and light refreshments to be provided for delegates and for the cost to be included in the delegate fee for the event. The cost of additional beverages will not be a claimable expense.

9.3 Claims will be met for the following items when working away from the employee's home or office base. These are maximum actual amounts and not allowances. All claims must be supported by valid VAT invoices/receipts. Different amounts may be claimed when staying overnight – see Section 10 below.

Item	Conditions	Maximum claim
Breakfast	After start of journey and when required to leave home before 6.00am	Current HMRC rates (see Annex A)
Lunch	Working lunch with non-Trust staff. Away from normal place of work for at least five hours.	
Either: Tea	Away from normal place of work for at least five hours and unable to return home until after 6.00pm.	
Or: Evening meal	When required to work after 8.00pm.	

## 10. Overnight accommodation

10.1 Necessary overnight accommodation should normally be booked in advance through the school's purchasing arrangements rather than through a personal expense claim. However, the same limits apply whether the booking is made centrally or claimed retrospectively. The limits are intended to reflect the cost of a stay in a modest business- type hotel.

Item	Conditions	Maximum claim
Room rate	Single room with ensuite facilities.	Current rates are published separately. (See Annex A)
Breakfast	When not included in the room rate.	
Evening meal	May include non-alcoholic drinks	
Incidental expenses	e.g. Telephone call home where the mobile phone signal does not allow the use of the company mobile.	

- 10.2 The following hotel costs are not allowable expenses:
- Alcoholic Drinks,
  - Bar or minibar bills
  - Laundry
  - In-room entertainment
  - Tips/gratuities
  - Gym or spa usage
- 10.3 Where practicable, employees should take advantage of late/early deals or special offers to reduce the cost of overnight stays.
- 10.4 Where demand for accommodation in an area is high for any reason and a room cannot be secured within the maximum limit the employee should seek the agreement of the authorising manager for expenses claims before incurring any additional costs. Where a higher rate is agreed the decision and the reasons will be noted on the expenses claim form.
- 10.5 Where an employee chooses to incur costs over the maximum limit but rooms would have been available within the limit they may elect to pay the difference between the cost of a reasonable available room and the room of their choice themselves. This difference should clearly be stated in a note accompanying the expenses claim form.
- 10.6 If an employee chooses to stay in private accommodation with a friend or relative, only the demonstrable actual costs incurred (if any) will be reimbursed up to the limits for other overnight accommodation. HMRC no longer accepts a flat rate allowance for tax purposes when staying in private accommodation.
- 10.7 All claims must be supported by a valid VAT invoice/receipt.

## **11. Other expenses**

### *Membership of professional organisations*

- 11.1 Employees will be reimbursed for the cost of annual subscriptions to professional bodies where this is of benefit to their work for the school. Such professional bodies must be included in the list of eligible bodies produced by HMRC from time to time.

### *CPD or conference/event costs*

- 11.2 Employees will be reimbursed for the cost of attendance/booking fees for attendance at professional development/training courses or conferences/events where these are agreed as being beneficial to the school by the authorising manager.

### *Removal or disturbance allowances*

- 11.3 All or any requests for financial assistance with removals expenses or disturbance allowances by employees will be agreed in advance by the Chief Executive or the Director of Human Resources before any costs are incurred or reimbursed. Payment of such expenses will be limited to approved circumstances where a new employee (within 12 months of commencing their posts) needs to move home to be practicably close to their designated base.
- 11.4 The maximum removals/disturbance costs to be met by the School will be £6,000 per employee.
- 11.5 Claims for reimbursement of removals/disturbance costs will be by the submission of valid VAT receipts