

IPSA People Expenses Policy April 2023

Contents

Purpose of this document.....	3
Version control	3
Terminology	3
General principles	4
Approval of expenses.....	4
Payment.....	5
Compliance with this policy	5
General guidance on the tax implications of IPSA People expense claims.....	5
Travel – general	5
Public transportation – train/taxi/bus/air, etc	6
Private transport – car mileage	6
Rules relating to car parking and Congestion Charge.....	7
Subsistence	7
Hotels.....	7
Incidental expenses and meals (overnight business trips).....	8
Meals away from the office.....	8
Unlisted expenditure –exceptional	8
Annex: The process for claiming expenses.....	9

Purpose of this document

1. This document sets out the rules and processes that IPSA people must comply with in respect of expenses incurred in the course of their duties, to ensure that HR policy, finance, and procurement rules are being followed and that we comply with the relevant HMRC rules and regulations. It covers expenses relating to the following:
 - travel by public transport for work purposes (other than normal home to work and return journeys)
 - mileage
 - car parking, congestion charge and other charges
 - subsistence
 - hotels
 - incidental expenses and meals
 - other expenses
2. This policy covers all IPSA employees.

Version control

3. This policy takes effect from 01 October 2021. It will be reviewed every two years or sooner if guidance changes and may be amended from time to time.
4. Any changes to this policy will be communicated through IPSA internal communications.

Terminology

5. Claimant means the individual who has incurred the expense.
6. Approver means the line manager recorded on Business World who is authorising the expense.

General principles

7. Reimbursements will be made for actual expenditure where you have incurred costs wholly, exclusively and necessarily whilst on IPSA business.
8. You cannot claim for travel for normal home to work and return journeys unless:
 - you have a home-based contract
 - your travel is ad hoc and there is a business need, or
 - if you are travelling away from the office on IPSA business.
9. When purchasing hotels and travel, you must seek value for money.
10. You should pay for expenses covered by this policy yourself and seek reimbursement using the self-service claim process or, in exceptional circumstances, by the use of the IPSA corporate card.
11. You should not be financially disadvantaged or advantaged by the proper application of this policy.
12. All claims are to be made in UK Sterling. Conversions from foreign currencies are to be made based on the rate as it stood on the date of the expenditure being incurred and calculated using the Oanda currency converter tool. Travel insurance is claimable unless you are already insured personally.
13. For some types of expense, a ceiling is applied above which claims cannot be reimbursed.
14. Original scanned receipts are required to support all claims, regardless of purchase/ reimbursement method, except for mileage.
15. Reimbursements can only be made into a specified bank account.
16. To ensure prompt reimbursement, you must submit expense claims promptly, and in all circumstances, within six weeks following the month in which the cost was incurred.

Approval of expenses

17. You must agree travel and accommodation arrangements and costs with your line manager in advance and always before booking.
18. By signing off an expense claim electronically, the Approver confirms that:
 - they authorised the expenditure
 - they have checked the claim with the receipts, and
 - the claim complies with IPSA policy and is in accordance with both HR and Finance Rules
19. Before travelling to any work away from the normal place of business (e.g. away from home or the IPSA office), you should discuss with your line manager the types of cost that may arise and how they will be met.
20. In circumstances where you need to claim but are the budget holding manager, your expense claim will be directed to your line manager, as recorded on Business World, for approval.

Payment

21. Self-service claims will be reimbursed into your bank account through Accounts Payable.

Compliance with this policy

22. Failure to comply with this policy as Claimant or Approver will be addressed appropriately and may result in disciplinary action.
23. Claims, regardless of payment/reimbursement method, must be checked by the Approver to ensure policy and guidelines are being followed before approving the claim on the system.
24. You must provide receipts, and these must be fully checked by the Approver before the claim is authorised.
25. Corporate Services will periodically check adherence to this policy.
26. The Internal Audit team will review these processes periodically.

General guidance on the tax implications of IPSA People expense claims

27. If you are on a home-based contract and travel occasionally to the office or another work location for a specific business need, you will be reimbursed for your expenses and will not be required to pay Income Tax or National Insurance contributions on the expense. If you choose to travel to the office on a frequent basis, or for no specific work-related purpose, you will not be reimbursed for your expenses.
28. If you are on an office-based contract with ad hoc working from home, you will not be reimbursed for travel from home to work and return journeys. If, however, you are required to travel away from the office on IPSA business for a specific purpose, you will be reimbursed for your expenses and will not be required to pay Income Tax or National Insurance contributions on the expense.
29. Some of HMRC's rules for employees' expenses are very restrictive and a number of tests have to be satisfied in order for the re-imbusement to be made without tax/NI being deducted. Detailed advice can be obtained on gov.uk in [Expenses and benefits: travel and subsistence](#).

Travel – general

30. For tax purposes, a journey is deemed to be 'wholly, exclusively and necessarily' incurred only when it is away from the contracted place of work and attendance is necessary to perform the duties of employment. For outside of office hours, travel to your place of work is reimbursable.
31. Travel between home and the normal place of work is commuting and you cannot claim expenses for travel between home and your normal place of work.
32. For all travel, you must assess value for money including consideration of your time and safety.

Public transportation – train/taxi/bus/air, etc

33. Wherever possible, you must pre-book your travel. For travel, receipts, and not booking confirmations, are required.
34. If this is not possible (e.g. a local bus journey), you will be reimbursed the cost of the journey on production of tickets, receipts or appropriate evidence.
35. You must use the most efficient and economic means of travel whilst on official business, for example off peak, standard class rail or bus travel.
36. You may only use taxis where they clearly meet the criteria of efficiency and economy in the circumstances, for example, when a number of people are travelling together, when sensitive documents are being transported or for safety reasons such as late and remote travel.

Private transport – car mileage

37. On an annual basis and when using a car on official business for the first time, you must show the Approver a copy of your car insurance certificate or policy indicating that you are fully covered for use of the vehicle for business purposes.
38. You will be paid motor mileage allowances only if you hold a comprehensive insurance policy which covers:
 - Bodily injury to or death of third parties
 - Bodily injury to or death of any passenger
 - Damage to the property of third parties
 - Damage to or loss of the vehicle.
39. You can claim private car mileage at one of the following rates:
 - *Standard motor mileage rate*
 - where journeys are not possible or are unreasonably difficult by public transport.

The rates applied are as follows:

Standard rate	First 10,000 miles in the tax year – rate per mile	Each mile over 10,000 miles in the tax year – rate per mile
Cars and vans	45p	25p
Motorcycles	24p	24p
Bicycles	20p	20p

40. In all cases, you can claim mileage for the distance from home to the destination.

Rules relating to car parking and Congestion Charge

41. If you use your own car on official business, where journeys are not possible or are unreasonably difficult by public transport, and you must use a parking space for which charges are levied, you will be reimbursed the necessary additional expenditure involved. This also applies to the London Congestion Charge and other charges such as Toll charges. You must make a value for money assessment to minimise spend.
42. You must submit receipts/vouchers to accompany claims for reimbursement.
43. If you incur a penalty charge as a result of e.g. illegal parking, speeding or other unlawful activity, the amount of the penalty charge will not be reimbursed.
44. If you use your own car for your own personal convenience, you will not be reimbursed for any mileage, parking charges, London congestion charges or any penalty charges incurred.

Subsistence

45. You can only claim subsistence costs for an official business journey, which must not be a commute.

Hotels

46. There is no preferred method of purchasing hotels and travel. You must assess value for money and comply with this policy, including the capped accommodation costs set out below.
47. You can claim reimbursement of the cost of accommodation when working on official business away from home or the IPSA office. If your home is within reasonable
48. distance to where you are working, then IPSA will not reimburse the cost of accommodation unless it's unsafe for you to return i.e. late at night.
49. When deciding on travel to the office or another workspace, ahead of booking overnight accommodation, you must assess value for money to understand whether same day travel is more appropriate. This assessment must include your safety and security, including sensitive IPSA equipment and documents.
50. The following are capped ceilings for hotel costs. If you cannot find a hotel within a reasonable distance of the destination at or below the capped ceiling, you must seek advice from your line manager before booking a hotel above cap.

Guide prices for (UK travel)	Inner London	Elsewhere
		£210.00 per room per night
Overseas travel	Capped ceilings accord with the benchmark rates published on the HMRC website: Worldwide subsistence rates: effective 1 April 2023	

Incidental expenses and meals (overnight business trips)

51. You will not be reimbursed for alcoholic beverages.
52. You will be reimbursed based on actual receipted expenditure up to capped ceilings, please see below.

Cost for meals (in a 24-hour period)	£25.00
--------------------------------------	--------

53. You can also claim a personal or incidental expenses allowance of £5.00 per 24-hour period for out-of-pocket expenses (e.g. telephone calls, newspaper) when staying overnight (receipts not required).

Meals away from the office

54. You can claim reimbursement of the cost of meals when you are on official duty at a location at least five miles from your usual place of work and you have had to purchase a meal (or meals).
55. You will not be reimbursed for alcoholic beverages.
56. You will be reimbursed based on actual receipted expenditure up to capped ceilings, please see below.

Cost of meals while working away from home (at least five miles from usual place of work)	Away from office up to five hours	Away from office between five and 10 hours
	£5.00	£10.00

Unlisted expenditure – exceptional

57. There are instances where expenditure has been incurred by an individual that needs to be reimbursed, and the expense does not appear listed in this policy. This type of expenditure should always be pre-agreed in writing with the Approver of the claim and advice taken where necessary to ensure that the expenditure follows the correct guidance.

Annex: The process for claiming expenses

The guide below explains step-by-step how to complete a staff expense claim on IPSA Online ([link to guidance](#)).