

## **STAFF EXPENSES POLICY AND PROCEDURES**

<b>Approved by</b>	Finance and General Purposes Committee		
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<b>Policy owner</b>	Director of Finance	<b>Impact assessed</b>	Yes
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## **1. Introduction**

### **1.1 Purpose**

This document details university policy for the claiming and reimbursement of expenses wholly, exclusively and necessarily incurred by employees whilst engaged on university business.

It also provides guidance to members of staff when claiming expenses which have been incurred by them when undertaking activities on behalf of the University. The policy includes details of types of expense that may be claimed, and the procedure for making a claim.

### **1.2 Scope**

This policy applies to all employees of both the University and its subsidiary entities; it does not apply to RGU students.

It applies to all expenditure incurred by, or on behalf of, the university irrespective of the source of funding. It covers all personally incurred business expenses, irrespective of the payment method; applying equally to credit card, purchase order/invoice and individual expense transactions.

### **1.3 Legislative context**

Where an employee incurs an expense:

- which they are required to incur and pay as a holder of their employment; and
- the amount is incurred wholly, exclusively and necessarily in the performance of the duties of the employment

the expense will not be regarded as taxable earnings from the employment.

The University is required to have robust systems and processes in place to ensure that where expenses are reimbursed that do not meet the above criteria, PAYE and NIC will be operated correctly. As a result, the University requires full and complete information to be provided before employees' expense claims will be processed. All employees must complete an expense claim form and provide a VAT receipt of their expenditure in order for an expense claim to be processed.

Failure to provide adequate detail of the expenditure or provide a receipt may result in any reimbursement being processed through payroll and being subject to PAYE and NIC.

HMRC's guidance on the tax treatment of expenses can be found here:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/514668/480\\_\\_2016\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/514668/480__2016_.pdf)

## **2. Policy Statements**

### **2.1 Reimbursement**

As a general principle a member of staff will be reimbursed in full for expenses wholly, necessarily and exclusively incurred in the course of the University's business.

The University reserves the right to refuse reimbursement for any claim which does not conform to the policy.

### **2.2 Claiming Expenses**

All employee expenses will be claimed using the claim form attached at Appendix 1.

### **2.3 Authorisation of Expenses**

Whether expenses are pre-approved or only approved after the expenses are incurred is dependent on certain limits. A fully completed pre-approval form (Appendix 2) is required where any of the following apply:

- For all travel incurring costs over £150
- For all international travel
- For all travel involving an overnight stay
- For all Business Entertaining

Note: Schools and Departments may wish to use the pre-approval form to support internal budget and staff management procedures.

### **2.4 Pre-approval of expenses**

Where expenses require pre-approval, this must be obtained from the relevant Head of School or Department, with the exception of overseas travel expenses which are dealt with in 2.5 below. Where expenses are to be incurred by a Head of School or Department these must be pre-approved by the relevant executive member. Executive member expenses are to be pre-approved by the Principal, or his delegated nominee.

The authorised signatory shall only authorise a journey or event if he or she is satisfied that the amount to be claimed is in accordance with the policy, has not been previously claimed and is within available budgets.

If an authorised signatory is not available and the need is urgent the normal rules of upward delegation apply.

Completed pre-authorisation forms (Appendix 2) will be held both in the relevant school/department and in the finance office. These must be compared to the related expense claims. Claims not supported by a required pre-authorisation form will not be paid.

## **2.5 Pre-approval of Overseas expenses**

All overseas trips must be pre-approved by the relevant Head of School or Department, unless the mandatory overseas risk assessment outcome is 'high' or above, in which case approval must be by the relevant executive member. The same rules apply to senior management approvals and upward delegation as outlined in 2.4.

Completed pre-authorisation forms (Appendix 2) will be held both in the relevant school/department and in the finance office. These must be compared to the related expense claims. Claims not supported by a required pre-authorisation form will not be paid.

## **2.6 Authorisation of Expenses**

Normal school or departmental authorisation procedures (as recorded by the relevant matrix of delegation established in accordance with the university's financial regulations) will apply to all expense claims.

If an authorised signatory is not available and the need is urgent the normal rules of upward delegation apply.

The Principal's expenses are to be approved under procedures agreed with the Chair of the Board of Governors.

It should be noted that random audit testing will take place to ensure that claims are in accordance with the Staff Expenses Policy, have been duly authorised and have not previously been paid.

## **2.7 Advances**

It is recognised that, on occasions, travellers may require to initially meet expenditure, e.g. for meals and short distance travel from their own funds before claiming reimbursement from the University.

If it is expected that there will be a requirement to meet expenditure of more than £150 during an absence an application for an advance payment of expenses may be made. The amount of the advance will be determined by the travel authoriser (taking into account the cost of living in the countries to be visited and the types of expenditure the traveller can expect to incur).

The application for an advance is made using the form attached as Appendix 2 and should be sent to financial services at least seven working days before the advance is required. The advance will then be paid into the employee's bank account prior to the trip.

The traveller must provide Financial Services with full accounting and receipts (using the form attached as Appendix 1) for the use of the advance within fourteen days of his return and if this is not received the full amount of the advance may

be deducted from the employee's net pay (i.e. pay after the deduction of PAYE and employee NIC) in their next salary payment.

## **2.8 Travel**

Staff are encouraged to use sustainable modes of transport for business travel whenever this is practical.

### **2.8.1 Booking of Travel**

The appointed travel agents must be used for all travel arrangements except for the following:

Local public transport travel, vehicle hire, short distance linking travel, accommodation at one of the University's preferred local hotels and rail journeys with a return fare of less than £150 may be arranged without involving the appointed travel agents.

For all other travel requirements, alternative travel booking services may only be used when all of the undernoted requirements are met and approvals obtained:

- The alternative service offers significant value for money advantages against the appointed agents.
- The provider holds an Air Travel Organisation Licence (where applicable) or is a member of the Association of British Travel Agents (ABTA), or the payment arrangements agreed with the provider do not include any form of prepayment.
- The costs to the University of the travel options proposed by the appointed agent and of the alternative service are both attached to the pre-authorisation form (see Appendix 2) when it is presented for authorisation.
- The authoriser expressly records his approval of the use of the alternative supplier on the form.

### **2.8.2 Local Travel**

The policy for business travel in the local area, ie where the destination is within 30 miles of Aberdeen, is that, whenever practical, staff use:

- the RGU Unilink bus service for intersite travel, and
- public transport, eg bus or rail services, for other local travel.

Where these options are impractical staff may use their own vehicle provided they are registered as an Authorised Car User with Financial Services, the vehicle is insured for business use and a copy of the vehicle's current insurance policy has been lodged with Financial Services. (Further information on these requirements is given in Appendix 3).

The express approval of the Budget Holder, eg Head of School or Department, is required before taxis or self-drive hired vehicles are used for local travel.

### **2.8.3 Travel beyond the Local Area**

Long distance travel can be by rail, coach, car or air depending on particular circumstances.

The general rule is that when rail or coach transport services are available which enable the traveller to efficiently meet the business needs associated with the journey in reasonable comfort they are used. When public transport is utilised staff are expected to take advantage of the least expensive fares in the appropriate category, early booking discounts and to follow the standard booking procedures.

#### Rail

Primary Budget Holders and Heads of Department are entitled to first class travel.

Staff entitled to first class travel may also authorise first class travel for other staff travelling with them if they are prepared to meet the travel costs from their budget and they consider that;

- travelling as a group produces benefits to the University in excess of the additional travel cost, or
- other exceptional circumstances dictate that first class travel is appropriate for the traveller on the journey.

The authoriser's approval of the use of first class travel must be recorded on the pre-authorisation form (see Appendix 2) where appropriate.

All other rail travel is Standard class apart from sleeper travel where first class is permitted.

#### Bus/Coach

All staff travel normal public transport class.

#### Air

Primary Budget Holders and Heads of Department may use economy class air travel for UK travel.

They may also authorise economy class air travel for other staff in their areas of responsibility, if having taken into account the various costs involved (travel, subsistence and staff time), they consider:

- air travel more economical than the alternatives, or
- the benefits to the University of other staff travelling with them by air exceeds the additional cost of air travel, and
- they are prepared to meet the travel cost from their budget.

The authoriser's approval of the use of air travel must be recorded on the pre-authorisation form (see Appendix 2) where appropriate.

### Use of Own Vehicle

The University's policy is that staff should use public transport services for travel on University business whenever this is practical.

The University is not insured and has no liability for damage or losses arising from the business use of vehicles owned by its employees. The employee is personally responsible for arranging business use insurance for his vehicle before it is used on University business.

An employee may only use his car for travel outwith the local area on University business when one of the following applies:

- The employee is, because of the nature of his duties, an Authorised Car User for **regular** travel **outwith** the local area (see Appendix 3) or
- The employee is a registered Authorised Car User for travel **within** the local area (see Appendix 3) and motor vehicle travel has been specifically authorised on the pre-approval form for the journey on the grounds that no convenient public transport is available, or the cost of public transport is higher than the mileage claimed taking into account the number of passengers conveyed or it is necessary for specific reasons for the member of staff to have use of the car at the other end of the journey.

Where an employee uses his own car for travel, and the car has received proper authorisation, mileage incurred will be reimbursed based on the level of HMRC Approved Mileage Allowance Payments in force at that date.

If an employee registered as an 'Authorised Car User for travel **within** the local area' chooses to use his car for travel outwith the local area and car travel has not been specifically authorised on any of the above grounds on the pre-approval form, the mileage claim for the journey is limited to the standard class fare of the public transport alternative.

### Hired Vehicles

Hired vehicles may be used for University business if, taking account the various costs involved, it is considered by the budget holder to be the most economical means of transport. The booking procedures for hire cars are set out in Appendix 3.

Hired cars must not be used for private journeys. The actual cost of fuel expenses incurred will be reimbursed on the completion of the expense claim form (Appendix 1) with receipted evidence of all expenses incurred.

### Linking Travel

A journey often includes linking travel - for example, journeys between the employee's home/normal place of work and the train station or airport; transfers between rail stations and airports during a journey; travel between places/customers visited during the trip.

Staff should, wherever practical, use public transport services for linking travel of this nature. When public transport is not a practical option the employee may use his motor vehicle or a taxi service subject to the following provisions.

Staff will not be reimbursed for travel between home and their normal place of work. However, where an individual is required to work at a location which is different from his normal office location, and is required to travel between home and that location, the cost of the travel (and associated expenses) may be met by the University, providing this has been approved in advance by the budget holder.

Taxis may be used for short distance linking journeys undertaken solely to conduct University business in situations when there is no appropriate public transport, or where there is extreme urgency or heavy luggage has to be transported (The booking procedures for local taxis are set out in Appendix 3).

#### **2.8.4 Overseas Travel**

Staff are expected to plan their travel itinerary in a way which allows the efficient conduct of the business of the trip at the lowest overall cost to the University.

Air travel is used for authorised international journeys. Executive members may travel Business Class. All other staff will normally travel Economy Class.

An executive member may upgrade an employee's flight to Business Class if:

- the employee has, and provides proof of, a medical condition or other exceptional circumstances which justify an upgrade to Business Class for the journey undertaken and the cost of the flight is paid from the Primary Budget Holder's budget, or
- an external sponsor has agreed to fund the employee's travel cost at Business Class rates.

Guidance on overseas travel is attached at Appendix 3

#### **2.8.5 Accompanying Family or Spouse**

Staff who wish to be accompanied by a partner or family whilst on University business must declare this on their pre-approval form (see appendix 2) and obtain the normal approvals (the names of the accompanying partner/family must be stated on the form, including the names of any person(s) in this category who are current University employees).

All additional costs attributable to partners or families must be borne by the employee and reimbursement cannot be claimed from the University.

If the accompanying partner is on legitimate and authorised University business reimbursement of their expenses, in whole or part, must be separately authorised by their primary budget holder.

All expense claims submitted by the employee in relation to the overseas trip must provide sufficient information to satisfy the person responsible for authorising that

the claim is limited to amounts incurred which relate to the member of staff alone and were incurred wholly and necessarily on University business.

### **2.8.6 Leave Taken whilst Away**

Staff wishing to incorporate a period of leave within a visit abroad must first obtain approval in the normal way for the leave period. The period of associated leave must be clearly declared on the pre-approval form (see Appendix 2) when the overseas visit is approved (the names of any accompanying partner or family must also be stated on the form including the names of any person(s) in this category who are current University employees).

All costs relating to the leave period and any additional costs arising from incorporating the leave period within the visit abroad must be borne by the employee and no claim for reimbursement of costs relating to the period of leave can be made.

All expense claims submitted by the employee in relation to the overseas trip must provide sufficient information to satisfy the person responsible for authorising that the claim excludes expenditure related to the leave period and is limited to expenditure incurred wholly and necessarily on University business.

## **2.9 Accommodation**

### Booking

Hotel accommodation should be arranged through the University's appointed travel agents who have discount agreements with most of the major hotel chains and can also arrange bill back.

The University has agreements in place with several local hotels, and it is permissible to book directly with these hotels. Details are available from the University's Procurement Department.

### Payment

Hotels have differing payment policies and may:

- invoice the University, or
- require a deposit or payment in full when the booking is made, or
- require full payment (by credit card or cheque) from the traveller when he checks in or out.

The use of the approved travel agent generally removes the need for upfront payment by staff. There will still be situations when the booking terms and conditions require the employee to personally pay for the accommodation on checking in or out. When this is a condition of the booking the employee may include the expected hotel expenditure in his claim for an advance.

## **2.10 Subsistence**

Staff required to be absent from their normal place of work on official University business for four or more hours may claim subsistence. Claims are paid on the basis of reimbursement of actual (receipted) costs incurred subject to the maximum reimbursement limits.

See Appendix 4 for the maximum reimbursed rates/amounts.

## **2.11 Incidental Expenses**

Employees absent from their normal place of work on University business may incur expenditure not normally incurred at home. The University's general policy is to reimburse expenditure incurred wholly and necessarily for business purposes and to reimburse some other receipted items up to maximum rates set by the University

See Appendix 4 for the maximum reimbursed rates/amounts.

## **2.12 Subscriptions and Publications**

In general, personal subscriptions to professional bodies and academic/learned societies are a personal liability and should not be charged to any funds held and disbursed by the University. An individual can claim income tax relief on personal subscriptions to professional bodies provided that the body is on the HMRC list of approved organisations.

This list can be found at: <http://www.hmrc.gov.uk/list3/>).

Subscriptions to professional bodies, academic associations and societies MAY be charged to University funds in two circumstances:

- Where individual membership is necessary for the purposes of course accreditation, research functionality or conference attendance.
- Where membership is corporate or where the individual is a member because he/she represents the University in his/her specific role e.g. Universities UK, Association of Heads of University Administration (AHUA), Association of Research Managers and Administrators (ARMA).

Similarly, journal subscriptions taken out in an individual's name are generally a personal liability. In exceptional circumstances, the University may consider reimbursement where:

- Journal subscription is only available to an individual member; and
- The journal will be made available to colleagues

## **2.13 Staff Entertainment and Related Benefits**

### Leaving Parties

The University will meet reasonable claims in respect of functions for staff who are retiring or leaving. The amount claimed should be proportionate to the length of

service and role within the University. Any expenditure incurred for leaving parties will be subject to the University's standard procurement purchasing policy and should be approved by the relevant budget holder.

### Staff Functions

The University will not contribute towards the costs of annual functions (including Christmas parties) unless such functions are open to all staff of the University and the approval of the Principal has been obtained.

### Staff Working Lunches

When not away on university business subsistence claims for working lunches will not be accepted. Any such relevant events will be catered for by the university's in-house caterer and ordered in line with the university's standard procurement procedures.

### Flowers and Gifts

In cases of significant personal events, it is generally accepted that flowers and gifts for members of staff will be paid for through a collection by colleagues. However, these may be purchased by the School/ Department at the discretion of the relevant budget holder (up to a cost of £50).

## **2.14 Mobile Phones**

A business case can be made for an employee to be provided with a mobile phone where there exists a business need, such as:

- 'on-call' duties out with normal working hours;
- dealing with emergencies; or
- specific operational needs.

Where a mobile phone is provided to an employee, this may be used to make and receive a reasonable number of personal calls.

The provision of a mobile phone will not be a taxable benefit in kind for the employee.

## **2.15 Home telephone expenses and home broadband**

The University will not reimburse employees for the cost of calls or line rental for a home phone line, even when the employee is required to make business calls from home.

The University will not reimburse employees for the cost of the installation of home broadband or monthly subscription costs.

## **2.16 I.T. Equipment and Office Consumables**

IT equipment and office consumables such as stationery, books, periodicals, software, computer equipment and iPads should be purchased in accordance with the University's procurement procedures [through PECOS].

Employees will not be reimbursed for the purchase of these items out with the procurement system.

## **2.17 Business Entertaining**

Employees may, for business reasons, be required to provide hospitality to external parties or suppliers of the University. In all cases of entertaining, care should be taken to ensure that the cost of meals and associated expenses are appropriate and are not extravagant. The cost of alcohol, if reasonable, can be claimed as part of business entertaining. The University reserves the right to reject or reduce expenses considered to be excessive. Entertainment will be considered to be appropriate where:

- the expense is approved in advance using the previously noted approval system;
- there is an appropriate ratio of University staff to external contacts;
- the entertaining is for business (and not social) purposes.

All business entertaining must, where possible, be procured through the University's standard procurement purchasing policy. Where this is not possible, all business entertaining must be pre-approved by completion of a fully authorised pre-approval form (Appendix 2).

The purpose of the entertainment, the organisation and the names of people being entertained and the names of staff who attended (and in what capacity) must be stated on the expense claim form.

Expenditure in respect of employees' spouse/partners will not be met by the University.

## **2.18 Student Entertaining**

In certain cases, the university may be required to provide hospitality to students – for example on graduation. Student entertaining is not considered a reimbursable expense.

All entertaining of students must be procured through the University's standard procurement purchasing policy.

## **2.19 Relocation Expenses**

Where the appointment of staff necessitates a move of home, staff will not be provided with a cash relocation allowance. However, the University may consider meeting directly or reimbursing to the employee, the cost of certain removal expenses. The scheme is administered by Human Resources and further guidance may be found in the Relocation Policy which can be found here:

<https://www.rgu.ac.uk/file/relocation-assistance>

### **3. Claims and Reimbursement**

All claims for reimbursement must be made using the claim form attached as Appendix 1.

Expenses are paid by BACS directly into the bank account already provided by the employee for payroll purposes.

The payment date depends on when the authorised claim is received by Financial Services. Claims are paid weekly with properly authorised claims received in Financial Services by 2.00 pm on Tuesday normally being paid into the employee's bank account by Friday of the same week. Employees receive an emailed remittance advice providing details of each expense payment.

### **4. Governance**

The Director of Finance has overall responsibility for this policy.

The Group Financial Controller is responsible for overseeing the effective implementation of the policy.

### **5. Supporting documentation**

Appendix 1 – Claim Form

Appendix 2 – Pre-authorisation Form

Appendix 3 – Guidance on travel

Appendix 4 – Guidance on Accommodation and Subsistence

Appendix 5 – Insurance Documentation