

Employee expenses



Our policy and procedure for employee expenses.

General policy

EFHL will reimburse employees for reasonable expenses wholly, necessarily and exclusively incurred in connection with its business. Employees should not be either financially disadvantaged or advantaged because of genuine business expenses.

Employees are responsible for the payment of all expenses they incur, except where we have direct settlement arrangements with suppliers in place.

Breach of this policy is a disciplinary offence. Deliberate falsification of a claim or the evidence needed to make a claim will constitute gross misconduct. This may result in summary dismissal. "Falsification" includes the failure to pass on any discount obtained in the course of incurring an expense.

Expenses should ordinarily be claimed at the end of the month in which they are incurred. Where this is not possible all expenses **must** be claimed within three months of having been incurred.

Allowable expenses

1. Travel

EFHL will reimburse the reasonable costs of amounts necessarily expended on travelling in the performance of the duties of the employment.

This does not include travel between home and office or care home unless the employee is recognised as being a "contractual home-based employee".

Employees should travel by the most cost-effective mode of transport taking into account journey time and the nature of the journey as well as the monetary cost.

1.a. By employee's own car/motorcycle/bike

The mileage allowance is set by reference to the HM Revenue and Customs (HMRC) rules on AMAPs (Approved Mileage Allowance Payments). For cars the current rate for the first 10,000 miles per annum is £0.45 per mile and £0.25 per mile thereafter.

The employee is required to keep track of business mileage incurred in the tax year (6 April to 5 April) to ensure the correct rates are used.

1.b. By lease car

Where the employee has been provided with a lease car they are able to claim mileage at the rate as specified by HMRC and shown in the table below:

Fuel Type	Engine Capacity	Rate
Diesel	<= 1600cc	£0.13
	1600 – 2000cc	£0.15
	>2000cc	£0.20
Petrol	<= 1400cc	£0.13
	1400 – 2000cc	£0.15
	>2000cc	£0.23

The expense claim will automatically use the correct rate once the car details have been entered.

Where an employee uses their own vehicle, the employee should ensure that the vehicle is in good working order, fully insured, taxed with a valid MOT certificate and that the driver is covered by breakdown assistance. They will also need to ensure that they have business cover included as part of their insurance cover. EFHL reserve the right to request proof of this cover.

The authoriser may, on occasion, request the employee to print off a route planner to support the business mileage claimed by that employee.

1.c. By taxi

Employees are expected to use taxis only when strictly necessary and where it is cost effective to do so. Employees should always obtain a receipt.

1.d. By tube, bus or tram

Employees should retain tickets where possible. Where an employee's season ticket already covers the cost of travel, no further claim will be allowed. Where Oyster cards are used, the employee should provide evidence of the additional cost incurred, for example by printing off their online statement or by printing off the journey cost provided by the Oyster fare finder.

1.e. By train

Employees should, as far as possible, travel standard class and should book their journeys sufficiently in advance to obtain the best possible prices.

First class train travel is acceptable if the journey from London mainline stations (not the employee's home address) is timetabled to last in excess of two hours and the employee needs to work, or at the manager's discretion, eg for very early starts, late returns, where standard class would be exceptionally crowded. Employees should retain all tickets and credit card vouchers.

1.f. Late night travel

In exceptional circumstances, and only in accordance with HMRC rules, the EFHL may meet the cost of late night taxis or similar road transport provided all the following circumstances apply:

- the employee is required to work later than usual and at least until 9.00pm;
- this occurs irregularly; *and*
- by the time the employee ceases work either public transport has ceased or it would not be reasonable to expect the employee to use public transport.

The number of such journeys must not exceed 60 in any tax year.

1.g. Overnight accommodation

1.g.i. Hotel accommodation

Should be booked in advance at the best possible rates which should not exceed £130 per night, including VAT but excluding breakfast costs. Any booking in excess of that amount will need to be approved by one of the Directors prior to booking.

Employees should take into account the location of the hotel as regards the cost of taxis, etc and the time required to travel to and from the hotel.

1.g.ii Staying with friends or relatives

An employee may claim an allowance of up to £35 per night. Receipts are not required but the employee must confirm that the overnight stay was necessary in connection with travelling on EFHL business.

An employee claiming this allowance cannot also claim reimbursement of actual accommodation and subsistence costs although they can claim personal incidental expenses (see below).

In all cases employees should retain all invoices.

1.h. Subsistence – overnight absence

EFHL will reimburse reasonable out of pocket expenses incurred by the employee when it is necessary to stay away from home overnight on EFHL business. This will include the following:

- hotel bills (see above)
- breakfast
- lunch, evening meal and beverages – to an overall maximum of £40 per day (please note that the employee may incur costs in excess of £40 but may only claim up to £40).
- parking at hotel

Additionally, the employee may claim “personal incidental expenses” up to a maximum of £5 per day. This covers items such as telephone calls, newspapers and laundry.

The total of any such costs must not exceed £5 otherwise no reimbursement will be allowed, i.e. the allowance should not be regarded as a contribution to such costs.

If the employee is away for more than one night, the daily limits (ie £40 and £5) may be averaged across the number of nights that the employee is away.

In all cases employees should retain all invoices.

1.i. Subsistence – no overnight absence

An employee may claim for meals and beverages up to a maximum of £20 per day when travelling on EFHL business. This is intended to reimburse the employee for additional expense as a result of having to travel on EFHL business.

Personal incidental expenses cannot be claimed where there is no overnight stay.

In all cases employees should retain all invoices.

2. Entertaining – business

Employees should only entertain visitors and guests where it is likely to assist EFHL in its corporate objectives.

In general, entertainment counts as business-related if its purpose is to discuss a particular EFHL project, maintain an existing EFHL connection or to form a new EFHL connection.

By contrast, entertainment of EFHL acquaintances won't count as business-related if its purpose is really social – even if there's some discussion of business-related topics in the course of the entertainment.

Amounts claimed should be reasonable and appropriate.

In all cases employees should retain all invoices. Please show names and organisation of all attendees on the expense claim.

3. Entertaining – staff

The cost of entertaining other EFHL staff is not reimbursable.

4. Professional subscriptions

Employees may claim back the cost of the annual subscription for up to a maximum of two professional bodies, provided that each body is on the HMRC approved list and its activities are directly relevant to the employee's duties. Further subscriptions may be claimed as a tax deduction on the employee's tax assessment return, provided they are also on the HMRC approved list.

5. Eye tests and spectacles

EFHL recognises its obligations under the Display Screen Equipment (DSE) Regulations 1992 (Amended 2002). EFHL will contribute to the cost of an eye test if you use display screen (computer monitor) equipment for a significant part of your working day.

EFHL will contribute £25 towards the cost of an eye test conducted by a suitably qualified optician. This policy does not apply to contact lenses.

EFHL will only reimburse one eye test in any 12-month period.

EFHL will not contribute towards the cost of spectacles with any element of everyday use, in other words the spectacles must be exclusively for VDU use.

6. Procedures for making an expense claim

Download and complete the expenses claim form available on the [intranet](#). Basic guidance notes are included on the form to provide assistance.

Ensure scanned copies of all bills and debit/credit vouchers supporting the amounts being claimed are submitted with the form.

The form needs to be emailed to purchaseledger@turn2us.org.uk. The claim will then be loaded onto xLedger ready for approval by the individual's line manager.

7. Reimbursement to employee

Payments runs are operated fortnightly and reimbursement will be made on the first payment run after the claim has been approved.

Payment will be made direct to the employee's bank account. A remittance advice will be emailed directly to the employee.