

## **RECOVERABLE EXPENSES POLICY GUIDELINES**

### **Introduction**

- These Guidelines set out the Esmée Fairbairn Foundation's policy in relation to personal expenditure that staff may incur in the course of their duties.
- Managers need to be aware of current budget allocations and encourage value for money from visits.
- Expenses are taxable, except where they fall within the terms of the dispensation agreement with HMRC. The Chief Operating Officer is responsible for ensuring that expenses are within HMRC Regulations.
- All expense claims must include full details of how the expense was incurred and be supported by relevant receipts. Claims should be submitted at the end of each calendar month.

Staff are expected to exercise judgement in the expenses they incur. In general throughout these notes 'reasonable' means around the middle range – i.e. neither high nor low – relative to provision in the area. Staff are asked to bear in mind that Esmée Fairbairn is a charity and accordingly keep costs as low as is practical.

### **I. Business Travel**

- a) Travel should be by the most cost-effective means available, dependent on the nature of the journey and the numbers of staff travelling.
- b) Where public transport is used, tickets should be obtained in advance, the Foundation's authorised suppliers. If this is not possible full reimbursement of the actual cost of the journey will be made but travel tickets should be retained.
- c) For rail travel, standard class applies to all staff except in exceptional circumstances.
- d) Staff are expected to meet the full costs of travel from home to their normal place of work.

### **Hired Cars**

- e) Where the most cost-effective and appropriate method of transport is rental car, the car hired should be (Category B) if practical – but no higher than (Category C). The Employee is responsible for ensuring adequate insurance arrangements are in place. Refer to I.8.
- f) Where a rental car is used, fuel costs can be reclaimed when supported by a receipt. Rental cars should be refuelled prior to return to the rental company, as this is cheaper than the rental company fuel charge.

## **Private Vehicles**

- g) Staff may use their own vehicles on Foundation business where it is more advantageous to the Foundation than the use of public transport or car rental. Staff are not required to use their cars on Foundation business.
- h) It is the responsibility of staff to insure their cars for business use if they are using it for Foundation business. The Esmée Fairbairn Foundation has no insurance cover for this purpose and does not accept liability for loss and damage to vehicles while being used on Foundation business.
- i) For journeys beginning at the employee's normal place of work, the mileage claim should be based on the actual distance by the most direct, or in some circumstances the most appropriate route.
- j) For journeys beginning at the employee's home, the mileage claim should be based on the lesser distance between: the destination and the employee's home; or the destination and the employee's normal place of work.
- k) Where staff use their own cars on Foundation business, they may claim a fixed rate of 0.45p per mile for the first 10,000 miles and 0.25p per mile after that. These are the HMRC 'tax free' business mileage rates. This figure includes fuel costs.
- l) Where staff use their own motor cycle on Foundation business, they may claim a fixed rate of 0.24p per mile, the HMRC 'tax free' business mileage rate. This figure includes fuel costs.
- m) Where staff use their own bicycle on Foundation business, they may claim a fixed rate of 0.20p per mile, the HMRC 'tax free' business mileage rate.

## **Taxis**

- n) Taxis can be used when:
  - a taxi fare is more economical than travelling by other types of public transport, eg when you are travelling with other employees;
  - there is a lack of convenient public transport;
  - a visit or meeting finishes after 9.00pm and employee safety is a concern.

## **2. Meals**

- a) There are no guidelines on how much should be spent per person on meals but the cost should be reasonable given the circumstances of the business trip and its duration (for definition of 'reasonable' see the introduction).
- b) When staying overnight in a hotel the cost of an evening meal can be claimed to the price of the table d'hôte or set menu. If eating outside the hotel, a meal of an equivalent amount may be claimed against receipts.
- c) Where it is not specifically included as part of the hotel booking, the cost of a breakfast can be claimed on the hotel bill.
- d) Breakfast can also be claimed if the business journey commences before 7.00am.

- e) Lunch/subsistence can be claimed if an employee is away from their normal place of work on a full day's business for the Foundation.

### **3. Overnight Stays**

- a) Where an employee's duties require overnight accommodation the cost will be reimbursed by the Foundation. Claims should be supported by a receipt.
- b) Accommodation should be at an appropriate level for the location and the circumstances of the stay. As a guide, the level of a 2/3 star hotel would normally be reasonable.
- c) Any accommodation costs should be authorised in advance by your Manager.
- d) Staff who stay in private accommodation as an alternative to hotel accommodation while on Foundation business are not entitled to any payment or 'flat fee'. However, reasonable ancillary costs will be reimbursed, for example the costs of a present to the host (bottle of wine or chocolates etc).

### **4. Other Expenses**

- a) Sundry expenses incurred in addition to those set out in 1-3 above will be reimbursed if the costs were necessarily incurred in the fulfilment of duties. Individual items likely to be included on an expense claim which may cost over £50.00, should, where possible, be approved in advance by the Manager.

### **5. Use of Corporate Credit Cards**

- a) The Chief Operating Officer may authorise relevant staff to hold a corporate credit card. He/she will allocate a limit for the card. This card is provided solely for business related expenditure that is in line with the Foundation's expenses policy.
- b) Any misuse of the card may result in it being withdrawn from the employee. If expenditure has been for personal reasons, then the Foundation reserves the right to reclaim this amount from the employee.
- c) If an employee does use the card for personal use (e.g. in an emergency) then the Chief Operating Officer should be informed as soon as is reasonably possible, and the sum repaid.
- d) All corporate credit card holders will receive a monthly statement outlining all expenditure. The card holder should put a note next to each item outlining its purpose and attach the relevant receipt and then sign the statement. The statement should then be signed off by the Chief Operating Officer (or another SMT member in their absence) who will then forward to finance team for payment.
- e) If the card is lost, stolen or misplaced then the Foundation should be informed immediately. If out of office hours, the card holder should make an attempt to contact the card supplier (Royal Bank of Scotland) to inform them of the card's loss. Card numbers and pin codes should be kept confidential.

## **6. General**

- a) Where staff are in any doubt about the procedures or the validity of an expense they should speak to the Chief Operating Officer or their Manager before incurring the expense.
- b) Expenses should be reclaimed using the standard form. These should be submitted to the Chief Operating Officer/Finance Director/Chief Executive for payment.

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