

Diocese of Arundel & Brighton

Expenses Policy – October 2013 amended Dec 2014

1 - Claiming Expenses

Introduction

This document sets out and codifies the Diocese of Arundel and Brighton's existing policy for expenditure incurred when employees are required to travel on Diocesan business or when incurring other business expenses in the course of their duties. This policy is also necessary to ensure all claims are compliant with the Tax and National Insurance Contributions (NIC) regulations and thus protect the Diocese from unnecessary liabilities accruing.

The policy and procedures contained in this document are designed to strike a balance between effective cost control and flexibility.

The Diocese will reimburse employees for all necessary and reasonable business expenses in accordance with this policy and the applicable Tax and NIC regulations. In turn, employees are expected to exercise good judgment when incurring business expenses and to follow the guidelines of this policy. If these guidelines are not followed individuals may be liable for income tax on any benefits provided and/or disciplinary action.

Scope

This policy covers all business related expenditure incurred by staff of the Diocese whilst travelling on business and other costs incurred in the performance of their duties.

The policy applies equally to expense claims, expenses incurred on credit cards, employee expenses paid through purchase ledger and petty cash claims.

2 - General Rules

Below are some general rules for making expense claims.

Who this policy applies to

The Diocese business expense policy applies to all staff.

Who can I claim for?

Employees can only claim their own expenses, unless they are a senior member of staff settling the bill for a group of Diocesan employees, or if the employee is the person responsible for organising a service or event for the benefit of other Diocesan employees. Claims should be checked and signed by the actual claimant.

What can go wrong?

Where an employee is asked to provide supporting documentation or extra information, please comply fully. It is needed not only for Diocesan internal controls, but also for tax purposes and getting it wrong may lead to delays in payment. Submit claims promptly.

An employee could sometimes be reimbursed in error. If an employee thinks that is the case please contact the Finance office for guidance on repaying the Diocese.

If an employee has a query which is not covered in this policy, please contact the Finance office.

Receipts

Employees need to send a paper copy of the claim to the Accountant in the Finance Office with the relevant receipts or other documents attached.

If an employee does not have the necessary receipts or documentation include a written explanation from the relevant authoriser (who will be contacted in the event of a query).

Approval

It is the employee's responsibility to ensure that the relevant manager will confirm authorisation for each item in a claim. The employee may ultimately be personally liable for expenses not subsequently approved.

How much, how often?

Avoid making multiple and low value claims.

When to make your claim

Submit the expense claim to the Diocesan Finance Office before close of business every 20th of the month to ensure payment with the salary in the monthly payroll. In December please submit any expense claim by the 15th. Expenses submitted after these dates will be paid the following month.

Payment

The Diocese will reimburse expenses through the payroll process, or other means as appropriate.

3 - Expenses the Diocese will reimburse

Providing the journey is a business journey (see guidance below) the employee may claim the following:

Car Rental

The Diocese will reimburse reasonable car rental costs where a hire car is required to travel on business journeys only. **Prior approval from a senior manager must be obtained.** In instances where a hired car is required for a number of days any private travel in the vehicle during the evening or at weekends is expressly prohibited. Incidental private use of a hire vehicle may be permitted, e.g. stopping at home to collect papers on route to a client meeting, providing any mileage involved in making any diversion is less than five miles.

Employees wishing to extend their car hire periods to cover additional days when no longer on Diocesan business, should note that they will not be reimbursed by the Diocese for the additional hire fees and that they will not be covered by Diocesan insurance policies.

Employees will be asked to produce their driver's licence (ID card and paper) when collecting a hire car.

Employees are encouraged to refuel hire cars prior to returning them. This practice can save a significant amount of the total fuel cost.

Personal Cars – Employees using their own cars

Employees are always expected to use public transport where this is the cheaper option.

Employees who use their personal cars when travelling on Diocesan business will receive reimbursement in accordance with the HMRC mileage rates outlined below:-

	First 10,000 business miles	Over 10,000 business miles
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

The above rates are intended to cover all running costs associated with the use of employees' personal cars on Diocesan business and no other business expenses, e.g. car wash, fuel and oil etc. will be reimbursed by The Diocese in this regard.

Employees are responsible for ensuring that their motor insurance policy covers them for business use, this extension to the insurance cover may result in additional cost which will not be reimbursed by the Diocese. The Diocese accepts no responsibility whatsoever for any claims arising, but will require confirmation that adequate cover is in place and a copy of the relevant insurance certificate. Employees must ensure that their cars are roadworthy, have a valid MOT certificate and that the driver holds a valid UK driving licence and are not disqualified from driving. **In all cases, detailed business mileage records must be kept to substantiate any mileage claims.**

Air Travel

Employees are expected to accept the lowest available airfare as determined by the supplier for the class of travel to which they are eligible. **Prior approval from a senior manager must be obtained.**

Excess baggage charges will only be reimbursed if the employee is required to carry substantial business material. **In all cases, receipts or tickets must be attached to the expense claim form and details of the destination and reasons for the journey must be reported.**

Rail/Ferry Travel

Employees are expected to travel at the lowest available fare i.e. within Standard Class. This includes Le Shuttle and Eurostar services. Diocese will pay train costs based on the lower fare of either the actual cost from permanent workplace to temporary workplace or home to temporary workplace. In the case of a claim from home to temporary workplace, the employee needs to provide proof that it is the cheaper alternative. **In all cases, receipts or tickets must be attached to the expense claim form and details of the destination and reason for the journey must be reported.**

Ground Transportation

Employees are encouraged to use the most cost effective service available. Airport Shuttle and hotel courtesy coaches are usually the most cost effective services available and should be used where practical.

Taxi charges will only be reimbursed where alternatives are not available or impractical. Receipts should be obtained for all expense claims. **In all cases, receipts or tickets must be attached to the expense claim form and details of the destination and reason for the journey must be reported.**

Parking

Employees will be reimbursed for actual parking charges in association with business travel, i.e. station/airport, town etc.

Long term or Off-Airport parking must be used for journeys expected to exceed one night's stay if more cost efficient ground transportation is not available. **In all cases, receipt or tickets must be attached to the expense claim form and details of the destination and reason for the journey must be reported.**

Toll Fees

Toll fees will be reimbursed subject to the travel qualifying as a 'business journey'. **The date of travel, the destination and the reason for the journey must be shown on the expense claim form.**

Inner London Congestion Charge

The congestion charge will only be reimbursed in respect of qualifying business journeys into the charging zone. **In all cases, full details of the organisation visited, its location and the reason for the visit must be noted on the expense claim form.**

Oyster Card top ups

Oyster card top-ups will only be reimbursed on employee held Oyster cards where claims are supported by an itemised business journey history. No claims will be reimbursed against Oyster card top up receipts as these do not evidence an expense, they are merely a credit to a card.

Travel Abroad

Claims that arise from travel abroad must be converted into sterling showing the exchange rate and the sterling equivalent on each receipt.

Business Entertainment

Employees will be reimbursed for expenses related to entertaining non-Diocesan personnel if the entertainment meets one or more of the following criteria and has been approved in advance by the most senior manager:-

- The entertainment is directly related to the active conduct of Diocesan business.
- The entertainment is directly preceded or followed by a substantial and bona fide business discussion (including business meetings at a conference or similar) and is associated with the active conduct of Diocesan business.
- The entertainment consists of a business meal or event in a place conducive to a business discussion where the other persons present are engaged in a business discussion or activity and have a relationship to Diocesan business.

A full explanation of entertainment expenses should be documented on the expense claim form and substantiated by original receipts. **In all cases, names of all the attendees (Diocese and non-diocese staff) and a full description of the business reason for the entertainment must be provided. In all cases, prior approval from a senior manager must be obtained.**

Staff entertainment

There is no occasion where a staff social or team meeting needs to be held in an outside venue rather than in either a Diocesan or parish property. The general policy is the Diocese will not pay these expenses.

Meal and drink costs at a staff only event represent a taxable benefit in kind, unless incurred while travelling on business, which may be reportable at the end of the tax year on your form P11D.

Should any staff entertainment costs be incurred the following details are required on each claim:-

- Names of all Diocese staff attending the event
- Full description of the reason for the entertainment]

Accommodation, Meals and Subsistence

Hotels and other accommodation costs may only be claimed at/near a temporary workplace and not near a permanent workplace or the employee's home.

Staff should stay in standard rooms (single occupancy), in a reasonable quality hotel. For this purpose the Diocese regards 'reasonable' as being typically Travelodge/Premier Inn class hotels.

Where a stay in a different category hotel is necessary, prior agreement should be obtained from the most senior management in your department.

Diocesan employees may reclaim the actual cost of reasonably priced meals upon production of a receipt. Alcohol is excluded. The Diocese considers the following cost levels as 'reasonable':-

Breakfast - up to £15
Lunch - up to £20
Evening meal - up to £30

All claims must be supported by original receipts and the date, location and reason for the journey must be reported on the expense claim form.

Meals provided by the Diocese to staff and visitors in the staff dining room are not a taxable benefit.

Overseas Accommodation, Meals and Subsistence

Employees required to travel and stay overseas temporarily on behalf of the Diocese may, again, claim reimbursement for the actual costs incurred, supported by receipts, in relation to meal and accommodation costs.

Relocation

Employees who relocate at the Diocese' request may claim reimbursement for certain qualifying expenditure relative to moving if approved in advance by the Diocese.

Home Telephones and Mobile Telephones

Where an employee is required to use their home telephone the Diocese will reimburse the full cost (including VAT) of business calls only. Where an employee is required to use their private mobile phone for business calls the Diocese will reimburse business call charges in excess of their monthly mobile phone tariffs. Mobile phone top-ups are only reimbursable for Diocesan owned phones; the claim form must state that the phone is a Diocesan phone. The Diocese will not pay for personal mobile phone contracts.

Claims must be supported by:-

- The front page of the telephone bill showing any VAT included
- All business calls highlighted on supporting pages

Mobile telephones are provided by the Diocese to those employees whose jobs require them to have one. Personal calls from these phones should be kept to a minimum. The Diocese reserves the right to reclaim the cost of private calls made from these phones. Only the Vicar General has authority to grant permission for an employee to have a Diocesan mobile phone arranged through the Diocesan Finance Office.

Where creation of a secondary line in the home is part of contractual requirements and required only for work purposes, the costs may be reclaimed through expenses. This arrangement must be agreed by a director in advance of any expenses being incurred.

Miscellaneous Business Expenses

Employees may reclaim the cost of miscellaneous expenditure such as books, equipment purchases for the Diocese, printing, stationery, postage, food etc. via the expense claim system. In all cases receipts must be attached. Prior approval must be obtained from a senior manager for all purchases in excess of £20.

Eye Tests/Glasses

The Diocese recognises its obligations under the Display Screen Equipment (DSE) Regulations 1992(Amended 2002). The Diocese will contribute £25 towards the cost of an eye test conducted by a suitably qualified optician if display screen equipment is used for a significant part of the working day. Please complete the DSE form (see attached) and submit to your manager before arranging the test. The second part of the form should be completed by the optician.

If the test reveals that spectacles are required for exclusively DSE work at the permanent place of work, the Diocese will contribute £75 towards the cost of basic spectacles. This policy does not apply to contact lenses.

The Diocese 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 within the office.

4 - Expenses Claim Procedures

General

Employees are responsible for submitting travel related expense claims in accordance with the expense claims process.

The Diocese aims to reimburse all necessary and reasonable business expenses that comply with this policy and HMRC's Tax and NIC regulations. The prompt submission of expense claims is required to ensure that financial records can be closed on a timely and accurate basis and to allow sufficient time for the claim to be audited.

Each employee is responsible for the proper expenditure of Diocesan funds and for submitting expense claims covering the expenditure. Claims must be submitted for approval within 30 days following the conclusion of travel or date of the expenditure. Any expenditure not specifically covered by this policy must be authorised in advance by the relevant Senior Manager.

Expense Form

Each form must contain the following information:-

- Employee name Person submitting the claim. Printed name and signature.
- Authorisation Person authorising the claim – see below.

A full supporting narrative must be recorded on the expense claim form in respect of all items of expenditure. Typically this will include the date, location and/or destination, who visited, and the business reason for the journey or the expenditure.

Other information to be completed when relevant:-

- Business entertainment Customer details and the names of all Diocesan employees attending must be noted on the expense claim form, together with a full description of the business reason for the entertaining.

- Staff entertainment

The names of all Diocesan employees attending must be noted on the expense claim form, together with a full description of the business reason for the entertaining. But note policy in 3.
- Expenditure outside the scope of the policy

Advanced approval must be obtained from your Senior manager with full details of the expense and the reason the expense was incurred.

Receipts

A VAT receipt must be attached to all claims, the only exception to this rule being claims for parking meter expenditure and toll charges. Any claims employee wish to make without a VAT receipt must be referred to your Senior Manager. All receipts should be stapled to the expense claim form (or included in an envelope attached to the expense claim) in the same order in which they appear on the form.

Currency Claims

Claims for expenditure in a foreign currency should be completed in the local currency and the exchange rate received. A separate form should be completed for each currency unless evidence of the exchange rate stated is provided.

Evidence of the exchange rate applied when any foreign currency is purchased should also be shown, since the same rate should be used when any unused currency is changed back into Sterling.

Authorisation

It is the employee's responsibility to ensure that their claim is correctly authorised. If authorisation has been delegated due to absence, this should be indicated on the form. It is the manager's responsibility to ensure that all expenditure has been properly claimed, evidenced and documented.

The Accountant is responsible for checking that the expense claim forms are correctly authorised and tax compliant. The Accountant will not process incorrect expense claims.

Returned Expense Claim Forms

On some occasions, the expense claim form may have to be returned to the claimant. Some possible reasons for return:-

- Insufficient authorisation
- No receipts for claimed amounts
- Multiple currencies on one form
- Insufficient information supplied for miscellaneous and business entertaining expenditure
- Expense claim form not signed
- Expenses claimed not allowed within the definitions in this policy
- Incomplete travel details

5 - HMRC's Travel and Subsistence Rules

The principle on which the rules operate is that 'allowable' business journeys and expenses attract tax relief so that they are not taxed. Where tax relief is not available, any amounts paid are subject to tax. The NIC treatment broadly follows the tax treatment.

Any non-compliance with HMRC's rules, the consequences may be:-

- The employee may have to pay more tax than they should;
- The Diocese may incur tax and penalties that could have been avoided.

It is in the employee's interest to keep records of business journeys to enable them to substantiate claims and complete tax returns. For Self-Assessment purposes, records must be retained for at least three years.

Home

Where the employee lives – the place from which journeys start. It may also be another place, which is not a workplace, e.g. a friend or relative's home, if the journey starts there.

Allowable Business Journey

For tax and NIC purposes, an allowable business journey is one for which there is a 'genuine business reason or purpose'. They include journeys which have to be made to and from places that have to be attended in the performance of employment duties, provided the journey is not 'ordinary commuting' i.e. the journey between home and a permanent workplace. A journey between two locations that are defined as being 'permanent' or 'temporary' workplaces is normally allowable.

Permanent Workplace (PW)

This is a place regularly attended for the performance of employment duties. The definition includes somewhere attended frequently or where attendance follows a pattern.

Temporary Workplace (TW)

This is a place travelled to where a task is performed of limited duration or for a temporary purpose. Examples of such tasks include visiting a parish or school to attend a meeting. Even if a workplace is attended regularly, it will still be classed as a temporary workplace if the employee attends to perform a task of limited duration or other temporary purpose. There is no limitation on the number of temporary workplaces an individual may have.

There is another test which must be met as well – if the employee spends 40% or more of his /her time at a temporary workplace for a period of 24 months or more the workplace cannot be a temporary workplace.

If an employee regularly attends a temporary workplace for more than 40% of their time for up to 24 months, employee may still be eligible to claim tax relief. Seek further advice.

Ordinary Commuting Journey (or 'home to work' travel)

This term refers to any travel between a permanent workplace and home, or any other place that is not a workplace, for example, a relative's home.

No claim can be made for ordinary commuting journeys, even if undertaken at weekends or outside of your normal working hours.

Reimbursement Rule

When an employee travels from home to a temporary workplace (and/or return), the employee may claim the lesser mileage of the journey between home and the temporary workplace or between the permanent workplace and the temporary workplace.

For travel direct from home to a temporary workplace (and/or return), the mileage claimable is the total distance travelled provided the journey is not 'substantially similar to ordinary commuting' – see the 'Non Business Journeys' section.

Journeys between two temporary and/or permanent workplaces are usually allowable in full.

Non-business Journeys

Any journey between home and your permanent workplace

No claim should be made as this is an ordinary commuting journey, for which no tax relief is available. Similarly, no claim can be made for any additional journeys between home and the permanent workplace, for example, at weekends or outside of your normal working hours.

The employee will not be considered to be home based if they have a permanent workplace and the normal rules will apply.

Any journey for which there is not a genuine business reason

Whilst at a temporary workplace, employee may decide to make a private journey, for example, visit a local supermarket during a lunch break. As the journey to the supermarket does not have a genuine business reason, that mileage must be excluded from your expense claim. Similarly, employee may decide to visit a relative on the way home from a temporary workplace. Any extra mileage incurred in making diversions for personal purposes whilst on business journeys must not be claimed.

Journeys that are 'substantially' similar to ordinary commuting journeys

Tax relief is not given for journeys between home and temporary workplaces, which are near to the permanent workplace i.e. where the journey is 'substantially' the same as the ordinary commuting journey. As a rule of thumb HMRC regard a journey as being 'substantially the same' if it follows a similar route and the extra travel is less than 10 miles each way. It therefore follows that a temporary workplace must be at least 10 miles away from a permanent workplace for the journey to qualify as a business journey.

6 - Expense Claim Forms

The Diocese has a standard expense claim form which should be used on all occasions.

Copy of expense claim form enclosed.

Display Screen Equipment Form and Eyesight Tests

Copy of application form enclosed

EXPENSES CLAIM FORM

DIOCESE OF ARUNDEL AND BRIGHTON
Finance Office, Bishop's House, The Upper Drive, Hove, East Sussex, BN3 6NB

NAME: **MONTH:** **YEAR:**

DEPARTMENT:

Claims must be submitted to Finance Office by 20th of each month. £

Private car business mileage (details on reverse) This claim:
..... miles at 45 p/m (under 10,000)miles at 25 p/m (over 10,000)

Car Park Costs (where, who visited, purpose)

Public Transport (including air travel):

Date	From	To	Who visited	Purpose	Cost

Total

Meals/Accommodation: (where, who visited, purpose)

Postage:

Stationery:

Resources:

Conference attendance/training:

Equipment:

Miscellaneous (give full details):

TOTAL CLAIM

I confirm the accuracy of the claim for expenses incurred solely on Diocesan business

Signed: **Date:**

Authorised: **Date:**

Details of expenses should be given in space provided. All receipts must be attached.

Diocese of Arundel and Brighton

Display Screen Equipment and Eyesight Tests

Sections to be filled in by:

- Section A – Staff member
- Section B – Line Manager
- Section C – Optician

Section A – Staff member application

Name:

Staff number: Date:

I write to apply for an eye sight test under the Display Screen Equipment Regulations 1992 (amended 2002).

Where the eye examination shows that glasses are needed specifically for DSE work, I understand the Diocese will:

- Contribute up to £25 towards the eye sight test fee,
- contribute up to £75 towards the basic prescription cost of the lenses and frames

Signed:

Date:

NB - If I choose to select more expensive glasses (e.g. tinted or coated lenses or designer frames other than the basic), I am responsible for the additional costs.

Section B – Line Manager's authorisation

I confirm that
is a Display Screen Equipment user entitled to the benefits described above if prescribed.

Manager's name:

Signed:

Date:

Section C – To the optician

Please examine, advise and, if necessary, prescribe and dispense for the above named person in accordance with the requirements of the Health and Safety (Display Screen Equipment) Regulations 1992 (amended 2002). Please indicate below which elements of the costs are solely attributable to the client's requirement for a special correction according to those Regulations.

Opticians name:

In confidence to Mr/Mrs/Miss/Ms:

I examined you on and advised you that you (please tick):

- Need corrective lenses specifically for DSE work
- Do not need corrective lenses specifically for DSE work

	Cost	Comment
Eye sight test fee	£ -	
Lenses	£ -	
Frames	£ -	
Review date		

Optician's signature:

Date:

Optician's stamp:

Note for Staff: Reclaiming Your Expenses

- The comment boxes must be filled in by the optician detailing what is specifically required for DSE work.
- This form must be signed, dated and stamped by the Optician.
- Once all information has been obtained with necessary signatures etc, send a copy of this form for expenses authorisation to your line manager.

- Failure to do any of the above could result in non-payment of your Expenses claim -