



# Staff Expenses Policy



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## Purpose

1. This Employee Expense Policy sets out controls and processes governing expenses that may be incurred by staff, which are essential for them to carry out their duties.
2. This Policy applies to employees of the Parliamentary Works Sponsor Body.
3. If contractors and other non-employees are required to undertake official business journeys, they are expected to follow the principles within this Policy, but their costs will be reimbursed via the normal purchase order and invoicing process.

## Key Principles

4. This Policy follows two key principles: the 'value-for-money principle' and the 'integrity principle'.

### The value-for-money principle

5. The Sponsor Body are funded from public funds, accountable to Parliament and to the public; resources must therefore be used responsibly and efficiently.

### The integrity principle

6. This is one of the Nolan principles of public life, the main requirement being that staff must not be influenced by personal advantage or gain – they must use the Sponsor Body resources responsibly, and not to profit personally.
7. Travel and expense claims must only reflect the costs that are additional to normal daily expenditure. Prior approval is required for anything out of the ordinary; if employees are unsure, they must ask their line manager before incurring the cost.
8. Integrity is fundamental for both claimees and approving managers. Checks are carried out and claims are scrutinised, but it is the responsibility of employees and approving managers to act with honesty and integrity.

## Policy Statement

### General Expectations

9. The Sponsor Body expect employees to:
  - Follow the value-for-money and integrity principles;
  - Work within the letter and spirit of this Policy. This Policy cannot cover every eventuality; if employees are unsure whether something is allowed, they are expected to ask before incurring the expense;
  - Follow the procedures, otherwise reimbursement will be delayed or refused;
  - Enter accurate information in the expenses system.



10. Following these steps helps ensure that the Sponsor Body can act promptly to reimburse valid claims.

11. Employees who realise they have made a mistake in submitting a claim must notify their line manager and report it immediately to the AP team so that errors can be redressed.

12. Breaches of this policy may result in serious consequences. In particular, dishonest breaches of this policy are a very serious matter and may be considered gross misconduct, resulting in formal action or disciplinary proceedings in accordance with the relevant disciplinary procedure.

### Claiming expenses

13. Expense claims must be submitted using Oracle self-service.

14. When claiming expenses, employees must:

- Provide a clear, justifiable business rationale for expenditure;
- Attach receipts (original receipts must be scanned, uploaded and attached to the expense claim). Credit card statements/slips are not accepted as evidence of business expenditure.

15. Expenses must be submitted as soon as possible after they have been incurred and always within two months of the expense being incurred. Failure to submit a claim within two months may result in a claim being declined.

16. Only non-taxable reimbursements can be claimed via the Oracle self-service process. Reimbursements which have taxable consequences are discouraged but if they are agreed by the Chief Financial Officer they need to be processed via payroll (for example, reimbursement of additional travel costs due to adverse weather conditions; see paragraphs 74-76).

17. Reimbursement of personal expense claims cannot be made through petty cash.

### Approving expenses

18. Expense claims are subject to approval by an 'approver', normally an employee's line manager.

19. Approvers cannot approve expenses if they have benefited from them, for example, managers must not ask a junior colleague to incur and claim back expenditure that the manager has also used or benefited from. At a group event, the most senior colleague attending or benefiting must pay and reclaim the costs incurred.

20. Managers have no authority to vary this Policy (note paragraphs 24-26 below).

21. Approvers must ensure that each expense claimed:

- Complies with this policy;
- Has a clear and justifiable business rationale;
- Is accurately coded;
- Fully receipted where applicable.



By signing off the expense claim electronically, approvers are confirming that you have completed this check.

22. If claims do not comply with this Policy, approvers must reject the claim.

## Payment

23. Self-service claims are reimbursed promptly through the Accounts Payable module in Oracle a minimum of once per month. Payments will be made into the same bank account as payroll payments, and by providing these in the system, employees agree for them to be used for this purpose.

## General guidance on the tax implications of staff expense claims

24. The general HM Revenue & Customs rule for the treatment of employment expenses is that if employees are provided with anything other than pay, it counts as a benefit and is taxable.

25. However, if expenses have been genuinely incurred wholly, exclusively and necessarily whilst on official company business, there are a number of exemptions that can be used to prevent a taxable charge.

26. This policy has been drafted to ensure that employees are not liable for tax. Therefore, adherence to it is essential to ensure that employees do not inadvertently incur additional tax charges.

## Sustainability

27. The Sponsor Body is committed to reducing its environmental impact, and the approach to business travel is an important aspect of reducing our carbon emissions.

28. To reduce the impact of business travel, employees are advised to:

- join meetings remotely (e.g. using Microsoft Teams) where it is safe and secure to do so;
- take public transport instead of taxis, where it is safe, accessible and secure to do so;
- travel by rail instead of air;
- fly economy rather than higher classes.

## Travel

### General Provisions

29. A journey is deemed to be 'wholly, exclusively and necessarily' incurred only when it is away from the permanent place of work and attendance is necessary to perform the duties of employment. For most employees, this means that only journeys away from Westminster can be reimbursed.

30. Employees can only claim for aspects of travel which do not overlap with their usual commute to work, in other words the incremental cost of travel. Normal commuting costs cannot be claimed and will not be reimbursed.



31. Employees must use the most efficient and economic means of travel whilst on official business, for example using standard class travel. Where an exception is required, this must be approved by the Chief Financial Officer before the expense is incurred.
32. Sponsor Body resources are in no way to be used to fund personal travel. Employees may extend a business trip to accommodate personal travel but only if the personal travel is entirely incidental to the business trip and it does not increase the cost of the 'business' element of the trip (for example, if the costs of flights is higher due to the personal element, this will not be accepted). Approval must be obtained from your line manager prior to making any such arrangements.
33. If the business trip does include a minor amount of personal travel, employees must meet all additional costs relating to the personal element of the trip.
34. If the inclusion of personal travel reduces the cost of the business trip, employees may not use any cost savings to contribute towards the cost of personal travel; only actual, receipted costs will be reimbursed.
35. Travel costs of anyone (e.g. a spouse) accompanying an employee will not be met.

## Promotional Benefits and Departure Lounges

36. Employees may accrue promotional benefits (such as air-miles or frequent flyer benefits) for their own use; however, this must not influence their choice of airline, rail company or hotel. Employees must declare when claiming if they will receive a promotional benefit from the journey.
37. The cost of using a departure lounge cannot be claimed unless access to a departure lounge is needed to accommodate disability or accessibility requirements where there are no other facilities available that would accommodate these needs.

## Rail

38. All rail tickets must be in standard class.
39. Employees may upgrade to First Class only if they can demonstrate that the equivalent ticket type is the same or cheaper than a standard class ticket (for example an advance type first class fare is the same or cheaper than an advance type standard class).
40. Employees must not seek to benefit personally from financial compensation awarded for delayed or cancelled trains. Any compensation must be paid back to the Sponsor Body or Delivery Authority as applicable.
41. The cost of a rail card can only be reimbursed if it can be shown to be a cost-effective way of purchasing rail tickets, for example, if the discount received on the ticket purchased is more than the cost of the rail card.

## Private Vehicle

42. 'Mileage' covers the use of a personal vehicle for business purposes.



43. Personal vehicles can only be used if the vehicle insurance provider has been notified that the vehicle is being used for business purposes and the appropriate cover is in place. Employees will need to provide evidence to support this with each claim. Employees who make frequent claims can arrange to complete a bi-annual check with Finance.

44. Vehicle insurance must be a comprehensive policy and cover:

- 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.

No claim can be made for loss or damage to a personal vehicle whilst on official business.

45. Employees can claim mileage as long as it is the most cost-effective option available (compared to public transport) or to accommodate disability or accessibility requirements.

46. Commuting costs (travel between home and usual place of work) will not be paid.

47. The Sponsor Body will reimburse claims at the following rates, as specified by HMRC:

	<b>Rate per mile</b>
Car & van (first 10,000 business miles in tax year)	45p
Car & van (each business mile over 10,000 in tax year)	25p
Motorcycles	24p
Bicycle	20p

48. Receipts are not required for mileage claims but employees need to provide details of where the journey starts and ends, along with the purpose and location of the meeting.

49. In addition to mileage, the following related costs may be claimed if they have been incurred on an official business journey and receipts are provided:

- Parking fees
- Toll fees
- Congestion charges

50. Fines (parking and speeding), clamping fees and maintenance costs are not claimable.

## Taxi

51. You should use public transport when travelling on Sponsor Body or Delivery Authority business, however if it can be demonstrated that this is the most cost-effective means of transport, or if it provides an accessible or safe means of transport e.g. returning late from a work event, then a taxi may be used.

52. Subject to specific criteria, taxis can be used for work to home journeys (commuting) under the late-night taxi exemption arrangements. Prior approval must be obtained. For the tax exemption to apply the following four criteria must be met:



- You are required to work later than usual (not voluntary) and until at least 9pm, and
- This is not a regular occurrence, and
- Public transport has ceased, or it is not reasonable (i.e. unsafe) to expect you to use it, and
- Transport is by taxi or similar road transport.

If ALL of the above criteria are met and the number of occasions this occurs is less than 60 in a year, then claims can be paid without taxable consequences.

53. For all taxi costs, you need to include in your claim:

- The departure location and destination;
- Names of all passengers;
- If the claim is under the late-night taxi exemption arrangement, the start time of the journey;
- The explanation for why a taxi was used as opposed to another form of transport, e.g. a workplace adjustment.

## Hire Car

54. Car hire expenses will be reimbursed where:

- Public transport is unavailable or impractical, and
- It is shown to be the most cost-effective option (for example, compared to the cost of a taxi), or
- to accommodate an accessibility requirement.

55. Rented vehicles must be the smallest practical vehicle available, with low emissions e.g. usually from groups A or B.

56. If an employee is notified of a fine whilst driving a rented vehicle, they must deal with it immediately (either pay in full or appeal). Employees cannot reclaim fines and penalties.

## Flights

57. Flights must be booked in economy class unless the flight is longer than 6 hours, when premium economy is permitted. Only long-haul flights over 10 hours (total flight time) can be booked in business class.

58. The Sponsor Body will not reimburse First Class flights, except where an airline only has two classes and describes business as first (for example, internal flights within the USA).

59. Employees must not volunteer for 'denied-boarding' compensation. Employees must not seek to benefit personally from financial compensation awarded for delayed or cancelled flights. Any compensation must be paid back to the Sponsor Body or Delivery Authority.

## Insurance

60. The Sponsor Body will arrange travel insurance for employees undertaking official business journeys both in the UK and overseas.



## Subsistence

### General Provision

61. Employees can claim for subsistence if you are away (at least 5 miles) from the office or normal place or work, on official business, for at least 5 hours (see paragraphs 24-26 and 29).

62. The maximum amounts that can be claimed are as follows:

	<b>Outside London (includes VAT)</b>	<b>London (includes VAT)</b>
Away from office for 5-10 hours (lunch)	£6	£6
Away from office for more than 10 hours including an overnight stay (breakfast, lunch and evening meal)	£25	£30
Away from office for more than 10 hours, no overnight stay (lunch and light meal/tea)	£15	£20

63. These are not allowances and receipts must be provided to support actual amounts claimed.

64. Alcoholic drinks cannot be claimed but reasonable gratuities can be included.

65. If an employee pays on behalf of any other employees, they need to provide the names of the people included in the claim.

### Hotel Accommodation

66. Hotels must only be booked if it is not reasonable to make a return journey in the same day; consequently, claims for hotels in London will not be paid.

### Hotel Rates

67. The maximum amounts that can be claimed are:

	<b>Nightly rate limit (includes VAT)</b>
UK (excluding London) room only	£105
UK (excluding London) including breakfast	£120
Overseas	HMRC rates

68. If, due to local demand or accessibility requirements, it is not possible to obtain a moderate hotel within these rates, prior approval must be obtained from the Chief Financial Officer to increase the rate temporarily. This approval must be provided with your claim.

### Private Accommodation

69. With the prior agreement of their approver, employees can stay in private accommodation (that does not belong to them or their spouse/partner) and claim £20 per night (including breakfast).



## Incidental expenses

70. Employees can claim reasonable personal incidental expenses, incurred overnight, while travelling on Sponsor Body business up to a maximum of:

- £5 per night for travel within the UK or
- £10 per night for travel overseas.

71. This is not an automatic allowance, and claims must only be submitted where costs are incurred that are additional to normal daily expenditure. Receipts are required to support these costs.

72. Examples of reasonable personal incidental expenses include:

- Costs of phone calls to family;
- Laundry costs;
- Internet usage or wi-fi on personal devices.

73. Costs in excess of these limits may be considered taxable by HMRC.

## Other Provisions

### Travel and accommodation due to adverse weather conditions

74. Occasionally, the Sponsor Body may permit the additional costs of travel and accommodation incurred due to adverse weather conditions to be reimbursed. As these costs are considered to be a taxable benefit by HMRC, they cannot be paid through Oracle self-service, and instead they must be paid via payroll.

75. These costs are not routinely claimable – claims can only be submitted on the authorisation of the Chief Executive Officer.

76. Only the additional costs incurred due to industrial action can be claimed without tax consequences, providing adherence to the above guidelines is maintained.

### Professional Subscriptions

77. Employees, whose job requires them to be a member of a professional body, may reclaim the cost of one professional subscription to that body per year provided it is on HMRC's list of approved professional bodies (i.e. 'list 3').

### Official business hospitality

78. When meeting external contacts for official business, employees can claim incidental hospitality expenses subject to prior approval by their Head of Department.

79. Alcohol cannot be claimed for any type of entertainment activity, whether internal or external.



80. The number of Sponsor Body employees should not exceed the number of external guests.
81. Internal hospitality e.g. team nights out cannot be claimed without prior approval by a Director of the Sponsor Body. Such events should be treated as exceptional and will require justification.
82. If employees are offered or receive hospitality, the Interests, Gifts and Hospitality Policy rules apply and the register must be updated.

**Sarah Johnson**  
On behalf of the Sponsor Body  
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