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Policy: FP23 – Employee Expenses

Trust Housing Association

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Employee Expenses Policy

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1. Introduction

- 1.1 This document details Trust Housing Association's policy in relation to reimbursement of business expenses.
- 1.2 The policy is effective for all expenses incurred on or after 1st April 2023, for expenses incurred before this date employees should refer to the previous version (Version 2.2).
- 1.3 Only expenses incurred by employees in the course of undertaking business activities will be allowable for re-imbursement.
- 1.4 All employees have an **obligation** to ensure that any expense incurred in fulfilling their role is undertaken in the **most cost effective manner to minimise the cost to Trust**. This should however not be to the detriment of the health and wellbeing of the employee.
- 1.5 With the exception of mileage claims, **receipts must be obtained for all expenses incurred** and submitted with an expense claim for reimbursement. If receipts are missing, Trust reserves the right to refuse to pay the expense.
- 1.6 If an employee is liable to incur a cost not covered by this policy then agreement should be obtained from their line manager with approval, in writing, from the Head of Finance, in advance to the cost being incurred. Such approval must be submitted with the expense claim. If prior approval is not obtained, Trust reserves the right to refuse to pay the expense.
- 1.7 Parking fines, speeding tickets and any other penalties are strictly the personal responsibility of the employee will **not be** reimbursed by Trust under any circumstances.

2. Aims & Objectives

- 2.1 This policy aims to inform employees as to the business expenses they may be able to claim and how to claim them.
- 2.2 The policy is aimed to provide transparency, consistency and fairness to all employees within the organisation, while providing value for money for the organisation.

3. Business Travel

- 3.1 Before incurring business travel expenses, you should consider if attendance in person is required, e.g. consider if travel expenses and time could be avoided by a Teams call.
- 3.2 Trust does not hold business travel insurance, for UK travel insurance is not deemed necessary, for any non-UK travel individual trip insurance should be arranged on a case by case basis. Please speak with the Head of Finance if insurance is required.
- 3.3 If business travel is required Trust will reimburse the reasonable cost of travel, accommodation and subsistence according to the following guidelines;

3.4 Business Mileage

- 3.4.1 It is an absolute requirement that all employees using their own vehicle for business purposes must hold a **valid UK driving licence, ensure the car is taxed, has a valid MOT, is roadworthy and insured for business use**. It is the employees responsibility to arrange and pay for business use on their insurance policy. Employees may be asked by the business to provide evidence of these requirements, i.e. copy driving licence, MOT certificate, proof of car tax and vehicle insurance documentation, at any time.
- 3.4.2 Business mileage refers to journeys undertaken by employees in the course of their work, with the exception of their regular commute. Travel from home to the employees usual place of work, as defined in the employees contract of employment, is classified as private milage by HMRC and therefore not classed as business milage and cannot be claimed under any circumstances. Therefore the mileage for the usual commute must be deducted from the total milage for any business journey.

Example: an employee whose normal place of work is the Edinburgh office travels from home to Glasgow and back for a customer meeting. The employee lives 5 miles from the Edinburgh office. The employee can claim;

Total return journey mileage	100 miles
Deduct normal commute (5 miles x 2)	<u>(10 miles)</u>
Mileage which can be claimed	90 miles

- 3.4.3 For Trust Staff Agency employees (in receipt of a Trust contract of employment) and mobile coordinators and mobile cooks, who have no fixed place of work, business miles will be reimbursed after the first 10 miles travelled to and from home to the development they have been asked to work at. For example if the development was 15 miles from home, a total 30 miles return trip, 10 miles would be deducted and 20 miles paid.
- 3.4.4 All mileage claims must detail the start and end point of the journey, total miles claimed and the purpose of the journey.

3.4.5 Where practical car sharing should be used by default when two or more colleagues are travelling to the same location, to avoid multiple expenses for the same journey. If one person in the group is in receipt of a car allowance then that employee must be the delegated driver.

3.4.6 The following rates shall apply to all business miles from 1st April 2023;

Employees in receipt of a car allowance	Petrol – flat rate 20p per mile Diesel – flat rate 20p per mile LPG – flat rate 20p per mile Fully Electric Vehicles – 12p per mile Note: hybrid cars are treated as either petrol or diesel and the relevant rate applied.
Casual car users <i>(i.e. those not in receipt of a car allowance)</i>	45p per mile for the first 10,000 business miles 25p per mile over 10,000 business miles
Motorcycles <i>(those not in receipt of a car allowance only)</i>	24p per mile
Bicycles	10p per mile

3.4.7 Casual car user rates are based on HMRC maximum mileage rates which can be paid without giving rise to a taxable benefit.

3.4.8 Rates for those in receipt of a car allowance are lower than casual car users, as car allowances are deemed to cover the capital and running costs including wear and tear of a vehicle. Rates will be reviewed at least annually, or more frequently if required, to ensure they appropriately cover the cost of fuel as prices can fluctuate.

3.4.9 For those in receipt of a car allowance, tax relief may be able to be claimed for the difference between car allowance rates and casual user rates, this can be claimed from HMRC via the Gov.UK website.

3.5 Public transport

3.5.1 All public transport should be booked using economy tickets only, unless proof can be obtained that an upgraded ticket is more cost effective. For example the cost of a first class train ticket including wi-fi and a meals service may be more cost effective than paying for an economy ticket, wi-fi access and refreshments. Any upgraded tickets must be agreed with your line manager and approved by the Head of Finance, in writing and in advance of booking. Such approval must be submitted with the expense claim.

3.5.2 All tickets, receipts and invoices for public transport **must** be retained and submitted with the travel expense claim to allow for reimbursement.

3.5.3 **Airfares must** be booked via Business Services who will usually book through our approved travel agent who can access preferential rates and assist with any ticket changes and travel disruption.

3.5.4 **Taxi's** should be used only as an option of last resort, although often convenient for the individual they are expensive for the organisation. Trust has established contracts with taxi companies within Edinburgh, Glasgow and Wishaw, for these firms the individual can sign a PDA provided by the driver and the taxi company will invoice Trust directly for the fare. Contract details can be obtained from Business Services. Any employee using a taxi on the company account **MUST** provide the taxi driver with the Trust contract number and the employees name and obtain a receipt from the driver. The receipt must then be submitted to Business Services on completion of the journey.

3.6 **Parking**

3.6.1 The reasonable cost of parking, excluding attending your normal place of work, will be reimbursed by the organisation, receipts must be retained by the employee and submitted with an expense claim for reimbursement.

3.6.2 Airport parking **must** be booked via Business Services who will book the most cost effective option, this is usually long-stay car parks outwith the boundary of the airport with a shuttle transfer to the terminal.

3.6.3 Regardless of the type of parking employees must ensure that they park in a legal space and adhere to the rules of any car park. The organisation will not re-imburse any parking fines incurred.

3.7 **Meals and subsistence**

3.7.1 If an employee is away on business travel, breakfast and dinner can be claimed for early starts/late finishes. Trust will reimburse the actual cost of meals up to a maximum of;

- £10 for breakfast (if leaving the house before 6am or an overnight stay)
- £25 for dinner (if arriving home later than 8pm or an overnight stay)

3.7.2 Up to one alcoholic drink may be claimed with dinner, within the maximum amount.

3.7.3 Tips up to 10% and within the above limits can be claimed.

3.7.4 Meals while working at your normal place of work cannot be claimed and lunch is not normally payable on the principle that employees will routinely be providing their own lunch and location has no bearing on this.

3.7.5 Meals will only be reimbursed when supported by receipts and when expenditure has been incurred within the terms of this policy. An employee can choose to spend more than the above limits, but any additional spend will not be reimbursed.

3.8 Accommodation

3.8.1 Where an employee is visiting one of Trusts developments or a location nearby, with a guest room, the employee may stay in the developments guest room if it is available.

3.8.2 If an employee is required to stay over night for the purposes of business travel and a development guest room isn't used, accommodation should be booked via Business Services, who will book via our corporate travel agent or direct with approved accommodation providers.

3.8.3 In exceptional circumstances, where booking via Business Services is not possible, the reasonable cost of a hotel or guest house, supported by a receipt of invoice, will be reimbursed. Reasonable in this context means accommodation which generally meets up to a 3 star rating subject to local availability.

4. Entertaining

4.1 Employee entertaining and gifts

4.1.1 As a not for profit organisation it is not the norm for Trust to pay for employee entertaining.

4.1.2 Occasionally Trust may provide modest levels of employee entertaining, this is at the absolute discretion of the organisation and will be within the annual exemption levels from HMRC to ensure this isn't classed as a taxable benefit to employees.

4.1.3 Any employee entertaining is expected to be infrequent and minimal and must be agreed by a member of the Leadership Team and approved by the Head of Finance. The most senior person (expected to be a member of the Leadership Team) attending an event or organising a gift must settle the bill, either by direct invoice to Trust or via their own expenses supported by a receipt and details of all employees attending.

4.2 Business entertaining (customers, suppliers etc.)

4.2.1 As a not for profit organisation Trust does not provide, nor reimburse employees for, business entertaining to customers, suppliers or other business associates.

5. Professional Fees and Subscriptions

- 5.1 Trust will reimburse up to one annual subscription of a professional body which is a requirement of or relevant to the individuals role. This includes SSSC and other professional organisations including but not limited to, CIH, RICS, CIPS, CIPD, ICAS, ACCA, ICAEW and CIB.
- 5.2 All subscriptions should be paid directly by the individual and claimed back via an expense claim, supported by invoice and proof of payment.

6. Flu vaccine

- 6.1 The vast majority of Trust employees are expected to be eligible for a free flu vaccination from the NHS, if that's not the case, then employees can arrange a flu vaccination privately and claim back the cost through expenses.

7. Eye tests and corrective appliances for VDU use

- 7.1 NHS eye tests are available free to all across Scotland, as such Trust will not reimburse employees for the cost of an eye test.
- 7.2 Should an employee require corrective appliances (usually spectacles) specifically for display screen work, Trust will contribute to the cost of the corrective appliances.

The contribution payable by the Association or the provision of "special" corrective appliances that are prescribed exclusively for use on display screen work is as follows;

Basic Appliance – Basic Frames and Single Lens - £76

Basic Appliance – Basic Frames and Bifocals/Varifocals - £96

- 7.3 The contribution towards corrective appliances is restricted to once every 2 years. However, if the DSE user's sight deteriorates in less than 2 years and they are prescribed different lenses for DSE work, then they can claim the allowance again. The allowance is not available for changing frames other than as a result of a medical prescription.

8. Process for claiming and payment of expenses

- 8.1 Employees who incur expenses for which they require re-imbursement will be required to complete the employee expense claim form. Which is available on iTrust.

- 8.2 Once the expense form is completed it must be emailed to an employee's line manager, together with supporting scanned receipts (photos/images are acceptable), for line manager approval.
- 8.3 Line managers will be required to review the claim to make sure that it is in line with this expense policy and that the supporting receipts match the claim.
- 8.4 Once a line manager is happy with the expense claim, the line manager should email the form and supporting scanned receipts, along with confirmation of their approval in the body of the email, to the Freturns inbox Freturns@trustha.org.uk for processing and payment. Line managers should cc the employee submitting the expense claim.
- 8.5 Expenses will be paid to employees along with salary payments on or around the 27th of the month. Expenses will be detailed on payslips as an addition to net pay. Expenses are **not** subject to PAYE tax, national insurance or pension deductions. Cut-off dates for payment will be as per payroll cut-off which is published on iTrust.
- 8.6 Employees are required to submit expenses regularly, i.e. at least every 2 months, unless a claim is less than £100, in which case the employee may wait until their expenses total £100 or until 31st March to submit their expenses. Expenses over £100 received more than two months after the expense is incurred may be refused payment.
- 8.7 Employees are required to ensure that **any expenses, regardless of value, incurred in the period up to the 31st March each year are submitted by the following 7th April.** This is to ensure that expenses are recorded in the correct financial period.

9. Data Protection

- 9.1 We will comply with the provisions of the Data Protection Act 2018, which gives individuals the right to see and receive a copy of any personal information that is held about them by Trust and to have any inaccuracies corrected.

10. Anti-Bribery

- 10.1 Trust is committed to the highest standards of ethical conduct and integrity in all its activities and, to ensure compliance with the Bribery Act 2010, it has introduced an Anti-Bribery policy and procedures. These must be adhered to by all employees, Board Members and associated persons or organisations acting for or on behalf of Trust when undertaking any actions referred to in this policy.

11. Statement Equality, Diversity & Inclusion (EDI)

11.1 As leaders of EDI, Trust aims to promote equality and diversity and operate equal opportunities policies which inform all aspects of its business. It will ensure that it adheres to the Equality Act 2010 by being committed to equal and fair treatment for all and opposed to any form of unlawful discrimination. As such, in considering this policy, no one will be treated differently or less favourably than others because of any of the protected characteristics as listed in the Equality Act 2010:

- disability;
- gender;
- gender reassignment;
- pregnancy and maternity;
- race, colour or nationality;
- sexual orientation; or
- religion or belief.
- marriage and civil partnership
- age

11.2 or because of any other condition or characteristic which could place someone at a disadvantage were it to be taken into account, unless this can be objectively justified in terms of the legislation.

11.3 Trust will make reasonable adjustments for disabled people where necessary and possible to do so, and will use Happy to Translate tools and procedures to help overcome a language barrier.

12. Policy Review

12.1 This Policy will be reviewed on a three-yearly basis. The purpose of the review is to assess the policy's effectiveness and adhering to current legislation and good practice, and identify any changes which may be required.

13. Document References

13.1 In all Trust's official documents, where references are made to specific job titles, roles, groups or committees, such references shall be deemed to include any changes or amendments to these job titles, roles, groups or committees resulting from any restructuring or organisational changes made within Trust

(or, where this policy also applies to another member of the Trust group, made within that group member) between policy reviews.