**Name of organisation**

**Employee Expenses Policy**

**Approved on:**

**Next Review Date:**

**Introduction**

1. This policy sets out the [name of organisation] guidelines on how employees can claim for expenses incurred in the performance of their duties for [name of organisation].
2. The purpose of this policy is to ensure that employees are properly reimbursed for legitimate business expenses and to ensure that these expenses are treated appropriately for tax purposes.

**Procedure**

1. [name of organisation] will reimburse employees for actual expenditure that is incurred wholly, necessarily and exclusively in connection with the authorised duties that they undertake in the course of their employment.
2. To claim for expenses, the employees must use the expenses claim [detail how an employee can claim]. The employee should set out the reasons why the expense was incurred on the claim form.
3. Expenses will not be paid unless supporting evidence is provided with the completed expenses claim form. This should include original receipts or invoices with the date and time of the transaction. When claiming for travel expenses on public transport, employees should enclose the tickets showing the departure point and destination of their journey.
4. Once completed and signed, employees should submit their expenses claim form by [detail how and to whom].
5. All expenses should be submitted within three months of being incurred and within two weeks of the end of the financial year (i.e. 31 December) **– please amend to suit you if needed**. Expenses older than three months will require sign-off from xxxx
6. [name of organisation] may return an expenses claim form to an emploee without payment if it is completed incorrectly or lacks supporting evidence.
7. [name of organisation] will pay claims for authorised expenses by BACS transfer into the same bank account into which an employee’s salary is paid.

**Travel**

1. Employees should consider whether or not travel is necessary to meet [name of organiation]’s objectives or if there are more appropriate means such as by using Teams or Zoom. It is expected that employees will travel by the most cost-effective mode of transport taking into account the journey time and nature of the journey. Travel arrangements should be confirmed with an employee’s line manager before costs are incurred.
2. *Budgeting Tip: Did you know that it’s often cheaper to use websites such as* [*https://www.trainsplit.com/*](https://www.trainsplit.com/) *to book your train tickets.*

***Air***

1. Air travel is not the norm for [name of organisation] employees. If there are exceptional circumstances, please contact xxxx before making a booking.

***Rail***

1. Where possible, rail journeys should be booked in advance to benefit from any discounts for early booking. Employees should, where possible, use any rail cards or season tickets that have already been paid for as part of their normal commute to the office, towards any journey taken on diocesan business, where this is more economical. All train travel should be booked in standard class.

***Taxis***

1. Employees may claim for a taxi fare only in limited circumstances. These are:
* where taking a taxi would result in a significantly shorter travel time than using public transport;
* where there are several employees travelling together;
* where personal security and safety of employees is an issue; or
* any other circumstances agreed in advance.
1. Employees must obtain a receipt with the details of the date, place of departure and destination of the journey.

***Bicycles***

1. Dependent on where an employee is travelling to, employees may wish to use their own bicycle. [name of organisation] will pay a mileage allowance of 20p per mile.

***Motorbikes***

1. Employees are able to claim mileage for motorbike use when travelling for business. Under these circumstances, [name of organisation] will pay a mileage allowance of 24p per mile.

***Use of an employee’s own car***

1. It may be appropriate and cost-effective for employees to use their own car when travelling on business, for example if they are travelling with several employees or, where there is limited public transport to their destination, or the journey time is significantly shorter than using public transport. Any use of an employee’s own car on business is subject to an employee:
* holding a full UK driving licence;
* ensuring that their car is roadworthy and fully registered; and
* holding comprehensive motor insurance that provides for business use.
1. [name of organisation] accepts no liability for any accident, loss, damage or claim arising out of any journey that they make on business. [name of organisation] will not pay for the cost of any insurance policy on an employee’s own car.
2. To claim for fuel expenditure, employees should set out the distance of the journey undertaken on their expenses claim form. [name of organisation] will pay a mileage allowance of 45p per mile for mileage under 10,000 miles and 25p per mile for mileage over 10,000 miles, or such other rate as set out from time to time by HM Revenue and Customs.
3. Where convenient, those travelling to the same meeting should share transport. If the passengers are employees/clergy/volunteers of [name of organisation] and are travelling for the same purpose, then 5p per mile per passenger can be claimed in addition to the normal mileage rate.

***Office-based Staff***

1. [name of organisation] will pay for additional mileage costs incurred for business purposes. If travelling direct from home to a meeting and not passing the office[[1]](#footnote-2), then the full cost of travel can be claimed. If travelling from the office or their journey requires them to pass the office, only the mileage from the office can be claimed. This principle is often known as the “lesser of” rule. **– please amend to reflect what your organisation does**

**Accommodation**

1. Claims should be in line with the NCI guidance. A copy of the guidance is available on page 14 of the following document: <https://www.churchofengland.org/sites/default/files/2021-11/expenses-policy-2021.pdf>.
2. Note; the NCI guidance for “Incidental Expenses” for an overnight stay does not apply to diocesan employee claims.
3. It is the employee’s responsibility to ensure that any hotel reservations are cancelled within the required cancellation period if they are no longer required.

**Meals**

1. For employees to be reimbursed for expenditure incurred on a meal, they must have:
* Been prevented from following their normal meal arrangements.
* Incurred expenditure additional to their normal outlay.
* Necessarily incurred that expenditure.
1. Please see below for specific information regarding expense claims:
* Breakfast – £7 (*if away from home before 7:00am*)
* Lunch – £6 (*only if away overnight over and above normal lunch costs)*
* Dinner – £20 (*if not home before 8:00pm or staying away overnight)*
* Subsistence *(e.g. refreshments such as tea, coffee or water if away from home or office for at least 3.5 hours)* - £5 per day
1. The cost of alcoholic drinks cannot be reclaimed.
2. All expense claims must be accompanied by receipts.

**Gifts**

1. Any gifts, rewards or entertainment that an employee receives from suppliers or other business contacts should be reported immediately to [usually their line manager]. In certain circumstances, it may not be appropriate to retain such gifts and an employee may be asked to return gifts to the sender, for example, where there could be a real or perceived conflict of interest. As a general rule, small tokens of personal appreciation, for example flowers, may be retained by employees.
2. Gifts received from suppliers (e.g. at Christmas) should be pooled and then made available for a free raffle.

**Stationery/Office Expenditure**

1. For office-based employees all stationery/office supplies are provided. However, if it is demonstrably cheaper to purchase elsewhere and prior approval is received this will be permitted.

**False Claims**

1. If [name of organisation] considers that any expenditure claimed was not legitimately incurred on behalf of [name of organisation], further details may be requested from an employee. [name of organisation] will thoroughly investigate and check any expenses claim as it sees fit. Payment may be withheld where insufficient supporting documents have been provided. Where payment has been made to an employee prior to the discovery that the claim was not legitimate or correct, the value of that claim may be deducted from their salary.
2. Any abuse of [name of organisation]’s expenses policy will not be tolerated. This includes, but is not limited to:
* false expenses claims;
* claims for expenses that were not legitimately incurred;
* claims for personal gain;
* claims for hospitality and/or gifts to induce a person to take improper action; and
* receipt by an employee of hospitality and/or gifts from business or diocesan contacts that they may be perceived to influence their judgement.
1. [name of organisation] will take disciplinary action where appropriate and, in certain circumstances, may treat a breach of this policy as gross misconduct, which may result in an employee’s summary dismissal. In addition, [name of organisation] may report the matter to the police for investigation and criminal prosecution.
1. [↑](#footnote-ref-2)