

## **Staff Expense Claims**

### **Expense Reimbursement Policy and Procedures**

It is College policy that members of staff be repaid the actual cost of expenses incurred exclusively and necessarily in the performance of activities related to their employment at St Chad's College. It is acknowledged that both official and research-related travel often involves personal elements; thus the College may ask for evidence that care was exercised in separating personal from official expenses. For the avoidance of doubt, 'expenses incurred exclusively and necessarily in the performance of activities related to their employment at St Chad's College' does not mean that mixing official and unofficial matters during travel precludes reimbursement. It does, however, mean that not all expenses incurred while travelling are eligible for reimbursement.

Throughout this policy, the term 'staff' includes anyone authorised by the College to incur expenses on behalf of the College, whether he or she is on the payroll or not. For instance, Governors and Honorary Fellows are required to follow the same reimbursement procedures as salaried-staff.

In general, for domestic expenses, reimbursement will only be made on completion of the appropriate claim form which must be accompanied by receipts or invoices. Normally, the reason for the expenses should have been approved prior to being incurred. For foreign travel or UK travel of over 12 hours, the choice of a receipts-based claim or the per diem claim system should also be agreed prior to travel. Claims should be made within the financial year they were incurred.

Where expenses are incurred in foreign currencies, the amount should be converted either at the exchange rate applying on the date of the claim or at exchange rate when the amount was charged to your credit card or when currency was exchanged.

Reimbursements will be made by BACS in most cases unless the sums are small enough for the petty cash system to be used. It is essential that all claims be completed fully with details of the purpose and nature of the expense as well as the date the expense was incurred. Once completed, all claims must be signed by the claimant and forwarded to his or her line manager, who will provide the appropriate authorisation.

A brief description of the nature and purpose of the expense should be shown in the 'detail' column of the form. For example, claims for subsistence must show details of the journey for which a claim has been made. Failure to report sufficient details may result in claims being returned for completion.

The College will not meet any additional costs where an individual chooses to extend their stay and incorporate annual leave. Only expenses incurred on College business

will be met. If the cost of travelling on alternative dates is greater, individuals will be expected to pay the difference themselves. Likewise, any discounts received for travelling on alternative dates to incorporate annual leave will be enjoyed by the College and will not be reimbursed.

The College encourages the most sustainable and cost effective methods at the time of travel, wherever possible.

The College provides travel insurance business cover for travellers. Please consult the College Bursar for advice.

## **Domestic Travel Expenses**

### **Subsistence**

Staff members who are working away from the College (i.e. more than 5 miles from their normal place of work) are able to claim subsistence under the following circumstances and at the following maximum values, upon provision of a valid receipt (or other evidence). Details must be shown of the business meeting, date and/or places visited.

- The cost of a breakfast meal when away on College business and when business necessitates an early start (i.e. before 8 am) to a maximum of £10;
- The cost of lunch when away from the normal place of work over the lunch period on business to a limit of £10; and
- The cost of evening meals when staying away from home overnight on college business to a maximum of £25.

If the period of travel is over 12 hours, then it is allowable to claim a daily rate without the need to provide receipts. The daily rate is £30 (£6+£8+£16).

### **Accommodation**

The cost of hotel accommodation whilst travelling on College business will be reimbursed within the following limits:

London £150 per night

Elsewhere in the UK £100

### **Mileage Rates**

Mileage rates for college-related travel are according to HMRC rates and are paid at 45p per mile.

Note: the HMRC rate is applicable for the first 10,000 miles of travel in a tax year. It is highly unlikely that a member of College will travel beyond this distance, if they do then the rate falls to 25p per mile after 10,000 miles.

### **Domestic Rail**

Unless travelling with non-College colleagues (on official business) who are entitled to travel first class, all College staff and Governors will be reimbursed at standard class rates (though first class may be booked when it is cheaper than regular standard class rates).

### **Other Travel Expenses**

College will reimburse for the following items of travel:

- Congestion and road toll charges
- Car Parking
- Public transport (bus or underground etc)
- Taxi fares (where it is appropriate)
- Cashless payment options ie Oyster Cards
- Car hire but only when it is the most convenient mode of travel.

College will NOT reimburse:

- Costs associated with travel to and from home to work
- Costs associated with travel within the 5 mile radius of College Main building
- Any fines associated with travel eg parking, congestion, motor related offences

### **Domestic Flights**

All flights within the UK must be economy class.

### **Foreign Travel Expenses**

#### **Subsistence**

As with Domestic Travel the College reimburses reasonable College-mandated foreign travel expenses either on a receipts-basis or on an HMRC per diem basis.

Members of staff are expected to exercise reasonable restraint when incurring expenses on overseas business on behalf of the College. When claiming on a receipts basis, documentary evidence of the expenditure should be supplied (whenever possible). The College appreciates that it may be difficult to document some overseas travel expenses (for instance when working on projects in rural South Africa): in such circumstances, reasonable claims will ordinarily be made on a per diem basis. Provided these expectations are met, full tax-free reimbursement of expenditure necessarily incurred on the College's behalf will usually be made.

HMRC have issued detailed guidance regarding the use of daily rates (per diems) including the following:

Rates are intended to represent expenses that employees *actually* incur during a period spent in a foreign country. Although receipts need not be submitted when expenses are at or below HMRC rates, they should generally be kept when possible for verification that the travel actually occurred.

Rates include:

- A 10-24 hour rate. This is intended to cover the total cost of meals in a period of 24 hours plus the cost of daily travel
- An over 10 hour rate, which is intended to cover subsistence expenses for any period of more than 10 but less than 24 hours
- An over 5 hour rate, which is intended to cover subsistence expenses for any period of more than 5 but less than 10 hours

The hourly rates have to be measured by reference to the times of arrival at and departure from the foreign country.

To see the current daily rates please visit:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/359797/2014\\_Worldwide\\_subsistence\\_rates.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/359797/2014_Worldwide_subsistence_rates.pdf)

An example of the daily rates is shown below:

United States of America – Washington		Currency US\$	
Over 5 hours	30.50	Room Rate	177.00
Over 10 hours	70.50	Breakfast	13.50
24 hour rate	91.50	Lunch	27.00
	+ room rate	Dinner	37.00
		Other	0.00
		Drinks	6.50
		Hotel to Office	7.50
		Residual Rate	91.50

It should be noted that these HMRC rates are set for all countries and even cities within countries and therefore if daily rates (per diem) are to be used they MUST be checked and agreed before the travel occurs.

The College would expect the 10 hour subsistence rate to be deeply discounted depending on where the time was spent (i.e., in an airport).

### **Accommodation**

The College expects that short periods of travel overseas would be booked in advance and that accommodation will therefore be paid prior to travelling and the cost will not be in excess of the HMRC rates. However, it is anticipated that longer periods of time overseas may well be more complex and could involve types of accommodation other than hotel.

The following guidelines apply:

Please note that the type of daily rate (per diem) you can claim depends upon the type of accommodation you stay in:

- Hotel accommodation will be reimbursed only up to the HMRC rate.
- If you stay as a guest of a family, a friend, a colleague or a business/institution, then HMRC guidance is that the rate should only cover your actual subsistence expenses. Thus, if your hosts are providing room and

board, you may claim 10% of the subsistence rate without receipts, or up to 50% of the residual subsistence rate *with receipts* if your guests are supplying your meals (i.e., to pay for a meal for your guests in lieu of paying for your stay). You may, however, charge up to 100% of the residual subsistence rate if you are being provided only with accommodation.

- If you stay in accommodation, whether rented or otherwise provided by yourself or by others, which includes laundry and or cooking facilities ie self-catered , then the HMRC residual subsistence rate may be charged for the first week and eighty-percent for the second week. For stays lasting longer than two weeks, a maximum of 50% may be charged for the third and subsequent weeks.
- If you stay in foreign accommodation where no rent is charged, a per diem charge of £25 for accommodation will be deemed reasonable.
- If you stay in vacant accommodation provided by others and are not responsible for any residential charges (say for utilities, cleaning), then you may charge 80% of subsistence rate for the first week and 50% for subsequent weeks without receipts. If your costs are higher, then receipts are required for tax-free reimbursement at that rate.

### **Mileage Rates**

Car hire and the consequential costs (ie fuel) are to be recovered on expenses and receipt basis at an agreed exchange rate.

### **Rail Travel**

Rail Travel costs are to be recovered on expenses and receipt basis at an agreed exchange rate.

### **Air Travel**

Air travel must generally be booked at economy rates, unless otherwise authorised by the Chair of the Governing Body or by the Principal. For longer overseas flights, premium economy or business class may only be booked when authorised ahead of time by the Chair of the Governing Body or by the Principal. Such authorisation will rarely be given unless the premium rates are heavily discounted (e.g., they fall within the general price range of economy flight tickets).

### **Other Travel Expenses**

College will reimburse for the following items of travel on expenses and receipt basis at an agreed exchange rate.:

- Congestion and road toll charges
- Car Parking
- Public transport (bus or underground etc)
- Taxi fares (where it is appropriate)
- VISA costs
- Small gifts as “thank you” to acknowledge the contribution of an individual to the success of the reason for the travel.
- Cashless payment options ie Oyster Cards
- Car hire but only when it is the most convenient mode of travel.

College will NOT reimburse:

- Personal entertainment costs
- Items of a personal nature (eg toiletries)
- Any fines associated with travel eg parking, congestion, motor related offences

## **Hospitality Expenses**

The College generally follows University guidelines for hospitality-related expenses.

**Domestic.** Staff are reimbursed for hospitality expenses when such expenses are used to support students (up to certain limits established by the Senior Tutor). In addition, staff are reimbursed for hospitality-related expenses when engaged explicitly on College business with those who are not College employees. HMRC regards the refund of hospitality-related expenses for College employees entertaining College employees as a taxable benefit. Thus staff cannot claim for a working lunch where only College employees are present. For the purposes of these regulations, tutors/mentors are not considered College employees. Tips are generally an unavoidable cost of providing hospitality, and tips up to 15% will be reimbursed.

**Mentors/Tutors.** Mentors/Tutors may claim reimbursement for expenses related to the support of their tutees up to annual limits set by the Senior Tutor.

**College Officers.** College Officers who entertain official guests or business partners on behalf of the College will have entertainment expenses paid (whether these expenses were incurred outside the College or in their private or College-provided residences) may claim for reimbursement of their expenses via actual receipts or via their college credit card. The College allows a maximum expenditure of £40 per guest for lunch and £110 per guest for dinner. This cost per guest also covers the College staff members present. Therefore if there were 2 guests and 2 members of staff then the maximum claim for dinner would be £220.

**Foreign Travel.** When College staff are travelling overseas and are expected to share hospitality, personal hospitality-related expenses extended to individuals are generally included in the subsistence rates unless permission is given ahead of time. Official hospitality expenses will be reimbursed (say to pay for a meal for a number of people or for a reception put on by the College). When local custom requires an exchange of symbolic gifts or paying for meals for one's hosts, for example, these may be claimed in the same manner as for domestic hospitality — provided they are reasonable.

**Partners/Spouses.** Expenses incurred by partners and spouses of College Officers may be claimed only when partners are 'required' to accompany a College Officer in

the service of the College. This should be a relatively rare occurrence, and must be agreed by the Principal in advance of the reason for the travel.

Thus, if a couple receive an invitation to represent the College at a reception outside of Durham, the expenses of the couple may be reimbursed.

In the case of partners/spouses accompanying Officers on foreign travel (outside of the UK), a strong case must be made that such expense is of proportionate benefit to the College. In such cases the Principal or the Chair of the Governing Body must authorise the travel.

In all cases of partners/spouse travel, unless the actual services of the spouse can be shown to be required by the College, reimbursement of the additional expenditure will not be authorised. (ie expenditure in addition to the costs of the staff member travelling).

A good test is to ask the question “would someone else have had to accompany the College Officer if the spouse were unavailable”.

If the staff member decides to take their partner/spouse when the partner/spouse is not required for business purposes then the partner/spouse travel costs must be paid by the individual, as must any subsistence costs. However, if the partner/spouse is sharing the accommodation at no additional cost to the College then this is permissible.

If the staff member and their partner/spouse decide to extend the visit beyond the period required for the business travel then none of the additional costs of the stay can be claimed.

For example:

Mr A is to attend an event in London representing College and an overnight stay is required and Mr A decides to take Ms A and to make the visit to London into a personal break then the following table captures what College will pay and what the couple would have to pay.

	Mr A	Mrs A
Travel	College	Personal
Overnight Stay (one night)	College	College if shared
Additional Accommodation	Personal	Personal
Subsistence	College for the business period	Personal

**Any questions on this policy should be directed to the Principal or the Bursar.**