



ORMISTON  
SIX VILLAGES  
ACADEMY



# EXPENSES POLICY

Approved by Principal: September 2016  
Date of next review: September 2017

Rev Level	Revision Date	Description of Changes
01	21/04/2012	<ul style="list-style-type: none"> <li>Initial Release</li> </ul>
02	18/06/21013	<ul style="list-style-type: none"> <li>Addition of allowable alcohol purchase for corporate entertainment (Req. T.Salt 18/6/2013)</li> </ul>
03	04/02/2014	<ul style="list-style-type: none"> <li>5p per mile passenger allowance</li> </ul>
04	01/11/2015	<ul style="list-style-type: none"> <li>No changes</li> </ul>

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## Introduction

Ormiston Academies Trust (OAT) spends significant sums on travel and associated expenses. The purpose of this document is to provide clear guidance to employees on the procurement of business travel and accommodation and the reimbursement of various benefits. In applying the policy, all individuals must have due regard to the best interests of the Organisation

## Objectives

The objectives of the OAT Policy are:

- To obtain maximum value for money from expenditure on travel, subsistence and hospitality;
- To ensure such expenditure represents the necessary and reasonable costs incurred by or on behalf of employees who are properly engaged on OAT business;
- To reimburse employees promptly for expenses incurred on OAT business;
- To minimise the cost of administering the expenditure, particularly the indirect cost represented by the time spent by employees making travel arrangements and submitting claims for reimbursement of expenses;
- To provide information to enable Heads of Department to control expenditure and monitor adherence to OAT's Financial Policies and Procedures.

## Scope

The Policies and Procedures apply to all employees of OAT.

## Actual Costs

It is the policy of the OAT that individuals are reimbursed the actual cost of expenses incurred, subject to maxima laid down in the procedures, wholly, exclusively and necessarily in the performance of the duties of their employment. Individuals are expected both to minimise costs without impairing the efficiency of the Organisation and to avoid any unnecessary cost to OAT. Reimbursement will be made only on the production of receipts or invoices.

### **Partners Travel**

OAT will not meet the cost relating to the partner or child of an employee who accompanies the employee on a business trip.

### **Responsibilities and Taxation**

The OAT Executive is responsible for reviewing the policy and level of allowances each year. Heads of Department are responsible for ensuring that all staff within their department are aware of the Policy and Procedures and are informed of any changes without delay.

Any attempt to submit a false claim for expenses and benefits will be treated as a serious disciplinary offence which may lead to disciplinary action.

The procedures have been prepared to meet Inland Revenue requirements and comply with taxation legislation. The Corporate Finance Director is responsible for ensuring that OAT holds an up to date dispensation from the Inland Revenue to enable expenses to be reimbursed without deduction of tax.

Provided claims are completed strictly in accordance with the terms of these procedures, unless otherwise stated, no additional tax or National Insurance Contribution liability will arise to the employee or OAT and employees need not report details in their tax returns. Any claim that does not comply with this scheme will be reported to HMRC on the P11D.

### **Retention of documents**

Staff expense claim forms, together with the original receipts shall be retained by the Finance Department for a period of six complete financial years, following the year in which the claim is made. Documents may be retained in hard copy or scanned.

## Authorisation

### **Overseas Travel**

Approval to travel overseas must be obtained before entering into any commitments. An overseas travel request form must be completed by all members of staff intending to travel overseas. The request form must be authorised by the Department Head.

### **Official Order Forms**

Official order forms must be signed by an authorised signatory.

### **Expense claim forms**

Expense claim forms must be authorised by the Department Head.

Under no circumstances will self-authorised claims be paid.

## Insurance

### **Employees' Own Cars**

When using their own private car on OAT business, employees should ensure that their insurance cover extends to business use and the insurer should, if necessary, be asked to endorse the certificate to confirm that driving in the performance of the employer's business is covered by the insurance policy.

OAT will not reimburse the cost of any damage caused to an employee's private car or associated insurance excess. The cost of motoring offences cannot be reclaimed under any circumstances.

## Definition of Business Travel

Expenses may be claimed in accordance with regulations only where they are incurred on essential business journeys. Due regard should be taken of the risk of key staff travelling together. In order to identify those journeys which may be regarded as business journeys for these purposes employees' travel patterns will be categorised as follows:

- 1. The employee normally works at one location but occasionally travels to other Academy premises**

Employees are entitled to reclaim the costs they incur travelling in the performance of their duties provided the journey is not ordinary commuting or private travel. This will normally mean that costs can be reclaimed for all travel to a temporary place of work; this should be the shorter of home to temporary place of work or office to temporary place of work. However, there are certain exceptions which are detailed below. In certain circumstances an employee may pass the office as part of the business journey. If an employee stops and performs substantive duties at the office then there are two journeys:

- i. ordinary commuting between home and the office; and
- ii. a business journey between the office and another place of work

In this case employees can claim for the business journey but not the ordinary commuting.

Where an employee does not stop at the office, or any stop is incidental to the business journey (e.g. to pick up papers), the costs of the whole journey can be claimed.

- 2. The employee's travel pattern does not correspond with any of the above**

Any employee whose travel arrangements do not correspond with the categories above (for example, any based at home or based at a succession of places and spending more than a few days at each, etc.) may be subject to different rules. Such cases should be discussed with the Finance Department and the tax treatment agreed before any payments for travel or subsistence are made.

## Making Travel Arrangements

### **Authorisation**

Employees must make sure they have appropriate authorisation before making travel arrangements. Authorisation should be sought at least 7 days in advance where possible when the company credit card is being used.

### **Air Travel**

In general employees who travel by air should travel at economy class, taking advantage wherever possible of any reduced rates. It is recommended that flights are booked well in advance of the date of travel in order to take advantage of reduced fares.

“Trading down” of travel tickets, i.e. travelling by a lower class in order to claim an extra ticket for a guest of the employee or a cash refund will not be permitted.

### **Rail Travel**

Where it can be justified in terms of working arrangements or the need to accompany colleagues from other organisations, senior members of staff may travel by first class. On all other occasions, second class travel should be used. It is recommended that UK rail travel is booked well in advance of the date of travel in order to take advantage of reduced/discounted fares and that costs are further minimised, wherever possible, by committing to a particular train/time.

## Road Travel

### **Travel to Airports**

Members of staff travelling to and from UK airports are normally expected to use public transport. Where public transport is not convenient, or where cost effectiveness can be demonstrated, members of staff may use a taxi service provided by an approved supplier. Approval to use taxis in such circumstances must be given in advance by the Head of Department.

### **Mileage Rates**

Where employees use their own private car on OAT business, the following mileage rates will apply:

	Up to 10,000 miles claimed	Over 10,000 miles claimed
Cars & Vans	45p	25p
Motor Cycles	24p	24p
Pedal Cycles	20p	20p

### **Passenger payments - cars and vans**

Any additional allowance of 5p per passenger per business mile for carrying fellow employees in a car or van on journeys which are also work journeys for them can be claimed. The expense claim should clearly state the journey and passenger details.

### **Hire of Taxis**

The use of taxis should be restricted to essential localised journeys only.

### **Car Parking**

Parking costs incurred in the course of travelling away from the normal place of work may be claimed via the expenses system. Parking fines and fines incurred for road traffic offences will not be reimbursed by OAT.

## Hotel Accommodation

Payment to cover bed and breakfast should be made wherever practicable using the OAT credit card or via credit facility/invoice. All other costs should be paid by the individual and reclaimed through the expenses system.

Where payment cannot be made via OAT, payment should be made by the individual on checking out of the hotel so that any queries can immediately be resolved. Reimbursement will be made only for the cost of the room, evening meal and breakfast, subject to the limits on subsistence rates.

Employees should note that items of a personal nature, such as mini-bar drinks, newspapers, green fees, video hire will not be reimbursed by the OAT. Where these items are included in a bill, which is settled direct by the employee, the costs should be deducted by the claimant prior to the submission of the claim for reimbursement. Where the bill is paid by OAT direct (as certain overseas bookings) the cost of prepaid items will be covered (accommodation and food) and the other costs incurred should normally be settled by the employee on checking out.

In exceptional circumstances, for example where hotels are pre-booked by conference organisers, higher rates may be claimed. Approval for claiming higher rates must be sought in advance of the trip from the Head of Department or other appropriate authorised signatory. Evidence of the conference booking must be attached to the expenses claim.

## Subsistence

### **Overnight accommodation**

Employees may reclaim the actual cost of overnight accommodation where such costs have been incurred wholly, exclusively and necessarily in the performance of the duties of their employment. The cost of overnight accommodation cannot be reclaimed where the location is within a two hour journey distance by public transport of the claimant's normal place of work other than in exceptional circumstances (e.g. when attending a conference). The reason for the exceptional circumstances must be given on the expenses claim form.

Actual expenses incurred (supported by receipts for all items) may be claimed up to a maximum of:-

Hotel Room £80 (In exceptional circumstances, at locations where it would be unrealistic to expect accommodation to be available for £80 per night, a greater allowance for an overnight stay may be claimed but only subject to prior agreement with the Head of Department )

Evening Meal £25

The above rates will be revised periodically.

Personal expenses should not be included on claims for reimbursement of expenses. Examples of personal expenses are:

Alcoholic Drinks  
Pay Per View films/TV  
Clothes

Newspapers  
Hair Salons  
Child Care Costs

Green Fees  
Health Spa's  
Private Health Care

Where claims are received which exceed the maxima specified, they will be adjusted and paid at the correct rates. The claimant, Authorised signatory and Head of Department will be advised when this occurs.

## Entertainment and Hospitality

### **Departmental Meetings/training events**

Food and beverages provided for departmental meetings and training events must be purchased from approved suppliers using the purchase ordering system. The costs must be reasonable. The purchase of alcohol is only allowable when attending corporate entertainment events and should be kept to a minimum.

A record must be retained of the reason for the meeting and the names of the attendees.

## Other Benefits

### **Internet Service Provider (ISP)**

OAT will not bear the cost of subscribing to an Internet Service Provider (ISP).

### **Mobile Telephones**

The cost of making business calls on a personal mobile telephone (i.e. not registered in the name of OAT) may be claimed by attaching an itemised telephone statement to an expense claim form. The cost of rental, top up cards or other charges in respect of personal mobile telephones will not be reimbursed.

### **Publication Subscriptions**

The cost of publication subscriptions may be met by OAT, provided that the expenditure is incurred wholly, exclusively and necessarily in the performance of the duties of the post. The publication must be made available for departmental use.

Wherever possible arrangements should be put in place for payment to be made directly by OAT to the publisher or supplier. Where this is not feasible, members of staff are able to claim the cost of the subscription on an expenses claim form by attaching satisfactory evidence of payment.

### **Club Membership**

OAT will not pay on behalf of, or reimburse to employees, the costs of personal membership or annual subscriptions in respect of clubs, irrespective of whether membership is used in the furtherance of OAT business. In general, the Inland Revenue do not allow tax relief on the subscription to club membership.

## **Private Health Insurance**

OAT will not reimburse the cost of private health insurance.

## **Incidental expenses**

Wherever possible, goods and services should be ordered through OAT's procurement systems. In this way the correct contractual ownership of the goods and services is established, together with the appropriate warranties. In addition the payment of VAT is recorded correctly which contributes to the level of VAT recovery.

However there may be occasions where members of staff can demonstrate sound value for money by paying for goods and services personally and then reclaiming the cost via the expenses system. The reason for paying for the goods personally and the value for money justification must be clearly notated on the expense claim form.

However, members of staff are expressly prohibited from purchasing goods on behalf of the OAT when travelling overseas or duty free at an airport and then reclaiming the expenditure through the expenses system. To do so would be a breach of customs and excise regulations.

## Advances

Advances of cash for Expenses are inefficient and insecure therefore requests for advances will be declined

## Claiming reimbursement of expenses

Expenses incurred on behalf of OAT are to be recorded in detail on the expenses form. Claims must be made within three months of the expense being incurred. Claims submitted after three months will not be reimbursed. All expense claims from employees are paid by BACs directly to a UK bank account. All expense claims must be accompanied by a fully itemised receipt/ticket for all items claimed.

Employees should ensure that expense claims are submitted promptly before the 9th of each month. Expense claims are paid monthly in line with Payroll dates and will not be treated as an "urgent payment" in order to meet credit card payment dates.

Where expenses are incurred in foreign currencies, the amounts so incurred should be converted into sterling and included in the relevant columns of the expenses form. Documentary evidence must be provided to substantiate the exchange rate used on the claim. If such evidence is not available, the claim will be converted into sterling at the rate in force on the date the claim is processed by the Finance Department.

Incomplete or incorrect claims will not be processed but returned to the authorising signatory with an explanation as to why it cannot be processed. The claim should be completed fully and then returned to the Finance Department for processing.