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Expenses

Policy & Procedure



Finance & Procurement

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TRAVEL, ACCOMMODATION, SUBSISTENCE & HOSPITALITY EXPENSES

1. INTRODUCTION

This policy applies to all employees of Edinburgh College and details entitlement to claim expenses when costs are incurred by employees as a direct result of work performed on behalf of the College.

In line with the College's commitment to environmental sustainability employees are encouraged to minimise the environmental impact of their journeys by using online communications such as Skype for Business by limiting journeys, car sharing, travelling by public transport and using the College's electric vehicles.

2. PURPOSE

The purpose of this policy is to detail the provisions for reimbursing employees for additional costs incurred as a result of performing their duties. It is important that employees are not out of pocket when they are required to travel as part of their job; that they feel safe when staying away from home and that the College protects public money by ensuring that only actual costs incurred are reimbursed.

Rates may be subject to revision at any time, but they will usually be reviewed annually.

3. FUNDAMENTAL TRAVEL PRINCIPLES

- 3.1 Employees are responsible for claiming the costs incurred on business travel using the expenses system. They must ensure they only claim actual costs incurred. Their manager may also challenge employees where it may have been more appropriate to use public transport or other more cost-efficient means of travel.
- 3.2 The College will reimburse reasonable expenses necessarily incurred by employees whilst on College business and who have obtained prior approval from their line manager (and the applicable budget holder as appropriate).
- 3.3 The College may refuse to allow employees to travel on College business if the College considers that travel arrangements are not to an acceptable degree of comfort or safety, or if costs are excessive.

- 34 Employees should ensure that all travel and accommodation is agreed in advance with their line manager and the applicable budget holder as appropriate. This will ensure that the College is not committed to spend before line manager approval is given, and will ensure that expenditure incurred personally will be reimbursed. Foreign travel must be approved in advance by the Head of Faculty/Department.
- 35 Employees are required to travel by the most economical means practicable and to reduce their travel to a minimum level that is consistent with the efficient performance of their duties.
- 36 All authorised claims, which are processed by the College, are accepted in good faith on the understanding that the claimant is making a true and accurate claim. Making any false claim including the alteration or adaption of supporting documents would constitute an offence under the Fraud Act and could result in disciplinary action and/or civil recovery and prosecution in line with the College's Disciplinary Policy and Procedure.

4. COLLEGE APPROVED SUPPLIER FOR TRAVEL AND ACCOMMODATION

- 4.1 The College has contracted suppliers for travel and accommodation. They are contracted following a procurement exercise to achieve value for money, complying with legal obligations and maintaining highest ethical standards. Bookings can be made using the College ordering system PECOS. The contractors provide travel and accommodation and can arrange group student travel.
- 4.2 Departments and Faculties across the College (e.g. the International team) should contact the Colleges' Procurement team to ensure that booking travel arrangements are aligned to the College's approved procurement processes including securing best value and safety measures (e.g. following international safety regulations).
- 4.3 Staff should contact their Centre/Department Administrator to arrange general business travel or accommodation, or the Organisational Development (OD) team for expenses related to approved development activities.
- 4.4 **For general business travel:**

When authorised, the Centre/Department will contact the contractor for a quote

for the cost, ensuring best value travel arrangements is obtained. If the quote from the contractor is in line with the prior authorisation, the Centre/Department should raise a purchase order (PO) in PECOS, based on the cost, but also include::

- a. The name of the traveller and the travel itinerary and accommodation details.
- b. The appropriate cost code and cost centre as advised by the budget holder.
- c. The pre-authorisation email from the relevant line manager/budget holder to be attached to the order.

4.4.2 The PO is approved and the contractor is sent the PO via PECOS.

4.4.3 The chosen contractor will confirm the booking arrangements after receiving the PO and the Centre/Department Administrator should then receipt the PO in PECOS (POs are receipted before travel so that invoices can be matched and paid per payment terms. In the event of the arrangements being cancelled or rescheduled, the contractor will issue a credit note to be set-off against the invoice).

4.4.4 Invoices should be sent directly to the Finance team for processing and payment. If the final invoice exceeds the original PO amount, additional authorisation might be required in the Agresso finance system approval process.

4.5 For staff development related travel:

4.5.1 An employee should apply to the Organisational Development (OD) team for confirmation of their training requirements. If approved their travel requirements will be paid.

4.5.2 The OD team will raise a purchase order per travel details on PECOS based on the estimated travel costs.

5. EXPENSE CLAIMS

5.1 Expense claim forms for employees should be completed on iTrent within two months of the expenditure being incurred.

5.1.1 Following completion, the form will be submitted to the authorised manager for approval.

- 5.1.2 Authorising managers are responsible for checking compliance and ensuring that receipts are attached to expense claim forms.
- 5.2 Expenses claimed by Board of Management Members should be detailed on an Expense Claim Form. The form should be completed electronically and then printed for signature.
- 5.2.1 The Chair of the Board of Management is responsible for authorising the expenses claimed by the Principal and members of the Board of Management. The Principal is responsible for authorising the expenses claimed by the Executive team. Claims for travel by the Chair of the Board of Management should be approved by the Chair of the Remuneration Committee, on behalf of the Board of Management.
- 5.3 For foreign trips, claims should be submitted in £ Sterling, with the base currency and relevant exchange rate used noted on the claim. The rate used may be based on actual rates experienced at exchange bureaus or when using a credit card, or on the rate in force at the time of spend based on an online currency converter e.g. Oanda <http://www.oanda.com/currency/converter/>. A separate claim form should be used for each foreign trip.
- 5.4 When making foreign purchases on a payment card, if given the option employees should not select the option of paying in £ Sterling. The rate will be set by the retailer's own bank, which will almost always be more expensive than the exchange rate offered by the card issuer. So employees should always pay in local currency.
- 5.5 Expenditure must be evidenced with a valid receipt, which should be attached to the claim form. Without receipts, forms may be rejected and will not be processed. In certain circumstances receipts will not be available (e.g. parking meters without tickets) and in these circumstances additional details should be added to the form.
- 5.6 Where a valid UK VAT receipt is available, the expense and related VAT must be separately entered on the claim for expenditure.
- 5.6.1 For foreign travel, VAT or other sales taxes on non-UK invoices is not reclaimable so should not be shown separately from the expense.

5.6.2 Generally, a VAT receipt will show the supplier name, VAT registration number and the receipt total split between the expense and VAT.

5.6.3 Where a receipt shows the VAT registration number of a supplier, but does not split the receipt between the expense and VAT (often the case with restaurants), this can still be regarded as a valid VAT receipt for spend up to £250. The expense and related VAT should be shown separately on the claim form. For spend over £250, suppliers require a specific dispensation from HMRC to not show VAT separately on the receipt.

5.6.4 Expense claims should be submitted within two months of the expense being incurred, otherwise payment will be at the discretion of the Head of Finance.

6. PERSONAL CAR USAGE AND MILEAGE CLAIMS

Employees have a College site base for the purposes of claiming travel expenses, as stated in their Written Statement of Particulars of Employment.

Senior Managers (Heads of Faculty/Department and above) are required to work at any College site, therefore, travel between College campuses cannot be claimed.

Employees who do not have a College campus base stated in their Written Statement of Particulars of Employment should agree their base campus with their line manager. This will be based on the campus they attend most frequently.

Employees may not claim for normal home to work travel. This does not apply where an employee is attending work whilst on call or on a non-working day.

Where employees need to travel to another College site they may claim travel expenses.

All employees are expected to use public transport or College vehicles when travelling to meetings in other locations before using their car, where it is feasible/practicable to do so. Employees should consider using College electric cars wherever possible. This can be done following the link [Electric car booking](#).

Employees should agree arrangements with their line manager in advance of travel.

6.1 Mileage can be claimed as follows:

6.1.1 Inter Campus Travel

- a. Travel to another College site by private car or van will qualify for the higher 45p rate per mile.
- b. If an employee travels to another College site other than their main campus and then goes straight home at the end of the day (instead of returning to their main campus) they should claim the additional mileage incurred if it is more than their usual mileage home from their main campus.

Examples:

- Jim's main campus is Sighthill, but he has a meeting at Granton. Jim travels from Sighthill to Granton for the meeting and back again to Sighthill (before travelling home at night). Jim can claim the mileage from Sighthill to Granton and back again.
- If Jim travels from Sighthill to Granton then goes straight home from Granton, he can only claim any additional mileage he has incurred on top of the usual mileage he incurs travelling from Sighthill to home. i.e. Jim usually travels 5 miles from Sighthill to get home, but travelling from Granton to home is 7 miles, so Jim can claim the difference of 2 miles.
- These travel expense claims will be at the lower rate per mile.

6.1.2 Business Travel

- a. If an employee travels directly from home to a business location and then goes straight home at the end of the day (instead of returning to their main campus) they should claim the additional mileage incurred if it is more than their usual mileage from home to their main campus.
- b. For return journeys to a business location and back; the full mileage can be claimed. If the employee travels directly home from the business location then they should claim the additional mileage incurred if it is more than their usual mileage home from their main campus. This travel expense will be at the higher rate per mile.

6.1.3 Temporary Workplace (campus or non-college location)

- a. For travel to and from a temporary workplace. If an employee performs work of limited duration or for a temporary purpose, they should seek guidance

from their line manager if there is any uncertainty in relation to their entitlement to travel expenses.

Employees must keep an accurate note and record of their business mileage on the appropriate claim form, to ensure that business mileage incurred is reimbursed at the correct rate. Mileage rates are detailed below.

Mileage will be reimbursed for business use of private cars or vans, motor cycles and bicycles. Miles claimed for cars or vans in excess of the upper mileage limit of 10,000 miles in any one financial year (1st April to 31st March) will be reimbursed at the restricted rate of 25p per business mile, as prescribed by HMRC.

Mileage rates are:

- a. Private Cars or Vans - higher rate - 45p per business mile
- b. Private cars or vans – restricted rate – 25p per business mile.
- c. Motor Cycles – 24p per business mile
- d. Bicycles – 20p per business mile

62 A record of mileage claimed in the tax year (1 April to 31 March) will be held on iTrent.

63 Employees may use their private car or van for business purposes:

- a. If it is less expensive than taking a taxi, train or alternative transport
- b. When transporting College goods for delivery
- c. When the use of public transport is not practicable, and use has been agreed with your line manager.

64 Insurance

Employees using their cars for business trips must have their own insurance covering business travel. Most private car insurance policies do not routinely cover business travel, therefore employees using their own car for business travel must ensure that their car insurance policy covers all aspects of business travel.

Edinburgh College does not provide motor insurance for employees who regularly use their private car or van on College business. Employees should contact their insurance provider to ensure that they have insurance for business mileage if they are using their car for business travel.

Any additional costs incurred as a result of including business travel on an employee's insurance cover is the employee's responsibility and will not be reimbursed by the College.

- 6.5 The mileage allowance is paid for the use of private transport only. Petrol costs incurred while using a College or hire vehicle should be reclaimed based on the actual petrol receipts by completing the online claim form. The petrol receipt should be attached to the claim.
- 6.6 If more than one employee is attending the same event, every effort should be made to share transport.
- 6.7 Members of staff will not be reimbursed for any repairs to their personal vehicle even if those costs result from business travel, nor will they under any circumstances be reimbursed for parking or speeding fines.
- 6.8 Excess Mileage (which excludes home to work and work to home mileage) can be claimed for travel between College sites per (rounded) distances below. If additional miles are travelled due to significant road works or other conditions that prevent the use of the prescribed optimum route, a higher mileage may be claimed if authorised by the employee's line manager.

From: To:	Milton Road	Midlothian	Granton	Sighthill
Milton Road		7.0	7.0	15.0
Midlothian	7.0		13.0	12.0
Granton	7.0	13.0		6.0
Sighthill	15.0	12.0	6.0	

7. OVERNIGHT ACCOMMODATION

- 7.1 Employees should, whenever possible, book overnight accommodation in advance with Key Travel (via a Purchase Order). In exceptional circumstances an employee may have to book accommodation at short notice and this should be approved and reimbursed through the online expenses claim form.
- 7.2 Employees who have additional expenses from the accommodation supplier (e.g. hotel, guest house) for subsistence can claim back on the online expense claim form.

8. TAXIS

- 8.1 Taxis should only be used in exceptional circumstances for business purposes. Use of taxis should be approved by the employee's line manager.
- 8.2 Edinburgh College has a contract with a taxi provider. Each College department or faculty has a nominated person responsible for booking taxis (who has an order code and password for their Department/Faculty).
- 8.3 To book a taxi, employees should contact their Department/Faculty's responsible person (with their requirements including the pick-up location, drop off location, pick up time, passenger name, and Department/Faculty).

9. AIR TRAVEL

- 9.1 The College's procurement policy ensures the sustained integrity of procurement processes. The Colleges' approved supplier for air travel is Key Travel. All air travel must be in economy class except in the following circumstances:
- a. When employees have a particular requirement for additional space, but which might be at the employee's expense.
 - b. When it does not cost more than the lowest available economy fare.
 - c. The cost of upgrade is met directly by the employee.
- 9.2 International Stopovers/Forced Layovers:
- a. Hotel accommodation for forced international stopovers due to scheduling should be at the carrier's expense whenever possible.

- b. If the carrier will not absorb the hotel cost due to a forced international layover, the cost will be met by the College.

93 Airline Lounges:

- a. The College will not reimburse any costs incurred by employees accessing any airline or airport lounges unless a flight has been delayed for a minimum of six hours;
- b. This concession applies only to international travel, and employees traveling on domestic flights will not be able to reclaim costs of airport lounges regardless of any delays.

94 Lost/Stolen Items and Excess Baggage:

9.4.1 The ultimate responsibility for retrieving and compensating lost baggage lies with the airlines;

9.4.2 Measures that can be taken to minimise baggage losses include the following:

- a. Always carry valuables on board the aircraft;
- b. Always carry important and/or confidential documents/ items on board the aircraft;
- c. Clearly tag luggage with name, address and phone number;
- d. Retain baggage receipts for check-in luggage.

9.4.3 Follow these procedures if your bags are lost en route:

- a. Obtain a lost luggage report from an airline representative in the baggage claim area;
- b. Itemise the contents of your bag, including receipts wherever possible;
- c. Include a copy of your airline ticket and baggage claim stubs;
- d. Keep a copy of the report, airline ticket and claim stubs.

9.4.4 The College's insurance may reimburse travellers for personal items lost or stolen while travelling on business but only for legitimate claims and only if thefts/losses have been reported to the appropriate authority.

9.4.5 Excess Baggage - employees will only be reimbursed for excess baggage charges in the following circumstances:

- a. When travelling with heavy or bulky materials or equipment necessary for College business;
- b. The excess baggage consists of College records or property;
- c. When travelling for more than 14 days.

10. RAIL TRAVEL

10.1 UK rail travel should be used:

- a. When it is less expensive than air travel;
- b. As an alternative to private car or van usage.

10.2 Domestic rail travel should always be booked in standard class. First class may be utilised only when:

- a. An upgrade is at no extra cost, or;
- b. An upgrade is arranged at the employee's own expense.

11. MEALS, SUBSISTENCE AND INCIDENTAL COSTS

11.1 Personal meals are defined as meal expenses incurred by an employee when dining on an out of Edinburgh College business trip.

11.2 Meals will only be reimbursed for:

- a. Breakfast if an overnight stay is required;
- b. Dinner if an overnight stay is required.

11.3 Employees will be reimbursed according to actual and reasonable cost. In general meals receipts must be provided.

11.4 Incidental expenses, including phone calls, should not exceed the HMRC set daily limit when members of staff stay away from home for at least one night during an allowed business trip. Receipts must be provided.

11.5 Current maximum reimbursement rates are (except for foreign travel where rates are approved depending on the applicable country):

- a. Breakfast - £10 per day
- b. Lunch - £12 per day
- c. Dinner - £20 per day
- d. Incidental expenses - £5 in UK and £10 abroad per day

- 11.6** Alcohol – the cost of alcoholic drinks will not be reimbursed, and should not be claimed.
- 11.7** Tipping – tips should be no more than 10%. Any tips considered excessive will not be reimbursed.

12. PERSONAL COSTS INCURRED

- 12.1** Combining personal with business travel:
- a. Personal/vacation travel may be combined with business travel with prior agreement from a line manager prior to undertaking;
 - b. Employees are be responsible for the cost difference between reimbursable costs and total costs;
 - c. Employees must ensure that they are fully insured for the personal element of the trip;
 - d. The College will not reimburse travel and entertainment expense incurred by a spouse or other individual accompanying an employee on business.
- 12.2** The College will not pay for vacation expenses such as sight-seeing, bus tours, souvenirs, or personal expenses such as videos, movies, health club fees etc.
- 12.3** Personal use of the College credit card during vacation is not permitted, except in exceptional circumstances, and with the approval of the Head of Department/Faculty. If used, such expenditure must be clearly identified and the College reimbursed immediately upon return.

13. BUSINESS ENTERTAINING

- 13.1** Business entertaining is defined as meals or refreshments taken with external clients or associates during which a specific business discussion takes place. Such expenditure should be agreed in advance by the Head of Department/Faculty.
- 13.2** Examples of business occasions include:
- a. Lunches etc. for customers, clients, business contacts or potential customers/clients at which College related business is discussed.
 - b. Entertaining at open days (including exhibitions) etc. at which course information is on display for the attendees.
- 13.3** Business entertaining expenses do not cover the following:

- a. Entertaining personal friends or business acquaintances where there is no College business obligation to entertain them.
 - b. Entertaining colleagues and/or employees of the same organisation.
 - c. Entertaining occasions when there is no customer, client, supplier or other business contact present.
 - d. Additional costs relating to spouse, partner, or family accompaniment.
- 134** For business meal expenses the following documentation is required by the HMRC and must be recorded on the expenses claim form:
- a. Name of individuals present, their titles and company name
 - b. Name and location of where the meal or event took place
 - c. Exact amount and date of the expense
 - d. Specific business topic discussed
- 135** Employees will be reimbursed for business meal expense and refreshments (e.g. coffees, drinks) according to actual and reasonable costs. The level of hospitality expenditure should be appropriate for the occasion. In such cases, for meals the cost of alcohol should generally not exceed 20% of the bill. Only reasonable discretionary tipping in restaurants will be reimbursed, and generally should not exceed 10% of the bill.
- 136** College business meals can be taken with other employees. Generally, the number of employees should not exceed the number of staff from the other organisation being entertained by more than the ratio of 2:1.

14. WORKING LUNCHES

- 14.1** The provision of light refreshments (e.g. sandwiches, soft drinks etc. – not alcoholic drinks) can be arranged with the catering supplier for those employees attending meetings on College premises, where the meeting is unavoidably extended over the lunch break, with the lunch being in lieu of any claim to a subsistence allowance for those visiting from other parts of the College. Such working lunches should only be arranged on the rare occasion. This can be done following the link: [Book catering](#)

15. ADVANCES

- 15.1** An advance can be paid and this is preferred by electronic bank transfer. However, in some circumstances cash may be advanced if approved by the

Head of Department/Faculty, where an employee wishes to avoid the use of their personal funds, when undertaking a business trip. Advance requests will not normally be accepted for sums of £50 or less.

- 152** A petty cash advance form must be completed, authorised by the claimant's Head of Department/Faculty and passed to Finance for the advance to be issued.
- 153** The completed and authorised form should be passed to Finance a minimum of two weeks prior to the departure date of the proposed travel.
- 154** Advances should be accounted for within two weeks of returning from the related trip. If an individual still has an advance outstanding, Finance will generally not issue any further advances until the individual has submitted their expense claim to clear the original outstanding advance.
- 155** The following points should be noted about the use to be made of, and accounting arrangements, for advances:
- a. Advances are charged initially to a separate ledger code controlled by Finance, not to departmental budgets.
 - b. Travel and subsistence costs are not charged to Departmental/Faculty budgets until the claim relating to the advance is submitted to Finance and the appropriate accounting undertaken. Such claims should be submitted within two weeks of the completion of the relevant travel (or purchase) for which the advance was given.
 - c. Travel and subsistence claims must be submitted to account for all advances even where the entire sum has been used and no monies are due to the claimant concerned. Any unspent portion of the advance must be repaid to Finance when the travel and subsistence claim is submitted.