

Expenses Policy

March 2008

Contents

	Page no.
1. Introduction	3
2. Principles	4
3. General rules	6
4. Tax and National Insurance	8
5. Claiming process	9
6. Claimable expenses	
i) Travel	11
ii) Subsistence	14
iii) Accommodation	15
iv) Entertaining	16
v) Computers	18
vi) Telephones	18
vii) Relocation	19
viii) Other	19
Appendix A - Staff Allowances and rates	20
Appendix B - Board Members Allowance and Rates	22
Appendix C – Travel and Subsistence Claim Form (FIN6)	23

1. Introduction

Purpose

The purpose of this document is to:

- i) outline the principles and rules that The Standards Board for England have adopted in order to determine when it will reimburse expenses;
- ii) provide a comprehensive framework for allowable expenses;
- iii) detail tax and National Insurance treatment, where appropriate;
- iv) specify the process to be followed.

Who does it cover?

The policy covers the following groups:

- i) Staff;
- ii) Board Members

A separate policy exists to cover expenses relating to witnesses and panel members of the Adjudication Panel for England.

Terminology

- 1.2.1 Except where specified the policy applies equally to everyone covered in and are generally referred to as 'claimants'.

Except where specified any reference to tax will refer to both tax and National Insurance. Where necessary to separate out the two, National Insurance will be referred to as NI. The Inland Revenue will be referred to as IR.

Reasons why the policy may change

This policy may change for one or more of the following reasons:

- (i) a change in IR rules relating to expenses;
- (ii) changes to the Financial Memorandum as agreed with CLG
- (iii) operational and/or budget considerations.

2. Principles

- 2.1 The Standards Board for England will reimburse expenses that have been wholly, necessarily and exclusively incurred whilst engaged in authorised activity on its behalf.
- 2.2 The Standards Board for England respects the integrity of each employee and Board member and expects expense claims to be made honestly and accurately.
- 2.3 All expenses included in this policy are tax free unless specified otherwise.
- 2.4 The responsibility lies with the claimant to seek authorisation prior to incurring any cost that is not explicitly allowable under this policy.
- 2.5 Any activity that is claimed for, assuming that it complies with 2.1, should be carried out in such a way as to minimise the cost to The Standards Board for England, accepting that:
 - i) the claimant's health and safety should not be compromised in any way;
 - ii) the overall efficiency and effectiveness of the activity should be considered, where relevant;
 - iii) a general test of reasonableness, including the comfort and convenience of the claimant.
- 2.6 No one is able to authorise his or her own expenses. This includes any costs paid for directly by The Standards Board for England, such as through travel and accommodation agencies.
- 2.7 Arranging for a more junior member of staff to "appear" to incur an expense, so as to effectively enable self-authorisation, is not permitted and would be considered a fraudulent claim and consequently gross misconduct.
- 2.8 Anyone authorising a claim should take reasonable care to ascertain that the claim is reasonable and consistent with the agreed expenses policy.
- 2.9 Their line manager should normally approve staff expenses. Where the line manager is not an authorised signatory, or where their level of authorisation is insufficient, the claim must also be authorised by an appropriate person. Normally this would be the next level line manager and/or the Head of Department. In their absence the head of Corporate Services may authorise expenses, or the Chief Executive in the last resort.
- 2.10 The Chief Executive should approve board member expenses.

- 2.11 Expenses claimed should equate to the cost incurred, except where an agreed allowance or maximum claim amount is in place. [Note: exceptions to the agreed allowances and maximum claims are specified in the policy]. The addition of general charges over and above the actual cost is not permitted.

3. General Rules

- 3.1 Any attempt to falsify any expense claim will be considered to be gross misconduct and appropriate action will be taken against the claimant. Where, with reasonable care, the authorising signatory should have recognised the fraudulent nature of the claim, then action may also be considered in relation to this failure.
- 3.2 All expense claims should be submitted on the approved claim form (see appendix C). Claim forms not completed properly or legibly; those including items outside the scope of the policy without specific approval; and those not properly authorised will not be paid and will be returned to the claimant for corrective action. The responsibility for the claim will remain with the claimant until the properly completed and authorised claim form is submitted for payment.
- 3.3 Claimants must sign their own expense claim form. They cannot delegate this responsibility to someone else.
- 3.4 Expense claims must not be paid through petty cash.
- 3.5 Receipts should be provided in all instances unless specified otherwise. If a receipt has not been obtained a suitable explanation as to the reason for this should be included on the claim form.
- 3.6 The reimbursement of expenses is subject to The Standards Board for England's authorisation process.
- 3.7 Payments will be made directly to the claimant's bank account unless there is a good reason why an alternative should be used. Claims submitted by Monday will normally be processed for payment by Wednesday. Payment will normally be cleared in the claimant's bank account by the Friday.
- 3.8 Claims should be submitted on a monthly, or more frequent, basis and by the end of the month in which the claim was incurred. Any claim for less than £50 can be carried forward until such time as the total claim exceeds £50. All outstanding claims up to the 31 March should be submitted as soon as possible after this date and no later than the end of the following month.
- 3.9 The Standards Board for England reserves the right to reduce the reimbursement of, or refuse entirely the reimbursement of, expenses that are persistently submitted late. Such action would be considered only after the claimant had been told in writing that such action would be taken on subsequent claims submitted late.

- 3.10 The general rule for claims relating to personal safety is that no one should be required to do anything that they would not consider doing in their personal, as opposed to professional, lives. This means that a claim should only be made for any cost that the individuals would be willing to incur themselves if they were acting as a private individual rather than as an employee of the Standards Board. . All claims relating to personal safety should normally be agreed with the authorising manager prior to the expense being occurred. Failure to obtain prior authorisation could give rise to the claim being refused.

4. Tax and National Insurance

4.1 General

4.1.1 The IR begins with the presumption that any payment to any employee or office holder, including expense reimbursement, is subject to tax and NI.

4.1.2 Tax is generally not payable by the claimant under the following circumstances:

- i) A statutory or concessionary exemption exists;
- ii) A dispensation has been agreed;
- iii) A PAYE settlement agreement is in place.

4.1.3 Expense items not specifically covered by this policy may be subject to tax. Claimants should seek clarification from the Finance Manager or Head of Corporate Services if in any doubt.

4.1.4 Any expense reimbursed that is considered a taxable benefit will be included on the claimant's end of year P11D return. The responsibility for ensuring that the claimant pays the appropriate tax and NI lies with the claimant not The Standards Board for England.

4.2 Board Members

4.2.1 Board members are "Office holders" and as such are subject to PAYE and NI regulations.

4.2.2 Board members would normally be liable to pay tax on any travel, accommodation and subsistence relating to travel to and from their home and their normal place of work i.e. The Standards Board for England's offices at Griffin House. However The Standards Board for England have agreed to meet this liability.

4.2.3 Board members should seek to minimise the liability arising in 4.2.2. The most likely way of doing this will be an application for the deferment of standard employee NI contributions where the Board member is paying the full rate of standard NI in other employment.

5. The claiming process

5.1 Making a claim

5.1.1 to make a claim in accordance with this policy and procedure Form FIN-6 Travel and Subsistence Claim is required to be appropriately completed, authorised in accordance with the Approved Delegations Listing and submitted to the Finance Department

5.1.2 Declaration

You will have to confirm the following:

- i) all expenses and allowances claimed comply with this policy and procedure;
- ii) all original receipts for expenses should be attached to support the claim;
- iii) all expenses and allowances claimed have been necessitated by official business and are net of any discounts or other benefits available to you;
- iv) official business required the absence(s) from the normal workplace;
- v) none of the items claimed have been included in any previous claim;
- vi) re-imburement has not been claimed for tickets, hire cars or any other items which will be paid for separately by the Board (including any tickets or accommodation booked through the Boards travel agent);
- vii) none of the items will be claimed from or have been reimbursed by any Government Department or Agency, the European Commission or any other body;
- viii) if appropriate, you hold a valid driving licence and the motor insurance policy covers the use by you of the vehicle on official business; and
- ix) if appropriate, you know and understand the Boards insurance and ownership requirements.

5.2 Authorisation of Claims

5.2.1 Delegated staff member in accordance with the Approved Authorisations Listing must approve all travel and subsistence claims. Budget managers should approve all their employee's claims. However the finance manager, head of governance and client services and the chief executive has authorisation to approve expenses for any member of staff.

5.2.2 As an Authorising Officer you must confirm:

- i) to the best of your knowledge, each journey for which expenses and allowances being claimed were made on official business, was necessary and was arranged in the most cost effective way,
- ii) that you have checked all the items included on the claim in accordance with the policy and procedure,
- iii) that the claimant has documented on the claim form the reason for any un-receipted expenditure;

5.2.3 In any situation where a benefit is obtained the most senior member of staff present should make the claim. The most common circumstance where this may arise is in the course of entertaining third parties. A manager is not permitted to approve a claim where they themselves have benefited.

5.4 Payment of Claims

5.3.1. The FIN-6 should be sent to the Finance Department, who would ensure it is appropriately completed and issue payment within six (6) working days via BACS. Where BACS payment cannot be used a cheque would be issued to the respective employee.

6.1 Allowable expenses

6.1 Travel

6.1.1 General

- 6.1.1.1 All train travel should normally be booked through our preferred travel and accommodation provider and should. If it is not booked through the SBE's preferred supplier a detail explanation is required.
- 6.1.1.2 If parking and tolls need to be incurred then the least cost alternative should be used and claimed.
- 6.1.1.2 Speeding and parking infringement fines will not be reimbursed.
- 6.1.1.3 The central London congestion charge may be claimed if car travel in the designated area is unavoidable in the fulfilment of business purposes. Fines for non-payment of the congestion charge will not be reimbursed.
- 6.1.1.4 The Standards Board for England does not accept liability for damage caused to or loss of private vehicles or their contents whilst being used on Board's business; nor does it accept liability for claims by passengers or third parties.
- 6.1.1.5 Any benefits arising indirectly from travel undertaken for business purposes, such as receipt of air miles, are the property of The Standards Board for England

6.1.2 Use of privately owned vehicles for business purposes

- 6.1.2.1 The mileage rate for motor vehicles, motor bikes and bicycles are outlined in appendix B. Public transport rate (PTR) is payable for vehicle mileage where public transport could reasonably been used. Standard mileage rate (SMR) is payable in the following circumstances where public transport:
 - i) is not available;
 - ii) is more expensive;
 - iii) not suitable because of reasons of personal safety;
 - iv) not suitable because of the need to transport heavy or bulky items;
 - v) not suitable because of physical incapacity;
 - vi) not suitable because of the time constraints that would be imposed by using it.

The justification for claiming SMR should be recorded on the claim form.

- 6.1.2.2 The mileage claimed should be the actual mileage travelled, based on the shortest route, having regard for the efficiency of using that route.
- 6.1.2.3 The vehicle used must have the appropriate insurance cover which either:
- i) a clause permitting use for business purposes;
 - ii) when the vehicle is not registered in the name of the claimant a clause specifically permitting the use of the vehicle, by the claimant, on the business of The Standards Board for England.
- 6.1.2.4 The insurance cover should be unlimited in respect to:
- i) bodily injury/death to third parties;
 - ii) bodily injury/death to passengers;
 - iii) damage to third parties/passenger's property.
- 6.1.2.5 The vehicle must comply with all the other requirements for use on public roads.
- 6.1.2.6 The claimant must hold a current, full, driving licence.
- 6.1.2.7 The claimant must, if making motor vehicle or motorcycle mileage claims, keep a complete, permanent record for each financial year.

6.1.3 Public transport

- 6.1.3.1 No claim will be reimbursed for any part of journey covered by a season ticket, or any other travel entitlement already possessed.
- 6.1.3.2 Travel will normally be standard class. First class travel is permitted when:
- i) this enables productive work for The Standards Board for England which otherwise would not have been possible;
 - ii) no other reasonable alternative exists;
 - iii) where the flexibility offered by first class travel would best accommodate the most efficient use of the claimants time, for example when there is uncertainty of the time of return.

6.1.4 Travel to and from home and the claimant's normal place of work

- 6.1.4.1 As a general rule The Standards Board for England does not reimburse to staff any expenses relating to travel to and from home and the claimant's normal place of work, with the exception of the use of taxis (see section 6.1.5).
- 6.1.4.2 When a business journey starts from home (or ends at home) the amount claimable should not include any element equivalent to the journey to or from the claimant's normal place of work and home.

6.1.5 Taxis

6.1.5.1 Taxi fares will only be reimbursed under the same circumstances that permit the claiming of SMR (see section 6.1.2.1).

6.1.5.2 Taxi fares to and from home and the claimant's normal place of work will not be taxable if the following apply:

- i) public transport is not suitable or available e.g. question of personal safety if travelling late at night, where heavy or bulky work related material is being transported
- ii) the journeys are not regular i.e. not on the same day of the week every week
- iii) the journeys are not frequent i.e. a maximum of 60 per year

6.1.5.3 the inclusion of a reasonable tip can be claimed (up to 10% or the rounding up to the nearest pound).

6.1.6 Air travel

6.1.6.1 Air travel is permitted where:

- i) where there is no practicable alternative;
- ii) where the alternatives are more expensive;
- iii) where the saving in time from using air travel outweighs the additional cost.

6.1.6.2 The class of air travel should be agreed in advance and in the light of the relevant individual circumstances.

6.1.7 First Class Travel

A note justifying its use should accompany all first class travel. Staff must keep in mind the fact that they are spending public funds and must exercise due caution when requesting first class travel.

6.2 Subsistence

- 6.2.1 The cost of breakfast, up to the approved rate (see Appendix B), will be reimbursed if:
- i) the cost of breakfast is not included in the rate charged for overnight accommodation; or
 - ii) if it is necessary for the claimant to be travelling on Standards Board for England business before 7.00am, which is not their normal home to work journey
- 6.2.2 The cost of lunch, up to the approved rate, will be reimbursed if:
- i) the claimant is on Standards Board for England business and not at their normal place of work; and
 - ii) lunch is not otherwise available (example – as part of a training course).
- 6.2.3 The cost of dinner, up to the approved rate, will be reimbursed if:
- i) the claimant is away from home on Standards Board for England business after 8pm, other than when at their normal place of work
- 6.2.4 Alcohol cannot be claimed as part of a normal subsistence claim.

6.2 Accommodation

6.3.1 All accommodation should normally be booked through The Standards Board for England's preferred travel and accommodation provider and should. If it is not booked through the Board's preferred supplier a detailed explanation is required

6.3.1 Justification of the need for accommodation should accompany any claim. Reasons for accommodation would include:

- i) Departure from home or arrival back at home would otherwise be at an unreasonable time i.e. before 6am or after 10pm
- ii) Consecutive days attendance at a site which is not the claimants normal place of work and where extra daily travelling time would be greater than 60 minutes each way (or where the cost of travelling exceed the cost of accommodation)
- iii) Where the performance of duties would be significantly impaired if accommodation were not available
- iv) Where the overall cost of having accommodation provided is less than any alternative which enables the claimant to properly fulfil their duties
- v) Where there is a demonstrable health and safety issue

6.3.2 Where accommodation is claimed in i) and relates to working at a 'normal place of work', a taxable benefit arises. All such instances must have prior authorisation. Authorisation will only be given where the claimant is required, by the Standards Board for England, to begin work before 6am or to finish after 10pm. In such cases the Board will meet the cost of the tax and NI due.

6.3.3 All accommodation should be booked through properly approved channels unless a clear cost advantage can be demonstrated.

6.3.4 In many cases The Standards Board for England will be billed directly. The claimant must be prepared to meet any additional costs on checking out. Allowable additional costs can be claimed in the normal way.

6.3.5 Guide limits for a single room with bed & breakfast are set out in Appendix A. These are subject to availability of such accommodation.

6.3.6 If a claimant chooses to stay with a friend or relative, rather than in a hotel, then a gift or meal may be given to the host (for maximum see Appendix A). A receipt for the gift/meal is required.

6.3.7 Any claimant staying away from home is entitled to one phone call home, of reasonable length, for every night away subject to a reasonable limit (see Appendix A).

6.3.8 Guide charge rates for a single room apply to conferences and training events unless the participants are paying the excess cost themselves.

6.4 Entertaining

6.4.1 Business Entertaining

6.4.1.1 Business entertaining is the provision of food and drink to third parties, by staff and/or office holders, for a clear business purpose. It is not a taxable benefit for those staff and/or office holders who also receive the provision incidentally.

6.4.1.2 Claims for business entertaining must include details of the third parties being entertained, the organisations they represent and the reason(s) for the entertainment being provided. If more than one member of staff/office holder is in receipt of the provision then their name must be recorded on the claim and a justification for their inclusion also must be noted.

6.4.1.3 The cost of alcohol, if reasonable, can be claimed as part of business entertaining.

6.4.1.4 As a general rule of thumb if less than 20% of those involved are external to The Standards Board for England, then the event becomes staff entertainment rather than business. If claimants are in any doubt they should seek guidance in advance of the event from the Finance Manager or Head of Corporate Services.

6.4.2 Staff entertaining

6.4.2.1 Staff entertaining occurs where food and drink is provided for staff in the following circumstances:

- i) at their normal place of work; or
- ii) where there is no specific business purpose for the provision; or iii) where the purpose is to reward staff.

6.4.2.2 Staff entertaining is normally a taxable benefit and any such claim would create a tax liability for the individuals 'benefiting' from the provision. However in the following circumstances no liability will arise for the individual:

- i) on any contribution paid by The Standards Board for England, in as a whole or in part, towards the cost of the staff Christmas meal, up to the prevailing IR limit (this being the designated event which makes use of the IR's exemption);

- ii) on food and drink provided for Board members when attending meetings at The Standards Board for England's main office;
- iii) on food and drink provided to staff where they have been invited to attend something that effectively requires them to forego their normal mealtime. In such instances The Standards Board for England will meet any tax liability that arises;
- iv) Tea and coffee.

6.4.2.3 When entertaining people from outside of the Standards Board the claim limits do not apply and the cost of alcohol may also be claimed. However there is a need to keep the level of expenditure to a reasonable limit. Staff must keep in mind the fact that they are spending public funds and must exercise due caution in the level of the spend.

6.5 Computers

- 6.5.1 A taxable benefit arises on computer and ancillary equipment available for home use on any portion above an IR limit for each tax year (see Appendix B). The hardware benefits being calculated at 20% of cost or market value. The Standards Board for England will, therefore, limit the value of equipment available for home use, and the attendant running costs, to this IR limit.

6.6 Telephones

- 6.6.1 Phone calls made in the course of Standards Board for England business should always be made in the most cost effective way that is reasonably available.
- 6.6.2 Mobile phone provided by the Board is not a taxable benefit. Claimants are required to pay for the cost of personal calls made over a monthly allowance of £6.
- 6.6.3 The cost of calls on privately owned phones/mobiles, made in the course of authorised standards Board for England business, can be claimed by submitting an itemised bill marked showing the business calls or by providing details of the call (date, time and duration) and the tariff applying.
- 6.6.4 Telephone line rental, unless wholly and exclusively used for Standards Board for England business, is not claimable.

6.7 Relocation

6.7.1 Relocation expenses will be subject to a separate policy document.

6.8 Other

6.8.1 Indirect costs such as childcare or other dependent care are not payable.

6.8.2 Protective clothing necessary for staff to fulfil their duties will be provided by the Board and are not taxable.

6.8.3 Provision of formal clothes hire is permitted under the policy but is subject to prior approval.

6.8.4 Subscriptions to approved professional bodies will be reimbursed to staff provided that membership is a requirement of the job.

6.8.5 The claiming of expenses relating to the study of approved professional qualifications is outlined in Board's training policy.

Navin Gokool
Head of Governance and Client Services
03 March 2008.

STAFF ALLOWANCES AND RATES

Appendix A

Claim limits and approved allowances

Travel

Public Transport rate (PTR)		28p per mile
Standard Mileage rate (SMR)	first 10,000 pa thereafter	40p per mile 28p per mile
Motorcycle rate		27p per mile
Bicycle rate		22p per mile
Passenger rate (claimable for each passenger carried On Standards Board for England business)		7p per mile

Accommodation

Guide bed & breakfast claim, per night (Single room)	London Outside London	£130 £100
---	--------------------------	--------------

The above are subject to suitable accommodation being available. A full explanation of claims where the limit is exceeded will be required.

If staying away from home at a friend or relative's, rather than staying in hotel accommodation, then claimants are entitled to claim the cost of a gift, or meal, up to the value of £25 per night. A receipt will be required.

With reference to paragraph 6.2.4, Alcohol cannot be claimed as part of the gift voucher scheme.

Any other subsistence not covered in this expense policy requires approval by the Head of Governance & Client Services.

When away from home phone calls per night can be claimed up to a maximum cost of £6.

Subsistence

	London	other
Breakfast	£6.00	£5.50
Lunch	£7.50	£6.50
Dinner	£19.50	£17.00

Claims may be made at the higher London rate if the provider is situated within the M25 motorway.

The lunch and dinner allowance may be combined if both are claimable but only one meal is taken

Where employees are away from home, on the Board's business for more than 36 hours the following subsistence may be claimed;

Subsistence

Breakfast	£ 6.00
Lunch	£11.00
Dinner	£25.00

Reasonable claims above the prescribed limits will be paid where the claimant is eating with other people who are related to the work of the Board i.e. where the claimant is not able to determine where, and consequently how much, the provision will be.

Other

The IR tax-free limit for benefit from computer equipment available at home is £500

BOARD ALLOWANCES AND RATES

Appendix B

Board members are excluded from the limits on allowance and rates illustrated on appendix A. Board members are required to exercise due care in spending the monies relating to travel, accommodation, entertaining and subsistence reimbursements.