

Expenses Policy

1. Introduction

Background

- 1.1 The University will reimburse employees and others as identified in section 1.4 for expenses incurred whilst performing University business. University business is regarded as authorised necessary activities carried out in pursuit of University objectives or strategy. HM Revenue and Customs (HMRC) require income tax and national insurance to be applied to any payments to employees that are not incurred wholly, exclusively and necessarily in the performance of the duties of employment.
- 1.2 Generally, untaxed expenses and benefits paid to employees must be reported to HMRC by the University through the completion of a P11D form at the end of each tax year. However this policy will form the basis of a dispensation agreed with HMRC. Providing this policy is adhered to, there are no further requirements for employees or the University to report to HMRC details of individual expenses or benefits.
- 1.3 The need for making expenses claims under this policy should be minimised by doing the following:

Where possible, all travel and accommodation arrangements, UK and overseas, should be planned in advance and paid for using a University credit card or an official University purchase order.

University approved suppliers should be used wherever possible and in particular when travel and accommodation arrangements are planned in advance and also for planned hospitality for guests outside the University.

Where it is not possible to use University approved suppliers, individuals should use their own judgement when selecting a supplier. When travelling overseas, local advice should be sought on which suppliers to use and where possible payment should be made using a University credit card.

Employees should use College or other University facilities for accommodation and meals when entertaining guests, students or parents unless in the opinion of the responsible Budget Officer this is clearly not appropriate. Outside accommodation and meals should only be used if there is no appropriate accommodation available through Event Durham.

Where changes to an itinerary are necessary whilst travelling, resulting in additional expense, a University credit card is the preferred method of payment.

Scope

- 1.4 This policy applies to the following categories of individuals incurring business expenses on behalf of the University and who are seeking reimbursement for those expenses from the University.
- All employees of Durham University
 - All students whose travel and non-travel business expenses are being reimbursed by the University
 - Non-employees (including visiting examiners, visiting speakers and interviewees) whose travel and non-travel business expenses are being reimbursed by the University.
- 1.5 The policy also includes details of payments made by the University on behalf of employees where an associated incidental personal benefit could be incurred.
- 1.6 This policy is not intended to cover every eventuality and where circumstances are unusual or not explicitly covered contact the **Accounts Payable & Systems Manager** in advance to agree the treatment.

2. Objectives

- 2.1 To ensure that all expenditure relating to travel, accommodation, subsistence, hospitality and other benefits is properly incurred, within reasonable limits and is consistent with the achievement of the University's objectives and the requirements of HMRC.
- 2.2 To assist prompt reimbursement to all employees, students and non-employees (where appropriate) for actual fully authorised expenses that have been incurred on University business.

3. Expenses Policy Statements

3.1 Operational

General principles

- 3.1.1 Expenses claims under this policy are to be submitted on a regular basis and at least monthly. For long-term absences from the UK, regular claims must be submitted with the final claim being lodged within one month of final return to the UK.
- 3.1.2 Detailed receipts are required as proof of purchase to support all expenditure. If receipts are not available then sufficient supporting documentary evidence must be provided with the claim. Credit card receipts are not sufficient proof of the expenditure.

- 3.1.3 The University will not meet any costs relating to a spouse/partner or other family members accompanying an employee on University business unless they are also a Durham University employee carrying out University business. Where spouses, partners or other persons unconnected with the University intend to participate in a trip this must be clearly identified in advance. In these circumstances, the University will not arrange or pay for the travel but will reimburse the individual for the business portion of the cost.
- 3.1.4 The University will not meet any additional costs where an individual chooses to extend their stay and incorporate annual leave. Only expenses incurred on University business will be met. If the cost of travelling on alternative dates is greater, individuals will be expected to pay the difference themselves. Likewise, any discounts received for travelling on alternative dates to incorporate annual leave will be enjoyed by the University and will not be reimbursed.
- 3.1.5 The University encourages the most sustainable and cost effective methods at the time of travel, wherever possible.
- 3.1.6 The University provides travel insurance business cover for travellers in certain circumstances. Please consult the Insurance section on the Procurement Service web pages: <http://www.dur.ac.uk/treasurer/local/insurance/>. If additional travel insurance is required, this must be arranged by the individual with their own insurer and at the individual's own expense.
- 3.1.7 Amounts claimed within the expenditure headings, but in excess of the monetary limits of this policy will be paid when authorised by the Head of Department or Budget Officer (not other authorised signatory). These claims will not be subject to income tax or national insurance deductions.
- 3.1.8 Expenses incurred in genuine emergency situations and other exceptional payments, that are fully explained and documented, will be paid when authorised by the Head of Department or Budget Officer (not other authorised signatory). These claims may have to be subjected to income tax and national insurance deductions where there is a personal benefit.

Travel

- 3.1.9 The costs of air travel will be reimbursed as follows:
- Standard class
 - Business class when a planned flight time exceeds 6 hours and where the employee can provide supporting medical evidence of a need to travel Business class
- 3.1.10 The costs of rail travel will be reimbursed as follows:
- Standard class
 - First class for the following nominated University employees and where the journey is over an hour

- University Executive Committee members
- Heads of Houses
- Chairs of Boards of Studies
- Dean of the Business School
- External funding allows and this is confirmed by the Budget Officer
- Packages which are more cost effective than standard tickets

3.1.11 The cost of using a University vehicle when the employee has been approved to use the vehicle for University business. University vehicles must not be used for personal use.

3.1.12 The cost of a hire vehicle (including fuel costs) where the expenditure is the most cost effective mode of travel. In cases where the driver of the hired vehicle is not a salaried member of University staff, the relevant insurance for business use requirements must be confirmed with the Procurement Service in advance

3.1.13 The cost of using the employee's own vehicle where this is the most convenient and cost-effective method of travel and the employee has business use insurance in place. Payment will be made in accordance with the rates detailed in Appendix A.

3.1.14 The cost of standard class ferry.

3.1.15 The cost of other travel expenses specifically:

- Congestion and road toll charges
- Car parking
- Public transport fares (outside of Durham or Stockton or part of a longer journey)
- Taxi fares where it is not reasonable to use public transport or travel on foot.
- Cashless payment options e.g. Oyster cards.

3.1.16 The following costs will specifically not be met:

- Costs associated with normal home to work travel
- Travel between local University buildings in Durham
- Any fines associated with travel e.g. parking, congestion, motoring related offences

Accommodation

3.1.17 The costs of hotel accommodation whilst travelling on University business will be reimbursed within the limits as set in Appendix A.

3.1.18 The costs of non-employees visiting the University on University business will be reimbursed within the limits as set out in Appendix A if University accommodation is not available.

3.1.19 The following costs will specifically not be met:

- Accommodation for an employee in Durham or Stockton

- Entertainment fees
- Items of a personal nature including toiletries
- Other incidental expenses

Subsistence

3.1.20 The following costs will be met:

- Cost of necessary and reasonable meals and drinks incurred on University business within the limits in Appendix A
- Gratuities, but only if included as part of a service charge or accepted as part of the culture e.g. North America

Hospitality

3.1.21 Necessary hospitality costs will be paid within the limits as explained and set out in Appendix A.

3.1.22 Hospitality must be for an approved business purpose consistent with the achievement of the University's objectives. Hospitality events must include an individual external to the University e.g. students, examiners, visitors or business contacts and cannot include just University employees. Hospitality will not be paid for spouses or partners of University employees.

3.1.23 All costs should be categorised as hospitality on the claim form including other types of expenditure e.g. taxis.

3.1.24 The following additional information will be provided on the claim form:

- Divisional Head or Faculty PVC approval where the full cost is over £500. The approver should satisfy themselves that the scale of the hospitality is appropriate but not lavish.
- Date, time and venue of the entertainment
- Full names of the attendees stating if they are a guest or University employees
- Purpose of the entertainment
- Total cost

3.1.25 The information listed above must also be provided to Event Durham where a hospitality event is held on University premises.

Annual staff entertainment

3.1.26 The costs of staff entertainment will be paid where an annual event is open to all staff within the department and where the expenditure is within the limit as set out in Appendix A.

Other expenses

3.1.27 The cost of other expenses incurred wholly, exclusively and necessarily in performance of the duties of employment will be reimbursed. Examples are:

- Laundry which is essential due to length of stay or the local climate
- Business telephone calls and internet access charges
- Visa costs
- Premium passport costs e.g. additional charges for fast track or premium service to acquire a passport urgently or second passports for regular travellers
- Small gifts as a “thank you” to acknowledge the contribution of a person (not a University employee) or where it is the national culture. The amount is at the discretion of the Head of Department or Budget Holder

3.1.28 The following costs will specifically not be met:

- Personal costs as a consequence of business travel which include childcare and animal care charges.
- Costs associated with the normal issue/reissue of passports

Other benefits paid for by the University

3.1.29 The University may make payments on behalf of employees, students and non employees for costs necessary in the performance of their duties, where an incidental benefit could be incurred. The benefits are governed within current tax legislation.

3.1.30 Details of specific expenditure which will be paid and which will not be paid are set out in Appendix B.

Payment methods

3.1.31 The main payment methods with links to forms and procedures (where applicable) are set out in Appendix C.

Checks in the Finance Department

3.1.32 Staff in the Finance Department will check a sample of expense claims that fall within the expenditure headings of this policy.

3.1.33 Staff in the Finance Department will check all expense claims that fall outside the headings of this policy as income tax and national insurance may need to be applied.

3.2 Roles and responsibilities

- 3.2.1 The Director of Finance will review this Expenses policy annually.
- 3.2.2 Individuals incurring expenses on behalf of the University are responsible for complying with this policy and the associated financial procedures relating to expenses.
- 3.2.3 Budget Officers are responsible for ensuring anyone incurring business expenses on behalf of the University is aware of this policy and the associated financial procedures relating to expenses.
- 3.2.4 The Budget Officer or other authorised signatory has primary responsibility for ensuring compliance with this policy. He/she must verify that expenses have been incurred whilst conducting University business and the information contained on receipts or other accompanying documentation is accurate and in accordance with this Policy. Except for their own, all claims should be authorised by the responsible Budget Officer or their delegated representative; Budget Officers should have their claims authorised by another member of their Budget Centre of professorial status or equivalent.
- 3.2.5 The Budget Officer alone will exercise discretion to authorise expenditure incurred for business purposes, but in excess of the limits or remit set by this policy, in recognition that a tax liability may arise.
- 3.2.6 The University has no obligation to reimburse expenses that do not comply with this policy. Individuals do not have the right to commit University funds without good cause or using unapproved methods.
- 3.2.7 The University is responsible for administering income tax and national insurance deductions for any authorised expense claims that require such deductions.
- 3.2.8 The Accounts Payable & Systems Manager will administer the expenses process and should be the first point of contact for queries.

Appendix A

Expenses rates and allowances

Para 3.1.13 Mileage		
M1	45p	Standard Rate
For information round trip mileage:		
<ul style="list-style-type: none"> Durham and Queens Campus - 46 miles Durham and the Science Learning Centre in Framwellgate Moor - 6 miles 		
Note: Regular travellers between Durham and Queens Campus may be paid an annual allowance rather than making a separate claim for each journey. The annual allowance of £1,350 is based on 3,000 miles per annum e.g. 22 journeys per term or 5 per month. Heads of Department identify in August the staff to whom the allowance should be paid. Payment is made pro rata over the year as an addition to salary.		
Note: Mileage rates are in line with national rates permissible by HMRC to cover any additional expense, such as business insurance. Where an individual travels more than 10,000 business miles in a year the rate is reduced to 25p. This is unlikely to occur at the University, but any employee who claims more than 10,000 business miles in a year should inform the Accounts Payable & Systems Manager.		

Para 3.1.18 Accommodation	
London	£200
Elsewhere in the UK	£100
Hotels within Durham area Rates negotiated by Procurement Services for visitors to Durham for whom this accommodation is appropriate.	
Overseas hotel accommodation Reasonable expenses will be reimbursed and will be determined by reference to the published Foreign & Commonwealth Office subsistence rates. Reimbursement will be made at the 24 hour B class rate. Please use this link for further information: http://www.hmrc.gov.uk/employers/wwsr-bench.pdf	
Alternative Overseas Accommodation	Per diem £25 per night

Para 3.1.20 Subsistence	
Expenses incurred in the UK	
Business requiring less than 5 hours away from the work place	Nil
Business requiring between 5 and 9 hours away from the work place	Up to £15
Business requiring between 9 hours and 24 hours away from the work place	Up to £50
Expenses incurred overseas	
Reasonable receipted expenses will be reimbursed and will be determined by reference to the published Foreign & Commonwealth Office subsistence rates. Reimbursement will be made at the 24 hour B class rate. Please use this link for further information: http://www.hmrc.gov.uk/employers/wwsr-bench.pdf	
Unreceipted subsistence (per diem per night)	Up to £25.00
Note: For absences of more than 24 hours, these limits are applied to each period of 24 hours' absence.	

Para 3.1.21 Hospitality (see note below)	
Lunch	£40 per guest
Dinner	£110 per guest
<p>Explanation: The hospitality policy limits are based on the expectation of one University employee for each guest and costs of £20 per head of lunch or £55 per head for dinner. However, it is recognised that there may be good reason for more than one University employee to be present and so the limit per guest may be claimed for the meal regardless of the number of people who dine. So, if for example, two guests were present the maximum amount claimed could be £80 for a lunch or £220 for dinner regardless of the number of employees present.</p>	

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Note: Employees should use University facilities for accommodation and meals when entertaining students, guests and parents unless in the opinion of the responsible Budget Officer this is clearly not appropriate. Outside accommodation and meals should only be used if there is no appropriate accommodation available through Event Durham.

Para 3.1.26 Staff entertainment	
Annual Staff Events	Maximum £15 per attending staff member towards cost, employees are responsible for any costs above £15.

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Appendix B

Other benefits paid for by the University

Para 3.1.31 Benefits that will specifically be paid / provided	
Broadband Access	<ul style="list-style-type: none">• Only provided if a specific operational need exists
Catering and Refreshments at Meetings	<ul style="list-style-type: none">• For business purposes only and must be formalised e.g. with an agenda and list of attendees / likely attendees.• Evidence of business purposes must be provided when making the booking for an internal event.• Evidence of business purposes must be provided with the payment request for an external event.
Corporate Subscriptions to Professional Bodies	<ul style="list-style-type: none">• Where it can be shown that membership gives discounts for conference fees or other benefits which are of value to the University• Payment must be made direct to the supplier and must not be paid for by an individual and reclaimed via personal expenses• For academic and other journals the address must be that of the University this also includes those to a specific individual• All publications paid for by the University must be placed in a public area accessible to other interested parties e.g. departmental library
Conferences & Courses	<ul style="list-style-type: none">• Where the University organises in house training, the full cost will be met by the University. There should be no need for an individual to incur additional expenses.• At the discretion of the Head of Department or Budget Officer who will approve such costs the University may fund in part or full the cost of external training courses. There must be a direct link to the increase in knowledge or skills necessary for the employees present or prospective duties• Budget Officers should have their conferences /courses approved by another member of their Department who is of professorial status or equivalent.
Laptops & Mobile Phones	<ul style="list-style-type: none">• Only provided if a specific operational need exists• Not to be used for any private purposes
Long Service Awards	<ul style="list-style-type: none">• Gifts given to employees who have worked for the University for 25 years

Removal and Relocation Expenses	<ul style="list-style-type: none"> This is covered by a separate policy which can be found at http://www.dur.ac.uk/hr/policies/relocationandremovalexpenses All applications must be submitted to the Treasurer for approval <p>NOTE: HMRC specific limits apply to the tax free element of such payments. Any payment made in excess of these limits results in a tax liability which the University must pay.</p>
Retirement and Leaving Events	<ul style="list-style-type: none"> Must be approved by the Head of Department or Budget Holder Must be charged to the Departmental budget <p>NOTE: the university will not contribute towards any gifts, cards or flowers.</p>
Uniforms and Workwear	<ul style="list-style-type: none"> Only provided if a specific operational need exists e.g. health and safety or clothing required for the proper performance of duties
Accommodation	<ul style="list-style-type: none"> Accommodation will be provided where it is necessary for the proper performance of the duties of employment.

Para 3.1.31 Benefits that will specifically not be paid

- Additional expenses incurred as a result of an employee working from home e.g. heating, lighting etc
- Individual employees' subscriptions to professional bodies and learned societies. Employees may be eligible for tax relief on such subscriptions and should apply direct to their local tax office or incorporate the amount in their self assessment tax return.
- Personal expenses even if they are work-related e.g. childcare

Appendix C

Para 3.1.32 - Payment methods

Purchasing card (credit card)	
Used by	Employees via their local Department Administrator
Used for	Travel and accommodation arrangements NOTE: This is the preferred method as travel and accommodation should be planned in advance where possible. This option has imposed transaction value limits.
Links (if applicable)	

Travel card (credit card)	
Used by	University employees with a corporate travel card
Used for	Payments made in connection with University business when travelling NOTE: This is an alternate preferred method
Links (if applicable)	

Trade supplier payment (raising a purchase order via Procurement)	
Used by	University employees and students via their local Department Administrator
Used for	Travel and accommodation arrangements
Links (if applicable)	

Personal expenses claim form	
Used by	University employees and students
Used for	To claim for the cost of expenses incurred when on University business
Links (if applicable)	Link to form and procedure when generated – a new form will be prepared

Request for payment	
Used by	Departments to refund people who are not employees
Used for	<ul style="list-style-type: none">• Student travel and incidental expenses• Interviewees' expenses• Visitor expenses
Links (if applicable)	

Advance payments (including foreign currency)	
Used by	University employees and students who require an advance payment of expenses or foreign currency
Used for	Personal expenses to be incurred on University business. Expenses such as subsistence and local travel which cannot be booked and paid for in advance
Links (if applicable)	