

Expenses Policy

Introduction

This document defines the Education Fellowship Travel and Expense Policy for all employees of The Education Fellowship not permanently based within our schools.

These guidelines apply to employees who travel on trust business and/or incur academy expenses on behalf of The Education Fellowship.

Company Criteria

The Trusts policy is to reimburse its employees for actual, reasonable and proper Trust expenditures that are incurred while conducting authorised Trust business. Employees are expected to exercise good judgement and to ensure the expenditures are reasonable and necessary, in the best interest of the trust, Department of Education and HMRC guidelines. Only those expenses that are incurred, documented and approved in accordance with this policy are eligible for reimbursement.

When planning visits to schools, employees should exercise due diligence, to ensure best value is achieved in both time and travelling expenses incurred.

The Trust will not reimburse employees for purchases of goods or services undertaken by individuals; neither will The Trust reimburse the employee for expenses if they are extravagant or unrealistic or if they are insufficiently substantiated. To do this would expose The Trust and employee to potential tax liabilities.

The Trust will not reimburse employees for surcharges, fines, gratuities or penalties (for example parking fines, speeding tickets etc).

Where The Trust suspects that an employee has submitted a fraudulent claim a full investigation will be carried out, which could lead to formal disciplinary proceedings being invoked.

All expenses must be paid by the employee and their claim submitted to the Principal Finance Officer for reimbursement.

HMRC Criteria

Reimbursement of expenses is governed not only by this policy but also by current UK tax law. The tax implications of reimbursed expenses are particularly important in the treatment of subsistence and entertaining as these can have a significant effect upon the tax liabilities of both the Trust and the employee. It is therefore essential that these expenses are properly accounted for and correctly recorded.

Expense claims must be robust and able to withstand scrutiny by any person, at any time. All expenses claimed must be supported with receipts.

In general, the reimbursement of subsistence expenses is tax allowable to both The Trust and the employee. There is no requirement to report these amounts on the annual statutory return of expenses and benefits (Form P11D).

Entertainment expense is a different matter. HMRC rules concerning entertainment are very strict. An employee is not normally taxed on client entertaining if the expense was incurred in the course of performing the duties of employment. This rule applies even if the employee derives personal benefit and even if these benefits are not allowable as a tax-deductible expense to The Trust. However, in cases of lateral entertainment (staff in-house entertainment and meals where no customers are present); there may be a taxable benefit, in which case the claimant is subjected to tax on the reimbursement of these expenses.

Legitimate business expenses are not normally taxable to an employee even though they may be recorded as entertaining on the Employee Expense Claim form.

Travel & Expense Policy

Personal Cars

Employees may use their personal car for business purposes as long as they have the appropriate insurance (i.e. to include business mileage) and have filled in Driving Licence and Vehicle Insurance Declaration Form. If during the course of employment an employee incurs penalty points on their driving licence this must be reported including the reasons the penalty occurred.

When an employee must use his/her own vehicle to travel on trust business, The Trust will reimburse the employee at the rates as follows:

Current Inland Revenue Rates for Business mileage below:

	Up to 10,000 miles	Above 10,000 miles
Cars & Vans	45p per mile	25p per mile
Motorcycles	24p per mile	24p per mile
Cycles	20p per mile	20p per mile

The approved HMRC mileage rate covers the cost of running and maintaining the vehicle, such as fuel, oil, servicing, repairs, insurance, vehicle excise duty and MOT.

Trust employees whose working base is The Old Dairy will not be reimbursed for mileage incurred travelling to and from the office. In the event that an employee travels from home to an alternative work place, only additional mileage incurred may be claimed (i.e. normal home to office mileage should be deducted). If the alternative work place is closer to home than Fellowship House, business mileage may not be claimed. To be reimbursed for use of their personal car for academy, employees must provide on their Expense Form:

-  purpose of the trip
-  date and location
-  mileage claimed

Employees will not be reimbursed for any additional running costs of their personal car even if these costs result from the trust travel.

The Trusts accepts no liability for any accident, loss, damage or claim arising out of any journey that you make on trust business unless caused by out negligence. The trust will not pay for insurance policy upgrades required for you to use your own vehicle for work purposes.

Enterprise Rent-a-Car

The Trust has an account with Enterprise Rent-a-car. For employees where the work base is The Old Dairy, if your intended business travel is more than 200 miles you must use Enterprise. To book a Enterprise hire car go to the Visible Learning Website, download the booking form and send the completed form to the Finance Office at Education Fellowship. Booking

forms must be sent 48hrs before the business travel, under exceptionally circumstances this can be booked in 24hrs notice, however in emergency, use of personal cars over 101 miles can be authorised by COO.

Accommodation

The Trust has as a business account with a number of hotel chains, therefore these should be the first choice when booking hotel accommodation.

Hotel accommodation should be considered in the following order:

-  Travelodge
-  Premier Inn
-  Barton Hall, Kettering

Before booking Barton Hall this should be authorised by the COO.

All rooms should be under £100 (excluding Vat) per night including breakfast

If, due to location or lack of availability for a room, you need to exceed this budget the COO must approve this first.

Hotel Frequent Guest Programs

Many hotels have frequent guest programmes that reward employees with free accommodation in exchange for a given number of paid rooms at the hotel. Awards for such programmes may be retained by employees for personal use. However, participants in these programmes must not influence hotel selection, which would result in incremental cost beyond the trust's class of hotel policy. Any membership fees associated with joining these programmes are not reimbursable.

Staying with Friends

If you are able to make alternative arrangements for accommodation (i.e. staying with family or friends) instead of at a hotel you may offer them £30 maximum for your bed and breakfast. This must be documented on your expenses with their full name, address and a signed receipt.

Meals

Personal Meals

The Trust will reimburse employees for personal meal expenses incurred while travelling on business based on HMRC subsistence rates, which must be supported by a receipt,.

The expenses claimed must comply with HMRC regulations. The benchmark meal rates published by HMRC in April 2016 that will be used are as follows:

Minimum journey time	Maximum meal allowance
5 hours	£5
10 hours	£10
15 hours	£25

Where the £5 or £10 allowances are paid, a further allowance may be paid of up to £10 where a qualifying journey lasts beyond 8pm.

The qualifying conditions to be met are:

- The travel must be in the performance of any employee's duties or to a temporary workplace, on a journey that is not substantially ordinary commuting.
- The Employee must be absent from his normal place of work or home for a continuous period in excess of 5 or 10 hours
- The employee must incur a cost on a meal (i.e. food and drink) after starting the journey

Claims outside of these limits will need to be justified before they will be approved for reimbursement.

Meal rates in capital cities and several other destinations may be greater than the corporate standard. This will be taken into consideration when Expense Forms are submitted. The employee is asked to use discretion on their meal expenses when travelling to these destinations and as stated above all expenses claimed must be reasonable.

When two or more employees are travelling together, the senior Trust employee must pay for the meals of all employees in attendance. Expense Forms must detail all employees in attendance at group meals.

Working Lunches

In order to comply with HMRC rules, working lunches for staff members can only be claimed when lunch is consumed on trust premises, and considered light (i.e. sandwiches/crisps/biscuits/soft drink). It must also be taken in the place where the meeting is held (i.e. a break in the meeting).

Business Entertainment

Entertainment is defined to include any activity generally considered to constitute amusement or recreation having a Trust purpose and that includes a non- trust guest. Generally this covers entertaining at restaurants, theatres and places of a similar nature. Reimbursement of academy entertainment expenses incurred by employees is authorised only if the entertainment is reasonable in amount and directly contributes to the advancement of The Trusts. Reimbursement for entertainment must be properly documented with attendee names, location, academy purpose and have COO approval.

Lunch £25 per head (inclusive of all refreshments – no alcohol)

Dinner £50 per head (Inclusive of all refreshments – no alcohol)

These amounts are not allowances, but are the maximum amounts that can be claimed, including VAT for expenditure actually incurred.

Alcohol

The Trust will not reimburse for any alcohol purchased with meals or in relation to any other type of expenditure.

Other Reimbursable Expenses

Rail Travel

Employees who travel by rail are entitled to standard class rail travel. Where possible all bookings should be made in advance to ensure value for money. Where an employee makes their own rail travel arrangements, claims must be fully supported by receipts/tickets.

Taxis in the UK

Employees are expected to take public transport where feasible. Employees must obtain a receipt to verify taxi services and note on their expense form detail of the pick-up and drop-off points and business purpose.

Tips

In the UK we would not expect you to pay tips in excess of the service charge.

Parking

Parking fees incurred while on trust business will be reimbursed. It is the responsibility of the employee to pay for any fine incurred for infringement of parking regulations or other penalty whilst on academy trust business.

Books/Subscriptions

Books and subscriptions must be work-related and have been approved by COO before reimbursements will be processed.

Phone Calls

Employees will be reimbursed when using their personal mobile phones or residential telephone for academy phone calls that are reasonable and necessary for conducting business. A copy of the original bill must be attached to the Expense Form. The Trust will cover broadband rental/mobile data usage up to £30/month for conducting business.

Membership Fees

Reimbursement for the cost of one subscription each year to a Professional body which must be relevant to employee's job can be claimed. Approval for reimbursement via expenses must be given in advance of the claim.

Eye Tests and Glasses

Please see the Visual Display at Work policy.

International Travel

Air Travel

All air travel and related expenses must be approved in advance by COO. The Principal Finance Officer is responsible for checking that:

- 1) travel is justified and for a valid academy purpose
- 2) travelling individual's agenda is leveraged with multiple meetings so that the academy trust obtains maximum benefit from the expenditure
- 3) the academy trust is not sending more individuals than necessary on a trip

All air travel will be conducted on commercial airlines. For commercial air travel, the lowest applicable economy flights are the Trust standard. **The trust standard for air travel is Economy Class for all employees.**

Many airlines have Frequent Flyer programs that reward passengers with free miles in exchange for a given number of flights on the airline. Awards for such programs may be retained by employees for personal use. Any membership fees associated with joining these programs are not reimbursable. Employees may upgrade using their own Frequent Flyer mileage credits or by paying for the upgrade out of their own pocket. Upgrade coupons and Airline Club fees are not reimbursable.

Air Travel Payment Procedures

Airfare passenger ticket receipts (last coupon of your airline ticket) must accompany Expense Forms. If electronic tickets were issued, the pre-approval documentation must accompany Expense Forms (PO number or e-mail)

Travel to and from the airport

Employees are expected to use the most economical and reasonable travel modes available, and thus, are encouraged to use courtesy cars or airport shuttles rather than taxis or rental cars.

International Taxis

Where courtesy cars or shuttles are unavailable, a taxi may be an option. Employees must obtain a receipt to verify taxi services and note the pick-up and drop-off points and business purpose.

Airport Parking

Employees who drive and leave their vehicle at area airports are requested to park in airport long stay parking for extended travel. Extended travel is any trip of 3 days or more.

Visas and Inoculations

If a visa or inoculation is required for academy trust business, the cost of these items will be reimbursed.

Tips

All tips must be kept to a minimum to comply with local customs.

Expense Claiming Procedure

Submitting Expense Reports

Where possible, employees should submit expenses claims on a monthly basis.

This is necessary to ensure that appropriate budget monitoring is carried out as required by The Trust.

Employees should submit their reimbursement of expenses form to their line manager for authorisation. You are also required to attach a copy of your diary for the time period covered by your expenses.

All authorised signatures are subject for verification in line with above and against sample signatures attached to the signed copy of this policy.

All expenses are subject to additional spot checks by the Board of Trustees.

Reimbursement of Expenses

Reimbursement will normally be made within the next payroll run after submission of the approved claim. Reimbursement may be made by means of a BACS payment in appropriate circumstances e.g. a delay in reimbursement may cause the claimant a cash-flow difficulty.

False Claims

If the trust considers that any expenditure claimed was not legitimately incurred on behalf of the Company, it may request further details from you. The Trust will thoroughly investigate and check any expense claim as it sees fit. It may withhold payment where insufficient supporting documents have been provided. Where payment has been made to you prior to the discovery that the claim was not legitimate or correct, The Trust may deduct the value of that claim from your salary with notice and agreement as required.

Any abuse of the trust's expense policy will not be tolerated. This includes, but is not limited to:

-  False expenses claims;
-  Claims for expenses that were not legitimately incurred
-  Claims for personal gain

The Trust will consider disciplinary action where appropriate and, in certain circumstances, may treat a breach of this policy as gross misconduct, which may result in your summary dismissal. In addition, the trust may, if appropriate, report the matter to the police for investigation and criminal prosecution.

TEF Trustee Expenses

The Trustees expenses are all subject to scrutiny by their fellow Trustees. These expenses will be authorised by the CEO.

Receipts

With the exception of claims for business mileage, all claims for reimbursement must be substantiated and each expense must be clearly itemised. A receipt should always be obtained, where appropriate. Receipts must include the name of the vendor, location, date and currency amount.

All receipts must be attached.

-  The original receipted invoice is always required; a photocopy is not acceptable unless used to support a shared bill. The name of the employee holding the original receipt should be stated.
-  A charge/credit card receipt is not acceptable, by itself, as a receipt.
-  A cashed cheque is not, by itself, proof of expenditure. An itemised invoice from the supplier is required.

- 👉 The monthly statement from a national credit card company is not acceptable as proof of payment.

Other supporting items that may be required are detailed under the relevant subject heading. Supporting evidence of the amount and type of expense is essential to satisfy any enquiry from a client or the HMRC.

The Trust is able to reclaim the VAT portion of an invoice if a proper receipt is obtained. This amount is lost if it cannot be substantiated.

Evidence of an expense should therefore be in the form of a VAT invoice. This is identifiable by the inclusion on the form of:

- 👉 A VAT registration number
- 👉 The expression TAX POINT prior to the date

A VAT invoice may not always be automatically provided and therefore should be requested. It is not necessary to make a separate entry on the Employee Expense Claim form for the VAT included in payments.

If a receipt has been lost or stolen please send a written explanation as to why this has happened and seek approval to include the item in your expenses from the COO prior to submission.

All expenses should be reported on the TEF Expense Form. It is the responsibility of each Line Manager reviewing and approving Expense Reports to ensure that reported expenses are in accordance with established policies and properly documented. The Trust purpose for each trip or purchase must be clearly explained on each Expense Form. Reimbursement of expenses is subject to audit by our External Auditors.

Please secure receipts to a sheet of A4 before attaching to an *Expense Report*. Please DO NOT STAPLE loose receipts directly to the Expense Form.

All receipts should also be numbered to tally with the lines on the Expense Report.

International Travel Expense Form and Receipts

Employees should submit an Expense Form in GB£, showing the conversion rate for local currency, with appropriate receipts attached. The employee should use only one conversion rate per country, and provide receipts from currency conversions to support the conversion rate. The purchase of foreign

currency should be carefully planned to avoid the need for subsequent re-conversion to another currency with the accompanying bank charges.

The Principal Finance Officer has overall responsibility for the maintenance and operation of this policy. That person maintains a record of concerns raised and the outcomes and will report as necessary to board.