

# HR Services

## Employee Handbook

### Policy and Procedures Relating to the Claiming of Expenses



#### 1. Introduction

##### 1.1 Introduction

This policy is for your guidance as a member of staff of UEL on the procedures relating to the claiming of expenses.

HM Revenue & Customs (HMRC) may review our practices and procedures regarding expense payments at any time. The guidelines in this document should therefore be strictly followed. Separate rules apply for specialist lecturers, external examiners, assessors etc and these are in paragraph 2.4 below.

Our Financial Regulations are on our website and should be read in conjunction with this policy - please visit [www.uel.ac.uk/financialservices/regulations/index.htm](http://www.uel.ac.uk/financialservices/regulations/index.htm)

If you have further enquiries after reading the following, please contact the Payroll Section for those payments processed via the Payroll Team and reimbursed through pay and Financial Services for those payments sent to Financial Services for processing.

Ms Tracey Hinton  
Payroll Manager  
Ext 4310

##### 1.2 Income Tax

Expense payments and benefits in kind received by staff members have to be reported to HMRC by UEL. This is because tax law states that all such payments are considered in the first instance to be taxable.

However, UEL has in place a 'dispensation' from HMRC which means that as long as expenses comply with these procedures, we are not required to report individual expense payments on Forms P11D.

#### 2. Expense Claim Procedures for Claimants

We have a number of expense claim forms and the appropriate form to be used is shown in *italics* alongside each of the expenses shown in section 4. Where a particular expense is not shown or you have any queries you should speak to an authorised signatory from your School or Service.

It is essential that all staff completing expense claim forms understand the importance of the information they record and procedures to be followed to get their expenses repaid to them by UEL. The information contained on the expense claim forms is not only used for our own internal purposes but it is also reported to various government authorities and can be subject to audit.

##### 2.1 Expense reimbursement procedure

It is our policy that members of staff will be repaid the actual cost of expenses incurred wholly, exclusively, and necessarily in the performance of the duties of their employment at UEL. In general reimbursement will only be made on completion of the appropriate claim form (see Section 4) which must be accompanied by receipts or invoices. All expenses must be claimed within three months of staff incurring the expense.

Where expenses are incurred in foreign currencies the amount should be converted at the exchange rate applying on the date of the claim. Reimbursements will be made by BACS in most cases except where the petty cash system is used (see 2.3 below). It is essential that all claims are completed fully with details of the purpose and nature of the expense, and the date the expense was incurred. Once completed all claims must be signed by the claimant and forwarded to an authorised signatory. A list of authorised signatories is kept in each School or Service.

A brief description of the nature and purpose of the expense must be shown in the "detail" column of the form. For example, claims for entertainment must specify the persons entertained and the purpose of the entertainment whilst claims for subsistence must show details of the journey for which a claim has been made. Failure to report sufficient details may result in claims being returned unpaid.

**Any attempt to falsify an expense claim will be treated as a serious disciplinary offence.**

##### 2.2 Payment of expenses

It is policy that all expenses will be repaid through BACS.

### 2.3 Petty cash

The payment of expenses through petty cash is limited to £40.

All claims for petty cash should be made using the Petty Cash Claim form. Petty cash is only available at our Docklands Campus. Authorised claims should be taken personally to the cashier's office, together with any receipts and at least one form of identification.

The following transactions are not permitted through the petty cash system:

- The cashing of personal cheques for the personal use of staff members;
- Payments in excess of £40;
- Refreshment items for personal use of staff (UMT members will, however, be reimbursed for refreshment items for visitors to their areas);
- Gifts/cards and flowers for other UEL colleagues;
- Claims for vehicle mileage; and
- Payments relating to staff salaries.

### 2.4 Guest lecturers, external examiners, consultants etc. only

Separate procedures apply to guest lecturers, external examiners, validators, consultants, etc., who are appointed by UEL. They may claim reasonable travelling expenses but only in accordance with their UEL letter of appointment. All such claims should be completed using the form PR20, or such other document as may be used in the School or Service.

These sums must be included in the spreadsheet submitted by the School or Service administrator to Payroll each month, along with any fees due.

Please note that there are separate procedures for people who are entitled to claim *self-employed status*. Copies of the procedures and associated forms are available from Financial Services.

[Click Here](#)

## 3. Expense Claim Procedures for Authorised Signatories

### 3.1 Introduction

As an authorised signatory you are responsible for ensuring that all expense claims are made in accord with UEL policy. In addition you should also be available to deal with any queries relating to expense claims. You should therefore ensure that you are familiar with the procedures in this document, but in cases of doubt you should contact Financial Services.

### 3.2 Processing Claims

In order for the system to work effectively, and for UEL to maintain its dispensation with HMRC in respect of some expense payments, it is important that the correct procedures are followed. To assist with this the following matters should be considered when dealing with claims.

*Does the expense incurred require prior authorisation?*

Some types of expenses, e.g. overseas travel or attendance on courses or conferences, require approval in advance by authorised signatories. When approving claims, authorised signatories need to check that prior approval was granted.

*Has the claimant used the correct expense claim form?*

It is important that you are familiar with the correct forms to be used for each expense and details are shown in section 4. Where the incorrect form is used the claim should be returned unpaid. You should also ensure that claims are only authorised where they relate to allowable expenses in accordance with this policy.

Where a claim relates to overseas travel or staff development you should also ensure that prior approval has been obtained by completing a Request For Approval form (RFA).

*Has the claimant signed and dated the form, and is it within the three month time limit?*

If not the claim will be returned unpaid.

*Has sufficient detail been recorded in respect of the expenditure?*

This is particularly important with regard to business entertainment spending where you should ensure that the

claimant has recorded details of who was entertained and the purpose of the entertainment. With regard to mileage claims details should be entered of the purpose of the journey and the type of vehicle used. Where insufficient detail has been recorded the claim will be returned unpaid.

*Have receipts/invoices been attached to support the claim?*

Receipts must be attached to all claims. Where a claimant has lost receipts you may use your discretion, making appropriate notes on the claim. However, if this occurs on a regular basis claims will be returned unpaid.

*Does the claim add up?*

You must check the addition of all items on the claims.

Once you are satisfied that a claim has been made in accordance with this policy you should sign the form as proof that it has been checked and forward it to Financial Services for payment.

## **4. Specific Expenses and Benefits in Kind**

The following paragraphs cover typical expenses and provide guidance on what we are prepared to pay and what procedure should be followed. Queries relating to any expenses that are not covered in this section should initially be referred to an authorised signatory within your School or Service.

### **4.1 Approval Mechanism**

Some types of spending require prior authorisation. The main circumstances where advance approval is required are:

- overseas travel - see 4.2;
- courses or conferences - 4.9.

Expenses incurred on business travel and subsistence do not require written approval or authorisation, but it is expected that all such spending and the advance involved is agreed or has been supported by the relevant Dean of School or Service.

### **4.2 Overseas travel** (Claim form [Fin2](#))

All staff members intending to travel overseas on UEL business must obtain prior approval from their Dean of School or Director of Service and by the Vice-Chancellor by completing form RFA. The completion of this form will also enable appropriate insurance arrangements to be made.

UEL has arrangements in place with a travel operator and where possible overseas travel will be booked through this agency. If the UEL preferred travel agent is not used, then three quotations must be obtained (one of them being the preferred agent).

Staff members must not make travel arrangements independently without obtaining prior approval.

Such travel should be via the cheapest possible means (eg economy class).

### **4.3 Overseas travel**

UEL will not pay for any costs incurred by family members or anyone else not authorised by UEL (see 4.4) who accompany staff on UEL business trips.

### **4.4 Overseas Accommodation** (Claim form [Fin2](#))

Staff members intending to stay overseas on UEL business must obtain prior approval (see paragraph 4.1). Form RFA, with full details of the proposed trip and the anticipated costs, must be completed, and approved as below:

For the Vice-Chancellor: the Chair of Governors;

For all senior postholders: the Vice-Chancellor;

\*For Deans of School/Directors of Service: the appropriate senior postholder;

\*For all other staff: the Dean of School/Director of Service.

**\*Note: Form RFA for staff in sections 3 and 4 above must also be approved by the Vice-Chancellor.**

To assist with the completion of RFA forms, indicative accommodation and subsistence rates for a particular country can be used. UEL use rates provided to the Civil Service for this purpose. Please contact Janice Taylor in Financial Services for more information.

On return, expense claim form Fin2 should be completed and all receipts/invoices should be attached. This form must be authorised as per above and submitted to Financial Services for payment. Only actual expenditure covered by receipts will be paid. Round sum daily rates included in form RFA will not be paid and it is expected that actual expenses claims will not exceed the indicative Civil Service daily rates.

#### **4.5 Courses/Conferences** (Claim form [Fin2](#))

From time to time UEL may provide financial support for staff members wishing to attend conferences or trade conventions in the course of their duties. Members of staff who wish to attend such courses/conferences are required to obtain prior approval from their Dean of School or Director of Service by completing form RFA.

All travel arrangements should be booked using the preferred travel agent (see Section 4.2).

#### **4.6 UK Accommodation** (Claim form [Fin2](#))

Where overnight accommodation is required this should normally be booked in advance, and arrangements made to submit an invoice to UEL for payment. Staff members staying away from home overnight on business should read paragraph 4.8 below relating to personal incidental expenses.

#### **4.7 UK and Overseas Subsistence** (Claim form [Fin2](#))

Staff members who are working away from UEL (i.e. more than 5 miles from their normal place of work, excluding UEL sites) are able to claim subsistence under the following circumstances:

- The cost of a breakfast meal when away on UEL business and when business necessitates an early start i.e. before 8am to a maximum of £10;
- The cost of lunch when away from the normal place of work over the lunch period on business to a limit of £10; and
- The cost of evening meals when staying away from home overnight on UEL business to a maximum of £25.

A valid receipt must accompany all claims for subsistence and details must be shown of the business meeting, date and/or places visited. Meals taken overseas will be reimbursed in sterling using the relevant exchange rate at the time of the claim.

**UEL will not meet claims for subsistence based on round sum or fixed daily allowances.**

#### **4.8 Personal incidental expenses**

UEL will not reimburse personal incidental expenses incurred by staff members whilst staying overnight in the UK or overseas. Typical examples of personal incidental expenses are: costs of newspapers; laundry; phone calls home; bar bills etc.

#### **4.9 Business entertainment** (Claim form [Fin1](#))

UEL recognises that business entertaining can be a worthwhile means of enhancing/strengthening working relationships. Costs of entertaining business contacts will therefore be reimbursed on production of a completed claim form with receipts. Details should be entered on the claim form of:

- the names of the people the UEL staff member entertained, and the organisation which they represent; and
- the purpose of the entertainment.

It should be noted that costs which are incidental to business entertaining, for example, the cost of a taxi to or from a restaurant should be categorised as business entertainment on the expense claim form.

Any entertaining of personal friends or business acquaintances where there is no business obligation to entertain, or where the entertainment is reciprocal, will not be permitted.

**The entertainment of other staff members of UEL is not regarded as business entertainment and must be recorded as staff entertainment (see below).**

Where UEL catering facilities are used for entertaining business contacts, the staff member must ensure that his or her name, the name of each visitor, the organisation which the visitor represents, and the business purpose behind the entertainment are recorded. These should be kept with a printed version of the online Catering Function Booking Form, and may be subject to audit. **Failure to comply with these requirements could result in personal tax liability to individuals.**

#### **4.10 Staff entertainment** (Claim form [Fin1](#))

Where meals or other events of a staff development nature occur which are only attended by UEL staff members, claims will only be reimbursed where these have been authorised in advance by the Dean of School or Director of Service.

Where staff entertainment has been authorised, claims should be made on the appropriate form and full details of the purpose and nature of the entertainment should be recorded. Receipts should be attached in all cases.

#### **4.11 Use of private vehicle for business purposes**

Members of staff may be reimbursed for UEL business travel expenses incurred by use of (a) public transport, or (b) a

motor vehicle. Where the cost of a journey is likely to be cheaper by public transport, this should be used in preference. It is recognised that there will be circumstances where time constraints and the transport of goods may necessitate not using the cheapest form of transport, but for longer journeys where there are likely to be substantial cost economies public transport (economy class) should normally be used. On the rare occasion that a staff member needs to travel by taxi, they may reclaim the fare via a petty cash claim, having obtained a receipt from the taxi driver (see section 2.3).

Members of staff using their own vehicle for a business journey should ensure that their insurance cover extends to business use, and insurers should be asked to endorse the insurance certificate to confirm that driving for business reasons is covered by the policy. Details of the business journey, including date, reason for the journey, starting points, and destinations should be shown in the appropriate columns of the expense claim form. Staff are responsible for keeping their vehicle in a safe condition and for driving it safely at all times.

Staff using their own vehicles for business can claim mileage on the following basis:

Cars up to 10,000 miles 45.0p  
Cars over 10,000 miles 25.0p

Motorcycles 24.0p  
Bicycles 20.0p

UEL may change these rates from time to time, in which case staff members will be notified.

Members of staff are required to keep a total of the mileage travelled in the tax year (6 April to 5 April) for the purposes of determining which rate should apply.

Under no circumstances should staff members using their own motor vehicle for UEL business purposes make a claim based on actual petrol receipts.

#### **4.12 Business journeys**

When completing the expense claim form it is important that staff members appreciate what does and what does not constitute UEL business travel. HMRC has detailed rules on this and it is recommended that advice be sought from the Payroll Section. For guidance the following should be noted that:

- journeys between your home and your normal workplace (ordinary commuting) cannot be claimed as business in any circumstances;
- if you travel straight from home, and/or return directly home after a business journey UEL will reimburse the lesser of the mileage actually travelled, or the mileage which would have been travelled if the journey had begun and ended at your normal workplace.

#### **4.13 Transport for London Oyster cards**

For journeys within London it is usually cheaper to use an Oyster card to pay for the travel. There are two options:

##### **1. Use of a UEL registered Oyster card**

This is the easier method. Your school or service may have one or more Oyster cards associated with a UEL purchasing card. In these cases, the cost of travel will be deducted from the card automatically and the card will be topped up automatically via the purchasing card. You will only need to confirm the purpose of the journey to your school or service administrator who is responsible for the card before starting the journey. Please contact your school or service office for more information

##### **2. Use of personal Oyster card**

For infrequent travellers claiming under £10 you need only note the purpose of the journey and the amount being claimed on the claim form

For frequent travellers, it will be necessary for you to register your Oyster card and attach a journey summary (which can be printed on-line at the Transport for London web site once the card is registered) to your claim. Journeys undertaken on UEL business and the reason for travel must be highlighted. Claims over £10 made using personal Oyster cards will not be paid without this breakdown. It is recommended that frequent travellers speak to their school or service administrators about obtaining a UEL registered card which can then be administered under point 1 above.

#### **4.14 Excess travel claims (Claim form PR31)**

UEL conditions of service make provisions for some staff members whose place of employment is changed within UEL, to claim an allowance as compensation.

Full details of UEL policy on the payment of excess travel claims is reproduced below.

### Eligibility For Payment Of Excess Travel

UEL conditions of service make provision for a staff member who is required to relocate from one UEL site to another to claim an allowance equal to the difference between the cost of travelling (i) from his/her home to his/her new place of work; and (ii) from his/her home to his/her old place of work. This only applies to staff appointed prior to 1st January 1995 who have not subsequently been promoted. Such allowances are paid for a period of 4 years to eligible members of academic and support staff and are based on either:-

- second class train and/or bus fares;
- mileage allowance (currently 40p per mile) in respect of the additional mileage involved in the change of place of employment if the employee is an authorised car user or where public transport is not available, whichever is actually involved.

Clarification has been sought in the case of complex moves, i.e. when a staff member may be moved more than once within the defined period of four years or under the terms of a restructuring exercise where promotion may also be involved.

The following criteria will therefore be applied to all applications for payment of excess travel:

1. A member of staff must normally be required to move site by UEL, as opposed to making application for an alternative post at another site.
2. Payment will be made on the basis outlined in (a) or (b) above for a period of 4 years.
3. If a member of staff is relocated again within a period of 4 years the following procedure will be applied:

Move (1) from base A (original location) to base B (new location). Payment of excess expenses for the period from the date of the original move to the date of the second move.

Move (2) from base B to base C (new location).

Payment of excess expenses from base A to base C for the balance of the 4 year period starting with the move from A to B.

At the end of the 4 year period the 'original' base A will change to B. Payment of any excess expense will then be calculated for the balance of a 4 year period dating from the move from base B to base C on the basis of any excess mileage incurred as between base B and base C.

4. Where a member of staff moves home within a claiming period, any entitlement to claim excess travel will cease.
5. If a member of staff is appointed to location A and is transferred to location B and then transferred back to location A, no excess travel expenses may be claimed for the latter move if the employee's address is constant.

#### Example 1

Mr Jones was based at Duncan House (base A) and was moved to Docklands Campus (base B).

He moved on 1.9.89 and incurred 10 miles per day additional travelling as a result of the move.

In September 1991, UEL requires him to move to Stratford Campus (base C). If the mileage from his home to base C is no greater than his home to base A then eligibility for claiming excess travel expenses ceases. If the mileage is, say 5 miles greater than the original journey to base A, he may continue to claim excess travel expenses on the basis of 5 miles for the balance of the original 4 year period, i.e. until 31.8.93. On 1.9.93 the original base changes from A to B the effective date of the move to base B (1.9.91) being taken as the date of commencement of a new 4 year period. Mr Jones, however, will now be travelling less excess miles (5) than from his original base (10), therefore, eligibility to claim excess mileage will cease.

#### Example 2

Ms Patel was based at Duncan House (base A) and was relocated to Stratford Campus (base B) on 1.9.89. She incurred 4 miles excess travelling as a result of the move. On 1.9.90 she is moved to Docklands Campus (base C), her excess mileage from base A now increases to 8 miles. Therefore, she may claim 3 years excess travel at 8 miles per day, i.e. until 31.8.93. On 1.9.93 her original base (A) changes to Stratford Campus (base B) but with effect from 1.9.93 she may now claim excess of 4 miles for a further year, the remainder of the second 4 year period.

Staff members who believe that they may be eligible for the excess travel allowance are required to contact the Payroll team in HR Services. Where claims are permitted payments will be made through the payroll.

### **4.15 Home/Mobile telephones** (Claim form [Fin1](#))

Staff who are required to make UEL business calls from home or from a private mobile telephone, may claim for business call costs only. In such cases an itemised telephone bill should be attached to the claim form.

UEL will not bear the cost of line or equipment rental except for cases where a dedicated business line is installed. In these circumstances, the installation is to be arranged by UEL, and all bills addressed to UEL.

#### **4.16 Publications/Periodicals**

UEL will take out subscriptions to publications/periodicals which are considered to be directly relevant to the performance of staff members' duties. Under no circumstances will staff members be reimbursed for subscriptions for their own personal use.

#### **4.17 Professional subscriptions**

UEL will not meet the cost of professional subscriptions for staff members but please see **Professional Subscription Scheme** for information about payment of professional subscriptions via salary sacrifice.

#### **4.18 Uniforms**

The provision of certain protective clothing will be arranged by UEL and appropriate staff members will be advised accordingly. Costs may not be claimed by way of reimbursement in any situation. Where clothing is provided UEL logo must be attached.

#### **4.19 Private medical insurance**

UEL will provide private medical insurance for certain staff members who will be notified of their eligibility. The provision of private medical insurance will constitute a taxable benefit in kind which will be returned on forms P11D.

#### **4.20 Long service awards**

UEL will make long service awards where a staff member has reached 25 years service. Long service awards will be made in goods to the value of £275. The purchase of the awards **must** be made by UEL (and not bought by the staff member) and cash awards will not be made in any circumstances. HR Services administers UEL's scheme and will advise eligible staff members of the arrangements for receipt of their gift.

#### **4.21 UEL equipment/materials**

Staff members who need to buy equipment/materials for UEL business should ensure that an invoice is obtained which is addressed to UEL. Staff members should note that Financial Services has a list of preferred suppliers, details of which can be obtained from the Head of Procurement and these should be used wherever possible.

Where an invoice addressed to UEL cannot be obtained payment may be made with a UEL purchasing card. A list of staff members who hold purchasing cards can be obtained from the Head of Procurement.

It will not normally be necessary for staff members to buy equipment/materials with their own money and subsequently seek reimbursement. Our Financial Regulations must always be followed when purchasing goods or services and claims will be returned unpaid if the regulations have not been adhered to. Our Regulations are on our website and should be read in conjunction with this policy - please

visit <http://www.uel.ac.uk/financialservices/regulations/index.htm>

#### **Cards or flowers for colleagues**

UMT members may purchase birthday cards/other greetings cards or occasionally flowers for sick colleagues using their school/service purchasing card.

**Mike Moore**  
**Director of HR Services**  
March 2007