

# Dixons Academies

## Policy Documentation

### Policy: Staff Expenses

<u>Relationship to Other Policies</u>	<u>Status</u>
Not linked to any other policies.	<b>Ratified by the Governing Council November 2013</b>

**Responsibility for Review: Executive Principal/Director of Finance**  
**Date of Next Review: November 2015**

## **Policy and procedures for employee expenses**

### **1 Introduction**

The Academy will reimburse employees for reasonable expenses wholly, necessarily and exclusively incurred in connection with its business. Employees should not be either financially disadvantaged or advantaged because of genuine business expenses.

Employees are responsible for the payment of all expenses they incur, except where we have direct settlement arrangements with suppliers in place.

Breach of this policy is a disciplinary offence. Deliberate falsification of a claim or the evidence needed to make a claim will constitute gross misconduct. This may result in summary dismissal. "Falsification" includes the failure to pass on any discount obtained in the course of incurring an expense.

### **2 Allowable Expenses**

#### **2.1 Travel – UK**

The Academy will reimburse the reasonable costs of amounts necessarily expended on travelling in the performance of the duties of the employment, for example to events, external meetings, training *etc.*

This does not include travel between home and office unless the employee is recognised as being a "contractual home-based employee".

Employees should travel by the most cost-effective mode of transport taking into account journey time and the nature of the journey as well as the monetary cost.

##### **2.1 (i) by employee's own car/motorcycle/bike**

The mileage allowance is set by reference to the HM Revenue and Customs (HMRC) rules on AMAPs (Approved Mileage Allowance Payments). These are currently as follows:

<b><u>Type of Vehicle</u></b>	<b><u>First 10,000 miles</u></b>	<b><u>Above 10,000</u></b>
cars and vans	45p	25p
motorcycles	24p	24p
cycles	20p	20p

The employee is required to keep track of business mileage incurred in the tax year (6 April to 5 April) to ensure the correct rates are used.

If an employee carries any other employees in their own car or van on business travel, that employee can claim 5p per passenger per business mile. The passengers must be employees and they must also be travelling on business journeys.

Where an employee uses their own vehicle, the employee should ensure that the vehicle is in good working order, fully insured, taxed and MOTd and that the driver is covered by breakdown assistance.

The Principal may request the employee to print off a route planner to support the business mileage claimed by that employee.

### **2.1 (ii) by taxi**

Employees are expected to use taxis only when strictly necessary and where it is cost effective to do so. Employees should always obtain a receipt.

### **2.1 (iii) by tube, bus or tram**

Employees should retain tickets where possible. Where an employee's season ticket already covers the cost of travel, no further claim will be allowed. Where Oyster cards are used, the employee should provide evidence of the additional cost incurred, for example by printing off their online statement or by printing off the journey cost provided by the [Oyster fare finder](#).

### **2.1 (iv) by train**

Employees should, as far as possible, travel standard class and should book their journeys sufficiently in advance to obtain the best possible prices.

In exceptional circumstances, and with the prior approval of the Executive Principal/Academy Principal, first class train travel is allowed e.g. for very early starts, late returns, where standard class would be exceptionally crowded. Employees should retain all tickets and credit card vouchers.

All journeys should be booked sufficiently in advance to obtain the best possible prices.

### **2.1 (v) by plane**

Flights should, whenever possible, be booked sufficiently in advance to obtain the best possible prices. Air travel should be by economy class. Employees should retain all tickets and credit card vouchers.

### **2.1 (vi) late night travel**

In exceptional circumstances, and only in accordance with HMRC rules, the Academy may meet the cost of late night taxis or similar road transport provided all the following circumstances apply.

- The employee is required to work later than usual and at least until 9.00 p.m.
- This occurs irregularly; *and*
- By the time the employee ceases work either public transport has ceased or it would not be reasonable to expect the employee to use public transport.

## **2.2 Overnight Accommodation - UK**

### **2.2 (i) hotel accommodation**

Should be booked in advance at the best possible rates which should not exceed £130 per night (£150 within the M25), including VAT but excluding breakfast

costs. Any booking in excess of that amount will need to be approved by the department head prior to booking.

Employees should take into account the location of the hotel as regards the cost of taxis, etc and the time required to travel to and from the hotel.

### **2.2 (ii) staying with friends or relatives**

An employee may claim an allowance of up to £35 per night. Receipts are not required but the employee must confirm that the overnight stay was necessary in connection with travelling on Academy business.

An employee claiming this allowance cannot also claim reimbursement of actual accommodation and subsistence costs although they can claim personal incidental expenses (see below).

In all cases employees should retain all invoices.

## **2.3 subsistence**

### **2.3 (i) overnight absence – UK**

The Academy will reimburse reasonable out of pocket expenses incurred by the employee when it is necessary to stay away from home overnight on Academy business. This will include the following:-

- Hotel bills (see above).
- Breakfast.
- Lunch, evening meal and beverages – to an overall maximum of £40 per day (please note that the employee may incur costs in excess of £40 but may only claim up to £40).
- Hotel Parking.

Additionally, the employee may claim "personal incidental expenses" up to a maximum of £5 per day. This covers items such as telephone calls, newspapers and laundry.

The total of any such costs must not exceed £5 otherwise no reimbursement will be allowed, *i.e* the allowance should not be regarded as a contribution to such costs.

If the employee is away for more than one night, the daily limits (*ie* £40 and £5) may be averaged across the number of nights that the employee is away.

In all cases employees should retain all invoices.

### **2.3 (ii) subsistence – no overnight absence – UK**

An employee may claim for meals and beverages up to a maximum of £20 per day when travelling on Academy business. This is intended to reimburse the employee for *additional* expense as a result of having to travel on Academy business.

Personal incidental expenses cannot be claimed where there is no overnight stay.

In all cases employees should retain all invoices.

### **3 Overseas Trips**

The rules above apply to overseas travel as well as UK travel. However, in some cases, it may be necessary to allow higher limits for accommodation and subsistence costs, subject to approval from the Principal. The intention is that the employee should be able to obtain accommodation and meals of an equivalent standard to that available to them in the UK. Please note that there is no scope for higher rates for mileage.

Air travel should normally be by economy class, or if outside Europe, by business class.

The maximum allowed for personal incidental expenses for overseas trips is £10 per day. This covers items such as telephone calls, newspapers and laundry. The total of any such costs must not exceed £10 otherwise no reimbursement will be allowed, ie the allowance should not be regarded as a contribution to such costs.

Where expenses are incurred in the local currency, the claim for reimbursement should either be for the actual sterling amount debited to the employee's debit/credit card or, where paid in cash, should be converted at the rate applicable on that day.

In all cases employees should retain all invoices.

### **4 Entertaining**

#### **4.1 business**

Employees should only entertain visitors and guests where it is likely to assist the Academy in its corporate objectives.

In general, entertainment counts as business-related if its purpose is to discuss a particular Academy project, maintain an existing Academy connection or to form a new Academy connection.

By contrast, entertainment of Academy acquaintances will not be considered business-related if its purpose is really social – even if there is some discussion of business related topics in the course of the entertainment.

Amounts claimed should be reasonable and appropriate.

In all cases employees should retain all invoices. Please show names and organisation of all attendees on the expense claim.

#### **4.2 staff**

The cost of entertaining other Academy staff is not reimbursable.

## **5 Professional Subscriptions**

Employees may claim back the cost of the annual subscription for up to a maximum of two professional bodies, provided that each body is on the HMRC approved list and its activities are directly relevant to the employee's duties. Further subscriptions may be claimed as a tax deduction on the employee's tax assessment return, provided they are also on the HMRC approved list.

## **6 Eye Tests and Spectacles**

The Academy recognises its obligations under the Display Screen Equipment (DSE) Regulations 1992 (Amended 2002). With the prior approval of the Principal the Academy will contribute to the cost of an eye test if you use display screen (computer monitor) equipment for a significant part of your working day.

The Academy will contribute £25 towards the cost of an eye test conducted by a suitably qualified optician. If the test reveals that spectacles are required for exclusively VDU the Academy will contribute £45 towards the cost of basic spectacles. This policy does not apply to contact lenses.

The Academy will only reimburse one eye test in any 12 month period.

The Academy will not contribute towards the cost of spectacles with any element of everyday use, in other words the spectacles must be exclusively for VDU use.

## **7 Procedures for making an expense claim**

Complete an expense claim form. Ensure all bills (must be originals) and debit/credit vouchers are numbered and attached to the form which should also show the items numbered accordingly to enable easy identification. Ensure any overseas transactions in local currency are converted to sterling as above.

The employee needs to sign the form and obtain signed approval from the Principal or their approved deputy.

Forward the completed and signed form, with bills and vouchers attached, to the Finance department.

## **8 Reimbursement to Employee**

Expense claims must be received by close of business on the deadline date, usually 15<sup>th</sup> of each month, for reimbursement in that month. Claims received after this date will be reimbursed in the following month.

Dates and deadlines above will be subject to change, especially at times of public holidays.

Payment will be made direct to the employee's bank account on 26<sup>th</sup> each month in line with normal payroll processing.