

EXPENSES POLICY

Contents

1	Introduction	3
2	Scope	3
3	Principles	3
4	Tax Liability and Expenses	4
5	Roles and Responsibilities	5
6	Authorisation	7
7	Overview of Expense Payment Procedure	8
8	Cash Advances	10
9	Travel	10
10	Accommodation	20
11	Subsistence	21
12	Tips /Gratuities	22
13	Business Entertainment	22
14	Staff Entertainment	23
15	Staff Functions	24
16	Communication	26
17	Other Expenses	26
18	Gifts	29
19	Dissemination of this Policy	29

1 Introduction

- 1.1 This document details the University policy for the submission and reimbursement of expense claims incurred on University business.
- 1.2 The Expenses Policy ('the Policy') has been prepared in accordance with Income Tax and National Insurance Contribution regulations and in consultation with Her Majesty's Revenue and Customs (HMRC).

2 Scope

- 2.1 The Policy applies to all University employees, and where appropriate to students and all others engaged in University businesses, who incur expenses, which the University has agreed to reimburse.
- 2.2 The Policy also applies to all bodies consolidated within the University's Financial Statements and therefore is applicable to all subsidiary companies.
- 2.3 The Policy applies to all expenditure, incurred by, or on behalf of, the University irrespective of the source of funding, and covers all personal business expenses irrespective of the payment method, applying equally to credit card transactions, purchase order/invoices and individual expense claims.

3 Principles

- 3.1 University employees and all others engaged in University business (Claimants) will be reimbursed for the actual cost of expenses incurred wholly, exclusively and necessarily in the performance of University business as described in this Policy.
- 3.2 The majority of business expenditure should be incurred through University approved purchasing routes, principally University orders raised on the Financial Management System (FMS) and University Purchase Cards, rather than incurred directly by the Claimant. A claim should therefore be used to reimburse incidental expenses **only**. Items such as books, equipment, computer hardware and software should be purchased through the University's principal purchasing routes.
- 3.3 **In the interests of value for money and to support the appropriate use of public funds, Claimants are expected to be prudent in their spending. Authorisers are required to be diligent in their review and approval of expenses to avoid the University incurring any unnecessary expense. Claimants must ensure that economy, efficiency and effectiveness are achieved in respect of all expenses incurred while undertaking University business.**

- 3.4 In cases where there is a discrepancy between this Policy and conditions of funding from a Research/External sponsor then the more restrictive policy should apply.
- 3.5 University expense claims are subject to audit by government agencies, internal and external auditors and other sponsors. Thorough documentation and accounting for expenses is essential.
- 3.6 Failure to comply with this Policy may result in reimbursement being delayed or declined. This Policy is intended to provide Claimants and Authorisers with the necessary guidance to help them prepare and submit properly authorised claims. Following the Policy should avoid delays in reimbursement and minimise the possibility of further enquiries by Finance, Auditors or HMRC.
- 3.7 **Submitting, or attempting to submit, a false claim will be treated as a serious disciplinary offence.**
- 3.8 The University is committed to the highest standards of openness and accountability and is committed to carrying out its academic and business functions in an honest and ethical manner.
- 3.9 The University is committed to the prevention of Bribery and to observing the provisions of the Bribery Act 2010, and will not tolerate bribery or other improper conduct either inside the UK or abroad, by employees or other individuals or organisations who perform services for or on behalf of the University.

4 Tax Liability and Expenses

4.1 *Tax Status of Expenses Reimbursed*

Expenses incurred by employees, which are reimbursed by their employer are taxable payments unless they are incurred wholly, exclusively and necessarily in the performance of their duties of employment.

4.2 *Dispensation Agreement*

4.2.1 Travel and certain other expenses may be made as non-taxable payments under a HMRC Dispensation Agreement.

4.2.2 The dispensation can cover any business expense and benefit where there is a matching tax deduction. This simplifies the payment process for employees in that it removes their tax reporting requirements where ultimately there is no tax payable: it is effectively a notice of nil liability.

4.2.3 The University has negotiated a Dispensation Agreement for business travel and other expenses with HMRC. The University has to satisfy HMRC that no tax would be due in respect of the payments and benefits covered

by the dispensation and that the University operates good control systems ensuring payments are within the terms of the dispensation. HMRC has to be satisfied that the expenses covered by the dispensation only reimburse employees for expenses incurred on University business.

4.2.4 If HMRC believes that the system for claiming expenses is being abused they can revoke any dispensation and insist on all expenses being taxed via a P11D arrangement.

4.2.5 Compliance with this Policy is essential to ensure the University retains its Dispensation Agreement.

4.3 *Reporting*

4.3.1 In the event of a benefit-in-kind charge arising (i.e. an expense allowed under this Policy but deemed taxable by HMRC), the University has a responsibility to inform both the Claimant and HMRC about the existence and the extent of the particular charge.

4.3.2 The University does this by providing, if appropriate, both the Claimant and HMRC with a copy of form P11D. The form P11D is produced annually and relates to transactions occurring during the tax year to 5 April.

4.3.3 The University also submits to HMRC details of the Income Tax and National Insurance it has paid on behalf of its employees annually through the Pay As You Earn (PAYE) Settlement Agreement.

5 **Roles and Responsibilities**

The primary responsibility for compliance with this Policy rests with the individuals requesting reimbursement of the business expense and those who are approving these expenses.

The responsibilities are defined as follows:

5.1 *Expense Claimant*

5.1.1 All Claimants must be familiar with this Policy in order to ensure compliance and prudent spending of University funds.

- Claimants whose expenses will be charged to a sponsored project must also be familiar with the particular expense conditions of that project.
- The Claimant is also responsible for obtaining all proper documentation for each expense. Typically, this documentation will be a receipt that identifies the expense and reflects proof of payment.
- The Claimant is also responsible for adequately documenting the business purpose for each expense (i.e. what/when/why/where).

5.1.2 The business purpose must be specific e.g. “Travel to London to speak at The Royal College of Engineers Engineering Network event held at the Royal College Headquarters” is an appropriately documented business purpose. The business purpose of an expense may be obvious to the Claimant, but not necessarily to an Expense Authoriser or a third-party reviewer.

5.1.3 When signing the claim form, the Claimant declares that:

- To the best of their knowledge, the expense is compliant with this Policy and if the expense is to be charged to a sponsored award, that the expense is compliant with all sponsor requirements/regulations.
- Expenditure has actually been incurred.
- Expenditure has not previously been claimed from the University or any other organisation.
- Expenditure has been incurred wholly, exclusively and necessarily in the performance of their duties of employment.
- There is sufficient budget to cover the claim.
- No part of the claim relates to personal expenses or private business activities.
- Any costs relating to a spouse, partner or non-University travelling companion have been deducted before the claim is submitted.

5.2 *Expense Authoriser*

5.2.1 The person authorising the claim must only do so if they are fully satisfied that:

- The expenses claimed represent a valid business expense in line with this Policy and appropriate use of University or grant funds.
- An adequate description of the expense is provided (what/when/why/where).
- An appropriate budget code is present for each expense item being claimed.
- The claim is properly dated.
- Receipts are provided for all expenditure claimed, adequately identifying the expense and providing proof of payment (see 7.2.4).

5.2.2 By approving a claim, the Authoriser declares that:

- To the best of the Authoriser’s knowledge, the claim complies with this Policy, or if the expense is to be charged to a sponsored project, that the claim is in compliance with all sponsor requirements/regulations.

5.2.3 If in doubt over a claim or part of a claim, the Authoriser should contact Finance for further guidance prior to authorising the claim.

5.2.4 Where an Authoriser requires the Claimant to amend a claim, the claim should be returned to the Claimant for amendment, and the claim then resubmitted to the Authoriser. The process for this is set out on the Finance web pages, and depends whether claims have been submitted by a Claimant who has access to FMS – the University’s Finance System – or by a non-FMS user.

5.2.5 Claims should be authorised as soon as possible to minimise delay in settlement (see 7.4.1).

5.2.6 Any subsequent query on a particular claim from the University Auditors (internal and external) or any other regulatory body will be referred, in the first instance, to the expense claim Authoriser.

5.3 *Payments of Expenses*

5.3.1 Finance is responsible for the reimbursement of expenses and for monitoring claims to support compliance with this Policy.

5.3.2 Finance also aim to support Claimants and Authorisers with any questions arising from this Policy, or with any query relating to the reimbursement of expenses.

6 **Authorisation**

6.1 All claims must be authorised before payment will be made.

6.2 The Authoriser must also be an employee independent of the Claimant and of any others benefitting from the expenditure.

6.3 The Authoriser of a claim will be the member of staff responsible for the budget from which expenses are being claimed. The Authoriser has the right and responsibility to challenge any inappropriate claims, regardless of the seniority of the Claimant relative to the Authoriser, in order to ensure adherence to this Policy.

6.4 Under no circumstances may an individual approve his or her own claim.

6.5 **Failure to follow these authorisation instructions will render the claim invalid.**

7 Overview of Expense Payment Procedure

7.1 *Format of Claim*

All expense claims should be submitted in a manner approved by the Chief Financial Officer (CFO). Staff and students with access to FMS, the University's Finance System, are required to submit expense claims using FMS. An expenses form is available on the Finance web pages for non-FMS users. Full guidance for both FMS and non-FMS users is also available on the Finance web pages.

7.2 *Receipts*

7.2.1 In order to comply with HMRC requirements expenses will only be reimbursed on production of receipts which support the claim.

7.2.2 VISA, Mastercard, debit or credit card counterfoils and credit card statements **are not** an acceptable form for proof of purchase.

7.2.3 The Claimant is expected to obtain original receipts for all expenses they wish to have reimbursed. An original receipt may take many forms (for example, a cash register receipt or a web receipt). A receipt must identify:

- the date of purchase
- the vendor name
- itemised list and unit price of the purchased items
- the total amount paid
- VAT number (where applicable)

7.2.4 The University recognises that it is not always possible to obtain a receipt. In the event of lost or missing receipts the Claimant should seek duplicate receipts or produce alternative proof of payment. If no proof of payment is available e.g. the underground did not return the travel ticket, the Claimant should note this on the claim.

7.2.5 Non-attachment of receipts may mean that items are disallowed from the claim or may require to be subject to employment taxation.

7.2.6 Receipts require to be cross referenced to each entry on the claim.

7.3 *Proof of Payment*

7.3.1 The Claimant is expected to obtain proof of payment for all expenses for which they plan to have reimbursed. Receipts do not always provide proof of payment, often receipts simply provide proof of purchase.

7.3.2 Proof of payment may take many forms but must demonstrate that payment was tendered and must identify the means by which payment was tendered by the Claimant (for example, cash, card or cheque).

7.4 *Time Limit*

7.4.1 **Claims should be submitted as soon as possible, and in any event, claims must be submitted within two months of the expense being incurred.**

7.4.2 Discretion may be allowed in the case of late submission for Claimants where legitimate explanations exist for delays. Such explanations should be detailed on the claim.

7.4.3 The Claimant should also be mindful of the University's financial year end on 31 July. In order to adhere to generally accepted accounting principles, all expenses for that year should be reported prior to year end to ensure that the expense is appropriately captured in the financial statements and in the department's budget for the appropriate financial year.

7.5 *Incorrect/incomplete claims*

Incorrect or incomplete claims cannot be processed.

Claims submitted through FMS, the University's Finance System, are subject to a number of programmed controls to help ensure correctness and completeness at the point of input by the Claimant and at the point of authorisation by the Authoriser. Issues will generally be identified and dealt with within the FMS workflow. If this is not possible, Finance may contact the Authoriser directly to agree a course of action.

Claims submitted by non-FMS users are subject to certain checks by Finance before being uploaded to FMS for workflow to the Authoriser. Finance may contact the Claimant, the Authoriser or a Departmental contact to discuss any issues with the claim.

7.6 *Payment of Claim*

7.6.1 Finance will normally make payment within ten working days of receipt of a correctly completed and approved claim.

7.6.2 Claims will be reimbursed in sterling, by direct credit to the Claimant's nominated bank account.

7.7 *VAT*

In circumstances where VAT may be reimbursed to the University, the claim should clearly identify VAT that has been incurred.

7.8 *Foreign Currency*

Where expenses have been incurred in a currency other than £ sterling, the claim may be made in that currency. Exchange rates held in the Finance

System, FMS, will be used to convert expenses to their £ sterling equivalent for payment.

8 Cash Advances

8.1 Whenever possible, accommodation and travel should be pre-booked. However, advances may be made where significant out-of-pocket expenses will be incurred. Advances will not normally exceed £1,000 and will require the authorisation of the sub project manager (budget holder) whose budget is to be charged with the advance.

8.2 Advances are normally paid no more than 7 working days after the approval of the advance request on FMS.

8.3 An advance is not a travel claim or an entitlement; it is simply an advance payment of an estimated claim, which requires to be offset against an actual claim.

8.4 Such advances will be for a round sum not normally exceeding £1,000, covering the anticipated out of pocket expenses and will be paid in £ sterling by BACS transfer.

8.5 No later than 10 working days after the date the Claimant returns to the University, the advance must be accounted for by submitting an expense claim, from which the advance will be deducted. The balance of the expense claim in excess of the advance will then be reimbursed in line with the timescales for expense claims. Guidance on the Finance web pages explains how this is achieved within FMS.

8.6 Where an advance exceeds the corresponding expense claim, the balance of the unspent advance should be returned to Finance.

8.7 Where a Claimant fails to account for an advance within 10 days of their return to the University, Finance reserves the right to withhold further advances or reimbursement of expenses until the matter is resolved.

9 Travel

Travel should be by the most economical means of transport consistent with the business objective of the trip.

9.1 *Environment*

The University has a Sustainability Policy which represents a commitment by the University to conduct its business in such a way that it actively promotes environmental responsibility and sustainable development. The

University will support alternative modes of transport to business locations where this is reasonably practicable and meets business needs.

9.2 ***Definition of Business Travel***

9.2.1 Irrespective of the mode of transport, travel expenses may be claimed only where they are incurred on business travel.

9.2.2 Journeys between an employee's home and normal place of work are not regarded as business travel and the costs of these journeys cannot be claimed, with the exception of attending an emergency call out (see section 9.22).

9.2.3 The cost of travelling between an employee's home and normal place of work is not regarded by HMRC as an expense incurred in the performance of the duties of employment. The cost of this travel merely puts a Claimant in a position to perform those duties and is not incurred in actually doing the job.

9.2.4 All journeys away from what can be considered a Claimant's normal place of work when carrying out necessary University business will be regarded as business travel.

9.2.5 Where a journey begins or ends at home the Claimant may claim the whole cost of that journey provided that it was carried out for business purposes and that it was necessary to travel from/to home rather than the employee's normal University location.

9.3 ***Travel Agent***

9.3.1 Contact details for the University's preferred travel provider are available on the University website. Booking through the University's preferred provider is likely to provide, over the long term, the best value for money and Claimants should in general use their services for travel arrangements. Bookings should be made using University purchase procedures.

9.3.2 There can be exceptions to these requirements:

- Visiting members of staff, external examiners, seminar speakers etc.
- Where there is demonstrable overall better value for money for contracting outwith the appointed agent, for example internet travel deals.
- Where the appointed agent is unable to make the necessary travel arrangements, a specialist agent (e.g. one specialising in a particular country) may be used. The Claimant concerned must be able to demonstrate, with evidence, the reasons for taking this decision.

9.3.3 When booking a trip through a non-University preferred agent, the Claimant must take responsibility for selecting arrangements that comply with [University Procurement policy and spending guidelines](#).

9.4 ***Air***

9.4.1 The University expects that air travel will be at the lowest available fare. This should normally be economy travel.

9.4.2 Claimants may travel in Business/Premium class **only if**:

- the flight has a scheduled 'in air flying time' in excess of six hours and the Claimant is required to undertake university business the same or following day
- a documented medical condition requires it.

9.4.3 If a Claimant elects to fly in Business/Premium class and cannot provide evidence to meet the exceptions detailed in 9.4.2, they will be reimbursed only for an amount equivalent to an economy airfare.

9.5 ***Air Miles***

9.5.1 In general air miles (or credit card points) acquired by a Claimant are not taxable, if they were acquired in the same way as applies to any other member of the general public. A tax charge arises on such items, if they are provided by reason of the Claimant's employment and therefore not available to other general customers.

9.5.2 Claimants will not be reimbursed for airline tickets purchased, partially purchased, or accommodation and upgrades obtained using frequent flyer miles.

9.6 ***Expenses to Change or Cancel Travel Plans***

The University will reimburse the costs of travel purchased (i.e. airfare, deposits) or surcharges imposed due to cancellations or changes in travel arrangements only when required for business needs.

9.7 ***Airport Lounges***

9.7.1 Annual Membership to Airport lounges will not be reimbursed by the University.

9.7.2 The University however recognises that there may be occasions where due to travel connections Claimants may be between flights for a number of hours and would wish to utilise this time effectively for business purposes. Where the waiting time at the airport between connecting flights exceeds two hours, the cost of accessing an airport lounge will be reimbursed.

9.8 ***Airline Baggage Charges***

9.8.1 When travelling by air, airlines may charge for a first or second checked bag. The University will reimburse that charge if the bag is needed on a business trip (e.g. when travelling with heavy or bulky materials or equipment that is required for business).

9.8.2 If the trip includes business and personal travel (in the case of extended travel – see 9.20) the extra charge for baggage used specifically for leisure (golf clubs, skis, etc.), will not be reimbursed.

9.9 Rail

9.9.1 Rail travel can be booked in advance through the University's preferred travel supplier or direct with the rail company.

9.9.2 Claimants should book early and take advantage of cheaper advance tickets to travel on specific trains where practical.

9.9.3 As part of the University's Sustainability Policy, and to encourage rail travel where possible, Claimants may travel 1st class or in sleeper accommodation, when appropriate, for train journeys over 4 hours. All other rail travel within the UK should be by economy/standard class rail travel.

9.10 Car (privately owned)

9.10.1 The current mileage allowance rate paid by the University is 45p per mile for the first 10,000 miles in any tax year (6 April to 5 April the following year) reducing thereafter to 25p per mile.

9.10.2 Claimants are entitled to claim mileage when using their own transport for travelling on University business. A mileage allowance will only be paid if:-

- public transport was impractical because of timing or infrequency, **or**
- heavy or special equipment was being transported, **or**
- the number of staff travelling by car made it economic, **or**
- where it can be demonstrated that there was a significant saving in staff time by the use of the car, **and** the reason is stated on the claim.

Mileage should reflect the actual mileage driven using the most direct route.

9.10.3 No income tax liability should arise on those claiming mileage whilst using private cars for business journeys as the rates paid by the University are within HMRC guidelines.

9.10.4 Mileage reimbursement covers fuel, maintenance/repairs, insurance, transportation and operating costs. These will not be reimbursed separately.

- 9.10.5** Full details of the journey, including date, reason for journey, starting points and destinations, should be shown in the appropriate section of the claim.
- 9.10.6** The use of private cars for long journeys (i.e. over 100 miles for a return journey) is not normally economic. Where reliable and convenient public transport is available, this should be used. Where travel is by private car, for claims in excess of 100 miles per round trip, the Claimant will be restricted to reimbursement the equivalent of a return economy class rail fare.
- 9.10.7** Exceptions to the rule at 9.10.6 are if
- there are a number of passengers (university employees), or
 - heavy equipment has to be carried, or
 - the destination is not well served by public transport or
 - there would be a need to make multiple connections because of the remoteness of the destination.
- 9.10.8** Claimants who use their own private cars for business use must ensure that they hold a valid driving license for the vehicle and are sufficiently insured to permit their vehicle to be used on University business. It is the driver's responsibility to ensure that the car is roadworthy. The University will not accept liability for any consequences arising from failure to do so.
- 9.10.9** The University will not accept any liability for any injury or damage arising from the use of a Claimant's private motor vehicle, except where such injury or damage is directly attributable to a negligent act or default of the University.
- 9.10.10** The University reserves the right to request copies of insurance certificates.
- 9.11** ***Car Hire***
- 9.11.1** Car hire charges will normally only be paid for round trip journeys of more than 100 miles, and if the reason for the hire is fully explained on the claim.
- 9.11.2** It is essential that adequate insurance cover be taken out in respect of all vehicle hires. As a general rule, it is recommended that cover be purchased from the hiring company for all short-term hires i.e. up to 14 days.
- 9.11.3** It is the legal responsibility of the driver to ensure that the hiring company is informed of any Penalty Points and/or changes to his/her licence.
- 9.11.4** Where vehicles are hired then expense claims should reflect the cost of the fuel purchased rather than the mileage rates which are claimed when a private car is used (see 9.10.2). Reimbursement of receipted fuel costs incurred whilst on University business should not give rise to any tax liability.

9.11.5 Where a cost has been incurred that can be attributed to an element of private motoring, the private element of the cost should be identified by splitting the total cost in proportion to that which private mileage bears to business mileage. The appropriate cost resulting from the private element of the journey should not be claimed. It is necessary for those Claimants using these vehicles to keep a record of business and also personal mileage.

9.12 *Motor cycle (privately owned)*

9.12.1 The current mileage allowance rate paid by the University is 24p per mile.

9.12.2 Mileage reimbursement covers fuel, maintenance/repairs, insurance, transportation and operating costs. These will not be reimbursed separately.

9.12.3 Full details of the journey, including date, reason for journey, starting points and destinations, should be shown in the claim.

9.12.4 Claimants who use their own private motor cycles for business use must ensure that they hold a valid driving license for the vehicle and are sufficiently insured to permit their vehicle to be used on University business. It is the driver's responsibility to ensure that the motor cycle is roadworthy. The University will not accept liability for any consequences arising from failure to do so.

9.12.5 The University reserves the right to request copies of insurance certificates.

9.13 *Bicycle (privately owned)*

9.13.1 The University's stated policy is to minimise the use of car travel. Should staff wish to use a bicycle for business travel, then an allowance of 20p per mile can be claimed.

9.13.2 Full details of the journey, including date, reason for journey, starting points and destinations, should be shown in the appropriate section of the claim.

9.13.3 It is the cyclist's responsibility to ensure that the bicycle is roadworthy. The University will not accept liability for any consequences arising from failure to do so.

9.13.4 If the cycle used for business travel is on loan through the University's Cycle to Work Scheme, then business mileage cannot be claimed.

9.14 *Ferry/Bus/Coach/Underground*

Ferry, Bus, Coach and Underground costs incurred whilst travelling on University business can be reimbursed on the submission of supporting receipts.

9.15 *Parking Costs*

9.15.1 Parking costs incurred whilst travelling on University business can be reimbursed on the submission of supporting receipts.

9.15.2 The University will not pay the cost of any Claimant's University car parking permit.

9.16 *Parking Tolls*

It is recognised that for this type of expense, receipts are not always available. Receipts should be submitted where possible.

9.17 *Parking Fines*

The University will not reimburse parking or other fines incurred by Claimants whilst on University business.

9.18 *Trading Down of Travel Tickets*

'Trading down' of travel tickets i.e. travelling by a less expensive travel class in order to claim an extra ticket for a family member or friend is not permitted.

9.19 *Travel with Spouse/Partner /Family*

9.19.1 Where the claimant is accompanied by a Spouse/Partner or other non-University connected persons, the Claimant must only claim the appropriate share of each item of expenditure, consistent with that which would have been incurred if travelling unaccompanied.

9.19.2 Costs incurred on behalf of an employee's spouse or partner will not normally be reimbursed. Consideration of reimbursing expenses incurred on behalf of a spouse/partner will only be reimbursed if:-

- The presence of a spouse/partner is essential to ensure a successful outcome to the business trip.
- The presence of a spouse/partner has been approved in advance by the Convenor of Court.

9.20 *Extended Travel*

9.20.1 Extended travel refers to travel trips which include time spent on non-University business such as earlier arrival or later departure.

9.20.2 Prior approval (evidenced by e-mail) for extended travel beyond the minimum days required for business purposes must be obtained from the Claimants Head of Department/School, Director or Senior Officer. It is also

appropriate for the Head of Department/School, Director or Senior Officer to consider other relevant costs and factors against the savings in airfare, including the inherent cost of being away from the University for a longer period of time.

9.20.3 The University will not reimburse the cost of accommodation, local transportation, meals or other costs in excess of the minimum days necessary for business travel or conference attendance.

9.20.4 The costs related to an earlier departure and/or later return for travel may be reimbursed when the total cost of the travel is clearly documented and demonstrated to be equal to or lower than it would have been for the dates required for business travel.

9.20.5 Savings in travel costs cannot be used to justify the University meeting other costs (e.g. recreational trips) during the non-business extended days.

9.21 *Personal Business Conducted During Period of Travel*

9.21.1 Personal expenses, as well as any incremental travel costs incurred for personal business during the course of a University business trip, are the responsibility of the Claimant. Incremental travel costs include expenses that would not have been incurred on the business portion of the trip, except for the fact that the Claimant conducted personal business at some point during the trip.

9.21.2 Personal expenses may not be charged to University budgets (even if the intention of the Claimant or a third party is to later reimburse the University for these expenses). Reservations for personal travel made using the University travel agency should be charged to a personal credit card and not billed to a University account.

9.22 *Emergency Call outs/Stand By*

9.22.2 Emergency call-out travel is regarded by the University as a claimable expense; however, this journey is seen to be taxable by HMRC unless all the following conditions have been met:

- The employee must give advice on how to handle the emergency before leaving home.
- Responsibility for dealing with the emergency must be accepted from that time.
- The employee has a continuing responsibility for the Emergency whilst travelling to the workplace.

Whether or not the journey takes place outside normal working hours is not considered by HMRC to be a relevant factor.

9.23 *Travel to Courses & Conferences*

The cost of providing in-house training courses is normally met by the University. Employees who travel to work-related training are entitled to claim for the cost of their journey.

9.24 *Taxis*

Employees may claim reimbursement of the cost of a taxi or private hire vehicle fares (of a standard nature) when it would not be reasonable to take a connecting journey via public transport. Taxis can be booked in advance through the approved supplier for this purpose. Taxis may be used for journeys:

- where no other suitable transport is readily available
- when heavy or bulky equipment is being transported
- where the saving of time is of paramount importance
- where an individual has difficulty because of restricted mobility or other disability
- where public transport is unavailable e.g. either early in the morning or late in the evening or where no service is available.

9.25 *Late working*

The use of Taxis to take employees home from the University after working late is only allowed in exceptional circumstances, and not as a regular arrangement. The University considers "Working Late" as being after 10 pm. The Head of Department/School or Director is required to approve such exceptions.

These would, in general, only be viewed as taxable by HMRC if any of the following conditions were not met.

- The employee is occasionally required to work late.
- Public transport is infrequent or unreliable.
- 'Work late' means working until 9pm or later.
- It is not a frequent occurrence, i.e. not more than 60 occasions in a tax year.
- It is not a regular arrangement e.g. a predictable pattern, for example every Tuesday evening.

9.26 *Travel Cards (Public Transport)*

Travel Cards purchased for business travel will be reimbursed where it is more economic than buying several single journey tickets. Single tickets should otherwise be purchased.

9.27 *Travel Insurance*

9.27.1 Travel Insurance can be arranged for employees and students provided they are undertaking travel on University related business. The policy covers these individuals whilst on a journey either outside the United Kingdom or within the United Kingdom, if the journey involves air travel, or an overnight stay. As the University provides travel insurance cover for business trips for staff and students, the cost of alternative travel insurance arrangements for business trips may not be claimed.

9.27.2 Travel insurance for all domestic travel is automatic and no formal notification is required.

9.27.3 Travel insurance for all foreign travel requires prior arrangement, at least five full working days prior to departure, using the Travel Insurance Notification Form available on Pegasus.

9.27.4 On confirmation of cover, an email cover note is sent providing policy number, emergency contact details and a summary of cover provided under the University's travel policy. Until this information is received, insurance cover for any trip is not guaranteed.

9.27.5 Staff and students travelling abroad are responsible for ensuring that they are not travelling against the advice provided by the Foreign and Commonwealth Office. Individuals will be asked, when completing the travel insurance notification form, to confirm the advice provided by the Foreign and Commonwealth Office for the country they are travelling to.

9.27.6 If an employee still wishes to travel to an area that the Foreign Office advises against visiting, then he/she must obtain authority to undertake the journey from the relevant Dean, COO or CFO. A risk assessment must be undertaken before any decision is made. If the trip is duly authorised, the individual should then contact the Insurance Team within Finance to determine if special travel insurance is required as such a journey may not be covered by the University's existing group travel policy.

9.27.7 If spouses/children are accompanying staff on a business trip they are not covered by the University policy and are required to make their own travel insurance arrangements.

9.27.8 For trips that combine both business and personal travel the University's policy only extends to the business part of the trip. Staff are required to take out their own insurance for any personal travel.

9.28 *Passport and Visa Fees*

Claimants who incur visa fees specifically for University business travel, or by necessity of their business travel arrangements require a second passport, will be reimbursed for these costs. The purchase of second passports when applying for visas may be taxable.

9.29 *Medical costs associated with Business Travel*

9.29.1 The University will reimburse Claimants for costs associated with vaccinations and other necessary medical requirements for overseas business travel. Receipts for vaccination/other medical charges should be submitted with any claim.

9.29.2 Over the counter medication (pain relief, cough medicines etc.) are not reimbursable as these are deemed to be inherently personal in nature and not uniquely associated with business travel.

9.30 *University Vehicles*

Where University vehicles are made available to employees for the purpose of carrying out their duties, these vehicles must not be used for private purposes.

10 *Accommodation***10.1 *Hotels***

10.1.1 The University's preferred travel agents can assist in providing reasonably priced hotel accommodation.

10.1.2 When travelling on University business it is expected that Claimants should obtain accommodation in a reasonable quality hotel. The University defines a 'reasonable quality hotel' as being one of up to the equivalent of a 4 star UK standard. The University will bear the cost of the room and breakfast. Where other meals are not taken in the hotel, separate receipts should be obtained to support a claim for these costs as subsistence, as detailed at Section 11.

10.1.3 Where accommodation is arranged by course/conference organisers this specified accommodation should be used.

10.2 *Hotel Mini-Bar/Movies/Phone*

Items of a personal nature such as alcoholic mini-bar drinks, private telephone calls or video/movie hire will not be reimbursed by the University. Where these items are included on a bill the costs should be deducted by the Claimant prior to the submission of the claim for reimbursement.

10.3 *Hotel Internet Access*

Claimants may claim internet costs when staying in hotels provided it is incurred for University business (e.g. working on a presentation/report for

the following day's business meeting). The reason for internet access should be detailed on the claim.

10.4 *Accommodation provided by Relative/Friend*

10.4.1 In some circumstances, members of staff may travel on University business but stay with friends or family to avoid unnecessary accommodation expense.

10.4.2 The original itemised receipts and proof of payment for any expenses incurred extending appreciation to the Claimant's host must be submitted along with the claim. The University will pay up to £25 per day in these circumstances. These payments are taxable.

10.4.3 Any such stay should be within a reasonable distance (less than an hour travelling by road) of the actual destination the Claimant is visiting on University business.

11 Subsistence

11.1 In general Claimants are entitled to claim the cost of meals taken when travelling on University business.

11.2 Subsistence claims only apply if the Claimant is further than 10 miles away from either their home or their normal University base and absent from each for a minimum of 5 hours (see 11.5). A subsistence claim is therefore not payable if a Claimant is temporarily located on another University of Strathclyde site.

11.3 Allowable expenses can include the cost of a meal, the cost of a reasonable level of non-alcoholic refreshments with the meal and refreshments (tea, coffee and/or soft drinks) taken between meals.

11.4 The University will not reimburse the cost of any alcohol included within a subsistence claim.

- 11.5 Detailed below are the maximum amounts (including refreshments with the meal) claimable for Subsistence. These amounts are not allowances, but are the maximum amounts that can be claimed, including VAT for expenditure actually incurred. Receipts must therefore be provided in support of claims for subsistence costs.

Conditions	Amount Claimable
More than 10 miles from home & normal place of work and absent from each for at least 5 hours spanning a normal meal time.	£20
More than 10 miles from home & normal place of work and absent from each for at least 10 hours spanning two normal meal times.	£40

12 Tips /Gratuities

Tips/gratuities will be reimbursed by the University providing they are modest (taking into account the different cultural environments in which they can be incurred). Where possible, evidence to substantiate the value of the tip/gratuity should be obtained.

13 Business Entertainment

- 13.1 The University recognises that there may be occasions when, for legitimate business reasons, it is appropriate to provide hospitality to external customers or other important supporters of the University. On these occasions it is expected that the purpose of entertaining is to foster new business, provide a documented benefit to the University or to continue existing business contacts.
- 13.2 In this instance, as long as the event is for business purposes (and this can be clearly demonstrated) then no taxation will arise on the entertainment provided to the attendees.
- 13.3 The ratio of University employees to external guests is a critical factor in determining whether such expenses are taxable.
- 13.4 It is expected that the ratio of employees to third party attendees should be no greater than a ratio of three to one (that is, 3 employees to 1 third party individual). In terms of qualifying as business entertainment, anyone who is employed in any capacity by the University does not count as an external guest. Business entertainment should **not** involve University staff only: external guests must be present.

- 13.5 If this ratio is exceeded then the event will result in Income Tax and National Insurance Contributions arising on the entertainment provided to the attendees.
- 13.6 The University will only settle any such tax liability on behalf of employees attending such events if the event and internal attendees have been approved in advance by the appropriate Dean, COO or CFO on the basis that there is a strong business case for the ratio of employees to third party individuals to exceed the 3:1 ratio.
- 13.7 The University will only refund business entertainment costs which are judged to be reasonable. The University considers the following amounts reasonable for business entertainment:
- | | |
|--------|--|
| Lunch | £25 per head (inclusive of all refreshments) |
| Dinner | £50 per head (inclusive of all refreshments) |
- 13.8 In line with the [University's Alcohol, Drugs and Other Substance Misuse Policy](#) the provision of any alcoholic drinks must be moderate in relation to the cost of food consumed and be complemented by a selection of non-alcoholic alternatives. The University also expects that staff who consume alcohol for the purpose of hospitality must have already finished work for the day or not be required to return to work.
- 13.9 Claimants making a claim for business entertainment costs are required to enter on the claim:
- the names of each person present (including the names of University employees and their associated department)
 - the organisation each person present represents
 - the purpose of the entertainment and the business reasons
 - the location at which the expenses were incurred
- 13.10 Where the University is invoiced directly, the details above must be appended to the Purchase Order/Invoice.
- 13.11 The business purpose must be specific. For example, "Dinner with donor to discuss alumni event ideas" is an appropriately documented business purpose. The business purpose of an expense may be obvious to the Claimant, but not necessarily to the Approver or third-party reviewer.

14 Staff Entertainment

Staff Christmas Parties/Other Staff Social Events

- 14.1 The University will allow the cost of a staff Christmas event (e.g. lunch or dinner) to be funded from certain University funds up to the value of £25

per employee. The type of funds that should be utilised for this purpose must be funds that have been established via departmental income generation activity and not Scottish Funding Council funds or Research Contract funds. Any expenditure on a staff Christmas event over and above the £25 per employee is required to be funded by way of personal contributions from staff.

Other Staff Social Events

- 14.2** For staff only events, when the event is primarily a staff social occasion (excluding Christmas) where an employee is provided with food / drink / entertainment and the circumstances surrounding the provision of such food / drink / entertainment is not in connection with business travel (i.e. subsistence) or entertaining third parties for business reasons, such events should be funded by way of personal contributions from staff, and should not be met from any University funds.

15 Staff Functions

15.1 *Working Lunches*

- 15.1.1** Working lunches for employees can only be claimed when lunch is consumed on University premises, and considered to be necessary due to the length or nature of the meeting.

- 15.1.2** It is permitted to provide light refreshment (i.e. sandwiches/soft drinks) at these official meetings. It must also be taken in the place where the meeting is held (i.e. during a break in the meeting not after the meeting has finished) and this may require to be evidenced to HMRC via copies of the business agenda for the meeting.

- 15.1.3** The additional tax burden of working lunches where the occasion does not fall into the categories stated at 15.1.1 and 15.1.2 can result in a significant additional charge to the overall cost of the event.

- 15.1.4** The University will only settle any tax liability on behalf of employees attending such events if the event has been approved in advance by the appropriate Dean, COO or CFO on the basis that there is a strong business case for the expenditure before authorising it.

15.2 *Away Days/Strategy Days/Team Building Events*

- 15.2.1** A tax charge can attach to a Claimant provided with food and/or drink free of charge at a staff only meeting or function outwith the University's business premises in circumstances not in connection with business travel, or entertaining third parties for business reasons.

- 15.2.2** There requires to be clear evidence to support the view that there is a genuine business reason for holding the event. However, to be able to take this view, background documentation leading up to, and used at, the event such as internal emails and the formal agenda will be used to consider the business content and any 'reward' element enjoyed by attendees.
- 15.2.3** An event may be wholly business if it consists of only workshops or team building exercises, but where there are other more recreational elements, these must be treated as non-business. Where food has been provided as part of the event this can be treated as business whereas food provided after the event such as a meal will be treated as non-business.
- 15.2.4** HMRC may challenge some or all of the costs as taxable in the hands of employees where:
- The event is really a "reward" for employees, i.e. for personal enjoyment rather than "wholly, exclusively and necessarily" in doing their job.
 - Recreational activities are more than just 'incidental' to the main purpose of the event.
 - Expenditure is particularly lavish.
 - There is no clear justification for an off campus location.
- 15.2.5** The additional tax burden of staff functions which do not meet the HMRC criteria of 'wholly exclusively and necessarily incurred in performance of their duties' can result in a significant additional charge to the overall cost of the event.
- 15.2.6** The University will not settle any tax liability on behalf of employees attending such events unless the event has been approved in advance by the appropriate Dean, COO or CFO on the basis that there is a strong business case for the expenditure before authorising it.
- 15.2.7** Claimants making a claim for staff functions are required to enter on the claim:
- the names of each person present (including the University department to which each employee belongs)
 - the purpose of the function
 - the location
 - evidence of advance approval for the function by the Dean, COO or CFO as appropriate.
- 15.3** ***Graduation Balls & Award Ceremonies***
- 15.3.1** Staff attending a graduation ball/awards ceremony are expected to meet the ticket costs of these events personally.

- 15.3.2 Only if the Claimant's attendance at the event is documented as mandatory as part of their duties (that is, to represent the University), as opposed to optional, shall the University reimburse any ticket costs.

16 Communication

16.1 *Home Internet Costs*

In general, the University's policy is that payment should not be made for such connections. However, where the University exceptionally approves such a payment, it will be treated in accordance with HMRC guidance.

16.2 *Telephone Calls*

- 16.2.1 Employees who are required to make business calls using their home telephone or personal mobile phone may claim such costs. The University will not bear the cost of any private calls.

- 16.2.2 Claimants must attach itemised statements in support of claims for business calls. Business calls must be highlighted on the itemised statements.

- 16.2.3 The cost of non-business calls must be deducted from the total amount of each bill and only the net amount, representing business calls (and the VAT thereon), should be included on the claim.

- 16.2.4 The University will not reimburse Claimants for the purchase of personal mobile/home phone equipment or line rental.

16.3 *Internet Fees*

Claimants travelling on University business can be reimbursed for internet costs provided these are incurred for University business (e.g. airports/cafes whilst travelling).

16.4 *Mobile Phone Top Up Cards/Pay as You Go*

In no circumstances will provision of top up cards for 'Pay as you Go' type services be reimbursed.

17 Other Expenses

17.1 *Conferences and Training Courses*

- 17.1.1 The University provides training courses to enable employees to improve their effectiveness at work. The University organises training courses in-house and the costs of these courses are borne by the University. Where it

is necessary to travel to attend such courses, any travel and subsistence expenses incurred may be claimed as business expenses.

- 17.1.2** Conference and course fees which relate specifically to the individual's area of work may be reimbursed in full. Departments are, however, encouraged to use the University requisition process to avoid the need for an individual to bear the cost then seek reimbursement.

17.2 ***Subscriptions to Professional Bodies***

- 17.2.1** The University will not normally bear the cost of personal subscriptions to professional bodies. However, where an individual's membership of a professional body can be demonstrated to result in wider benefit to the University, a Head of Department/School may agree to meet the cost of the individual's subscription from University funds.

- 17.2.2** Employees are advised that they are able to claim tax relief for personal subscriptions direct from HMRC so long as the professional body appears on their designated list <http://www.hmrc.gov.uk/list3/list3.htm> formerly Section 201 ICTA 1988.

- 17.2.3** Subscriptions to journals or periodicals required for departmental use must be paid for by raising a University purchase order or using a Departmental Purchase Card rather than an expense claim. Departments are responsible for ensuring that books, newspapers and professional journals that are purchased for the benefit of the University are available for reference by staff and where appropriate, students. Publications that are not available generally are considered to be a personal acquisition.

17.3 ***Club Membership Subscriptions***

The University will not normally reimburse for club type memberships.

17.4 ***Provision of clothing and footwear (including uniforms)***

- 17.4.1** The provision of necessary clothing (including uniforms) and footwear is provided by the University to some employees.

- 17.4.2** The provision of such clothing will be arranged by the University. Costs may not be claimed by way of reimbursement in cash.

17.5 ***Hire of Clothing for an Event***

If a Claimant must attend an official event for which formal attire is required, the Claimant may seek reimbursement for the hire of suitable formal attire. The purchase of formal attire is not allowable. To qualify for reimbursement the following conditions must be met and documented:

- The Claimant's attendance at the event must be mandatory.

- The event must require attire that is more formal than standard business attire.

17.6 *Payment to Third Parties*

Claimants must not, under any circumstances, pay an individual for clerical or professional services (including human study volunteers) from their own pockets or petty cash accounts and then seek reimbursement via an expense claim – even when this is subsequently chargeable to departmental accounts. Such payments to third parties may be liable to tax and national insurance deductions. All such payments must be referred to Human Resources for processing on an individual basis.

17.7 *Advance of Cash to a Third Party*

Claimants must not, under any circumstances, advance cash to a third party and then submit an expense claim for reimbursement. The third party must submit a claim themselves in a form compliant with this Policy.

17.8 *Contributions or Donations*

The University will not reimburse Claimants for contributions or donations made to another charitable organisation.

17.9 *Relocation costs*

The University has a policy for the payment of relocation costs. Claims for relocation expenses should be submitted in line with the Relocation Policy available on the University website.

17.10 *Non-Reimbursable Expenses (Miscellaneous)*

17.10.1 Throughout this Policy, items of expenditure which cannot be claimed under each key area of the Policy have been documented.

17.10.2 The following miscellaneous expenses are also **non-reimbursable**. The University considers these expenses to be either personal, unnecessary, or avoidable expenses incurred during University business.

- Childcare
- Pet care
- Barbers/Hairdressers
- Personal toiletries
- Personal clothing and accessories
- Luggage items (suitcases/briefcases)
- Recreational Entertainment (sightseeing fares, theatre tickets, entry fees)
- Souvenirs from travel

18 Gifts**18.1 *Gifts to Employees***

18.1.1 In general the University will not approve gifts given to employees using any University Funds.

18.1.2 For gifts that recognise personal occasions (e.g. engagements, retirements, maternity/paternity celebrations, weddings, birthdays and leaving gifts), the University policy is that these should be treated as personal expenditure.

18.2 *Gifts to Non Employees*

18.2.1 Gifts to non-employees may only be given where there is a valid business purpose. Gifts made in this way should be modest, appropriate to the individual circumstances and in keeping with the University's mission. For further guidance please refer to the [University's Policy for the Receipt of Gifts, Hospitality and Other Benefits](#).

18.2.2 Such gifts may be tax exempt in the hands of the individual receiving them provided (1) the gift is not made in recognition of, or in anticipation of, particular services being performed by the individual, and (2) the gift is not cash or in vouchers that can be readily converted into cash, and (3) the total cost to the University of gifts given to a particular third party in a tax year does not exceed £50 (including VAT).

18.2.3 Gifts to suppliers are not allowable.

19 Dissemination of this Policy

19.1 This Policy will be regularly reviewed and updated.

19.2 The Policy will be made available to all Court members, Deans, Directors, Heads of Department/School and University Staff and Students.

19.3. The Policy will be published on the University's web site.