



# Expenses Policy

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Ted Wragg Trust

<b>Committee:</b>	<b>Audit, Finance and Resources Committee</b>
<b>Adopted:</b>	<b>25.09.19</b>
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<b>Associated documentation</b>	

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## 1. General principles and guidelines

1. Employees, governors and trustees will be reimbursed for all necessary expenditure reasonably incurred in the performance of their Trust responsibilities. All claims will be based on actual expenditure within the limits specified. Limits will be updated annually with the agreement of the Executive Leadership Team.
2. The expenses route and forms should not be used to reclaim other costs, eg. the costs of equipment, which **must** be ordered using the normal purchasing ordering system and paid via invoice.
3. Authorising managers have no authority to vary the policy. Claims for items not allowed will be rejected.

### 1.1. Reasonable expenditure

4. Members of staff are expected to display prudence with respect to business related expenses, and at all times to base their business spending decisions on the best interests of the Trust. Only actual expenses incurred in accordance with the travel guidelines, and in the course and interest of the Trust's business, will be reimbursed to employees.
5. It is the responsibility of the Headteacher / Director of Finance or Operations to decide if a claim is 'appropriate and reasonable'.
6. If a member of staff submits a false claim this will be treated as a serious offence and in most circumstances will lead to disciplinary action and dismissal from the Trust.

### 1.2. Submission process

7. All claims must be completed and signed by the individual claiming the expense, and countersigned by an authorised signatory. The principle of expenditure must be agreed in advance. If the claim is being made on behalf of a group, the claimant should be the most senior person at the event.
8. Fully authorised expense claims must reach payroll by 6<sup>th</sup> month following incidence, including original receipts and supporting paperwork. To allow time for processing, the month of claim is generally considered to run from 26<sup>th</sup> to 25<sup>th</sup> of the month inclusive. Once processed, expenses will be reimbursed through the payroll, paid on 25<sup>th</sup> of the month.
9. Claims over three-months old will be rejected.
10. Governors expenses should be approved and processed by their academy. Trustees should submit claims to the Clerk to the Trustees.

### **1.3. Receipts**

11. Original receipts\* must accompany all claims. Credit card slips or statements will not be accepted as evidence of business expenditure. VAT receipts must include the name and address of the retailer, the retailer's VAT registration number, the date of the purchase, details of what goods or services have been purchased and the VAT inclusive value of those goods or services in sterling.
12. \*In rare circumstances, we recognise that it may not be possible to produce a receipt, eg. tube tickets that are retained as you pass through a ticket barrier. A full explanation should be included with your claim before getting manager approval.
13. If you reclaim mileage, you should submit receipts to cover the fuel element of your claim. The value of receipts required is explained in Appendix 1 (practically, we just require that you submit 'more than enough' fuel receipts covering the period of your claim).

### **1.4. Authorisation**

14. All expense claims must be authorised by an approved manager who is senior to you and familiar with your work schedule. Lists of authorised signatories are maintained by the Central Finance Team and countersigned by the Headteacher and ELT as evidence of authority limits.
15. The claims of headteachers must be signed by the Chair of Governors and / or Deputy Head and ELT member. The claims of the Chief Executive Officer should be signed by the Chair of the Trust or Chair of AFR.

## **2. Travel (including air, rail and ferry)**

### **2.1. Alternatives to travelling and mode of travel**

16. Wherever practical audio conference facilities and video conference facilities should be considered as an alternative to travel. The Trust uses Skype (for conferencing and voice) to support file sharing, messaging and communications.

#### ***Rail travel***

17. Rail travel will be second class or the most effective way to travel. Significant savings can be made by pre-booking (preferred) and specifying outward and/ or return journeys.

#### ***Air travel***

18. Air travel may be arranged, where it is the most effective use of time for a particular journey (rail is the default). Air travel should be booked via the relevant administration officer.
19. Air travel within the UK will always be in Economy class and should be arranged to ensure the

purchase of the best value fare available (taking into account that the use of air travel may preclude the need for an overnight stay and the payment of hotel and subsistence costs).

20. Air travel within Europe (short haul, flights of up to four hours duration) will always be in Economy class and should be arranged to ensure the purchase of the best fare available.
21. Flights should always be procured economically. This means taking advantage of cheaper fares that are normally available through advance booking

### ***Bus and public transport***

22. When travelling, public transport should normally be used.

### ***Taxis***

23. The normal mode of travel is public transport. However, taxi fares and any reasonable gratuities can be payable in cases of urgency or in other circumstances where an adequate public transport service is not available or inappropriate.
24. The use of taxis is also permitted where personal security is an important factor (eg. late evening travel).

### ***Personal Travel***

25. Personal travel as part of a business trip is discouraged, and in any event only allowed where such travel actually reduces the cost of business travel to the Trust, e.g. staying the night before to take advantage of a lower cost fare. Where additional costs are incurred, e.g. Saturday night in a hotel, the individual employee must meet these. Adequate private travel insurance must be held.

### ***Travel with a spouse or partner***

26. If a spouse or partner accompanies a member of staff, the traveller must bear the cost of the spouse/partner. It is not permitted to downgrade the travel or accommodation booked in order to fund travel costs for a companion.

### ***Frequent traveller schemes and personal incentives***

27. Membership of a frequent traveller scheme must not deflect from using the most cost-effective option presented. The Trust will not reimburse frequent traveller membership fees.

## **2.2. Journeys (see also working base)**

### ***Journeys between home and normal place of work***

28. You are expected to meet the full cost of all journeys between your home and your normal place of work.

### ***Journeys between home and temporary place of work***

29. If you can demonstrate that your journey from home to a temporary base (or vice versa) incurs excess travel costs, the excess costs will be reimbursed. Full details of the excess costs must be provided on your expense claim (see examples below).

## **3. Driving (including mileage rates and hire cars)**

### **3.1. Driver's responsibility**

30. If you drive at any time for business reasons you must hold a current full (not provisional) driving licence that is valid for the type of vehicle you drive.
31. Employees responsibilities extend to ensuring that:
- their vehicle(s) are properly taxed, MOT'd and serviced.
  - their motor insurance policy includes business use cover, and they have told their insurers that they use the vehicle for work, and how they do so.
  - they are properly fit to drive for work, plan their journeys safely and comply with road traffic laws when driving.
  - they conduct regular vehicle safety checks.
32. The Trust accepts no liability for loss of, or damage to, vehicles being used on Trust business. If for any reason your licence or insurance becomes invalid the onus is on you to immediately contact your manager.
33. The Trust expects all staff to drive safely, responsibly and legally. From time to time, the Trust will carry out checks on employee documentation, sometimes at random.

### **3.2. Mileage rates**

34. Mileage rates paid will be based on the HMRC – Mileage and Fuel allowance approved rates. The most recent rates (correct as of July 2019) are:

**Tax: rates per business file**

<b>Type of vehicle</b>	<b>First 10,000 miles</b>	<b>Above 10,000 miles</b>
Cars and vans	45p	25p
Motorcycles	24p	24p
Bikes	20p	20p

35. A supplement will be payable if you carry passengers at 5p per mile per passenger.
36. The rate of 25p will be applied where:

- The employee chooses to drive to a location well-served by public transport, and without valid business reason, such as it saves time or a number of people are travelling together.
- The employee has travelled more than 10,000 miles on business (in these circumstances travel above 10,000 miles will be at the lower rate).
- The travel is attached to a programme of study, where the trust has agreed to meet costs as part of the learning agreement.

**37. For every journey you must state the purpose of travel. Failure to do so, will require you to resubmit your claim and the line entry will be deleted. Payroll will advise you and the authorising officer, if claims/elements of claims require resubmission.**

### **3.3. Hiring a vehicle**

38. Vehicles should only be rented for business purposes where it is cost effective and public transport impractical, more expensive or not available. The class of vehicle booked should be the minimum size and specification necessary to allow duties to be performed. The cost of fuel used will be reimbursed by submitting an appropriate receipt. Vehicles should be returned with a full tank as hire companies charge inflated rates for refuelling.

39. If you hire a vehicle or use a Trust vehicle, these must be used in accordance with any rules, protocols and regulations that apply.

### **3.4. Parking**

40. Reasonable car parking costs while on business will be met so long as a valid receipt is provided.

### **3.5. Tolls**

41. Necessary costs will be met.

### **3.6. Fines**

42. The Trust will not meet the cost of any fines incurred by individuals for motoring or car park offences whilst on Trust business.

## **4. Overnight accommodation**

### **4.1. Accommodation rates**

43. If you have to stay away from home (or base) overnight, the Trust will pay for the cost of a standard single room with bathroom facilities. The cost of the room should not normally exceed the following limits. These limits will be the maximum claimable, with receipts, unless there has been prior approval of your line manager after special consideration of the circumstances\*:

***Overnight stay outside of London (and any other similar destinations)***

	Cost per night (ex VAT)	Cost per night (inc. VAT)
Room only	£75	£90
Bed and breakfast	£83	£100

***Overnight stay in London (and any other similar high cost destinations)***

	Cost per night (ex VAT)	Cost per night (inc. VAT)
Room only	£105	£126
Bed and breakfast	£117	£140

***Overseas rates – a 10% uplift on the London rate is allowed.***

\* The Trust recognises that there may be circumstances when the above rates are exceeded for genuine business reasons (e.g. the choice of hotel was not within the employee's control or cheaper hotels were fully booked). If a more expensive option is purchased, this should be explained.

44. All accommodation should normally be in 3\* or equivalent hotels.

## **5. Meals**

45. When necessarily away from base overnight (or for a substantial part of the day), the Trust will reimburse the actual cost of relevant meals on presentation of receipts, up to the limits (including VAT and service) below. These limits take account of the fact that staff would normally incur a domestic cost for meals in any case:

	Cost (ex VAT)
<b>Breakfast</b>	£5
Must leave home earlier than usual and before 6am (exceptional only, and not for employees with regular early work patterns)	
<b>Lunch</b>	£5
Must be away 5 hours or more	
<b>Dinner</b>	£15
Travelling after 8pm. (exceptional only and not for employees with regular late work patterns)	

The above rates include incidental food and beverage costs incurred whilst on work journeys.

46. Alcohol will not be authorised for reimbursement in any circumstances, even if purchased within the limits identified above.

47. If certain meals are provided for you, (i.e. breakfast included in the accommodation charge or location catering provided for lunch) only the other meals may be claimed.

### ***Group meals***

48. If one member of a team pays a bill on behalf of other members of staff, details of the reason, location, names and number of staff must be shown on the expenses claim. Claims cannot exceed the number of staff multiplied by the relevant per head cost for the type of meal and must not include alcohol. The claim should be made by the senior person in attendance, who retains accountability for the supporting receipts. Claims must not be made for a 'share' of joint expenses due to loss of accountability.

### ***Business entertaining***

49. You may only entertain visitors and guests where it is within budgetary limits and is likely to help the Trust to further its business objectives. Advance approval from the Headteacher of ELT member is required. In-house facilities should be utilised whenever possible. If entertaining costs are incurred, you must indicate the reason (eg. partner on a collaborative project) and the names of each person attending, and whether they are staff or external guests.

### ***Staff entertaining***

50. The cost of entertaining Trust staff is not reimbursable unless exceptional business purposes justify the expense.

## **6. Business phone calls**

51. When you use your own home or mobile phone on Trust business, the cost of itemised business calls will be met on production of an itemised bill. The Trust will not pay rental costs, irrespective of whether these include a certain amount of free call time. HM Revenue & Customs will only allow the Trust to reimburse the business call costs. The Trust will not meet the cost of phone cards for pay as you go mobiles. The Trust will meet the cost of business calls from a callbox or hotel room, provided details of the call, including the length and to whom, are included on the expense claim.

## **7. Working base**

52. All employees have a designated work base (normal place of work). In some circumstances this may be your home, or Trust premises close to your home. Your designated work place will be confirmed to you in writing.
53. When travelling on business for the Trust by car, directly from or to your home, you must deduct the home to work base mileage from your claim. This is a requirement of HMRC.

### **Example 1**

*Employee lives 25 miles from their normal place of work. They travel directly from home to a Trust school to provide curriculum support. They return the same evening directly to home. The visited school is 55 miles from their home and 40 miles from their normal workplace.*

*The employee should claim 2x55 miles for the round trip, minus 2x25 miles for their normal home to work mileage. They claim  $(2 \times 55) - (2 \times 25) = 60$  miles.*

*Note: That had the employee gone unnecessarily to their work base, additional miles would have been travelled.*

*The employee must also check that their actual mileage is less than travelling directly from work as it is only the lower that should be claimed.*

### **Example 2**

*Employee lives 25 miles from their normal place of work. They travel to their work base before travelling on to a Trust school to provide curriculum support. They return the same evening directly to home. The sponsored school is 55 miles from their home and 40 miles from their work base.*

*The employee should claim travel from the work base to the school for the outward journey = 40 miles. On the return journey they travelled directly to their home. For the return leg they need to claim the school to home mileage minus the home to work base mileage  $55 - 25 = 30$  miles. Their total mileage claim will therefore be  $40 + 30 = 70$  miles*

### **Example 3**

*The employee lives 25 miles from their work base. They travel directly to a school to provide curriculum support. The school is 10 miles from home. No mileages is to be claimed.*

## **8. Travel distances**

54. In the event of any dispute, travel distance will be based on Google Maps. If excess mileage is incurred for any reason, e.g. due to roadworks, then this must be explained.

## **9. Expenses incurred on business credit cards**

55. Practically it may not be possible to pre-authorise expenses incurred on the business credit card. Expenses incurred in accordance with this policy will therefore not require pre-authorisation, providing you can demonstrate budget-holder agreement if requested and that full receipts are maintained.

56. The overall business card bill will require countersignature as usual.

## **10. Contractors**

57. Entitlement to claim expenses, for contractors and subcontractors, will normally be set out in the contractual relationship. Where an entitlement exists but no specific levels have been set out in a formal contract, then the rates and principles set out in this policy for employees will also apply to contractors. When invoicing for reimbursement of expenses, contractors must include copies of receipts and timesheets to support the invoice.

## **11. Candidate expenses (Interview)**

58. These are not normally payable.

## **12. Audit**

59. Expense claims will be routinely audited to ensure full compliance with the policy, both through internal and external scrutiny.

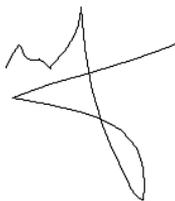
## **13. Delegation**

60. The Chief Accountant has equivalent authority to the Director of Finance under this policy.

### **Adoption of the Policy**

This Policy has been adopted by the Trustees of the Ted Wragg Multi Academy Trust.

**Signed**

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

**(Chair of Trust)**

**Date: 25.09.19**



## **Appendix 1 – receipting of mileage claims**

- If you reclaim mileage from the Trust, we require you to provide VAT receipts to cover the fuel cost of your journey. This enables us to minimise the overall net cost to the Trust.
- The portion of the 45/25p mileage rate that is for fuel is deemed to be the current HMRC advisory fuel rates, which determine how much VAT we can reclaim. Indicative rates are below:

These rates apply from 1 June 2019. You can use the previous rates for up to 1 month from the date the new rates apply.

<b>Engine size</b>	<b>Petrol - amount per mile</b>	<b>LPG - amount per mile</b>
1400cc or less	12 pence	8 pence
1401cc to 2000cc	15 pence	9 pence
Over 2000cc	22 pence	14 pence

<b>Engine size</b>	<b>Diesel - amount per mile</b>
1600cc or less	10 pence
1601cc to 2000cc	12 pence
Over 2000cc	14 pence

- The fuel rate of your claim is less than the full mileage rate as the full rate includes a contribution towards the fixed costs of running your vehicle (road tax, insurance, wear and tear).
- So, if you have a 1400cc petrol engine, the fuel portion of the 45/25p mileage rate is 12 pence per mile. So for each mile travelled, we require a receipt covering 12p per mile. On a claim for 500 miles, we would need a receipt for £60 which would save us £10 through VAT reclaim.