

STAFF TRAVEL AND EXPENSES: POLICY AND PROCEDURES



Last reviewed July 2019

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1. Introduction

This document provides details of the principles, rules and procedures relating to travel, subsistence and other expenses incurred by Integrity Action staff in order to ensure our supporters and donors' money and other resources are used properly and efficiently.

The objectives of this document are to:

- Enable staff, trustees and volunteers to be reimbursed for costs incurred as a result of their work for the charity as quickly as possible so that they are not out of pocket.
- Ensure that staff, trustees and volunteers have a clear understanding of the procedures for reimbursement of business expenses.
- Ensure that the charity complies with its legal, audit and tax obligations. Should these change the guidance will be updated.
- Minimise the charity's reputational risk - although expenses are usually small in relation to other charity expenditure they carry significant reputational risk.

This guidance applies to all staff, trustees and volunteers. It applies to all expenses regardless of the size and type of expense.

'Staff' should be read as 'staff, trustees, volunteers and interns'. The word 'employee' refers only to those with contracts of employment with the charity.

2. General principles

- Staff are expected to show restraint in the use of charitable funds and always ensure that value for money is obtained.
- All expenses claimed must have been incurred wholly, exclusively and necessarily on business for the charity.
- Any misuse of expenses claims, company credit cards or advances will not be tolerated.
- Where possible an itemised VAT receipt should be provided. This should include the name, address and VAT registration number of the supplier, a description of the goods/services provided, the total amount payable and the rate of VAT applied.
- The charity understands that, on occasion, receipts may not be available whilst overseas. In these circumstances staff should explain the reason for the absence of a receipt on the expenses/credit card form.
- Due to HMRC rules, staff entertaining is not allowable unless all staff are invited (see section 5).
- All expenses claims must be independently approved.
- If you are unsure whether an expense is acceptable speak to your manager or a member of the finance team before incurring the expense.

3. Procedures for claiming expenses

To be done by the person claiming the expenses

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- 1) All expenses must be submitted on the latest version of the staff expenses claim form which is found on google drive in _IA Folders\Finance, HR, Insurance\Finance.
- 2) Number your receipts (1, 2, 3...etc.). This number must tie into the 'Receipt Number' column on the expenses form.
- 3) Fill in a different row of the spreadsheet for each receipt.
- 4) In the description box succinctly state why the expense was incurred e.g. attending meeting with XYZ, not just the nature of the expenses e.g. train travel.
- 5) Scan your numbered receipts.
- 6) Email the scanned receipts and an excel copy of the claim form to the person approving the expenses.
- 7) Keep the physical receipts (where relevant) until the expenses have been reimbursed to you. After that you may dispose of them.
- 8) You do not need to keep an electronic copy of the scanned receipts (finance will keep a copy and we should avoid servers being filled with duplicate copies).

To be done by the approver

- 1) Check that all the expenses claimed are valid (wholly, exclusively and necessarily incurred for business purposes).
- 2) Check the receipts tie into the claim form.
- 3) Check that the expenses have been allocated to the correct donor.
- 4) When you are happy with the claim form, forward the form and scanned receipts to finance@integrityaction.org. In your email state that the expenses are approved.

In order for timely and accurate financial reporting, all expense claims should be submitted to finance within **one month** of being incurred and they will only be accepted up to **three months** after being incurred.

The Finance team will reimburse expenses within **two weeks** of receiving an appropriately authorised claim that complies with this guidance.

Approval

Staff should get approval from the relevant budget holder before incurring expenses.

All expenses must be approved in line with the approved delegation limits (found here: _IA Folders\Finance, HR, Insurance\Finance). Approvers must only sign off expenses if they are in accordance with this guidance. Expenses will only be paid if they comply with this guidance.

The CEO's expenses must be approved by a member of the Audit Committee.

4. Travel

General principles

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Travel is an essential part of the work of Integrity Action for a variety of reasons such as to monitor projects in the field and to meet with donors or potential donors.

However, travel represents a significant cost in terms of both financial and management resources, and should only be undertaken when absolutely necessary for a clear strategic or operational purpose.

Staff are expected to use the most cost effective and safe method of travel available (taking into account the cost of their time).

All staff travel (UK and international) must be pre-approved by the CEO.

The CEO's overseas travel must be pre-approved by one of the co-chairs of the Board, the chair of the Audit Committee or the chair of the Nomination and Remuneration Committee.

A travel risk assessment must be completed at least one week prior to travelling overseas (found here: [_IA Folders\Finance, HR, Insurance\HR\TEMPLATE - Travel risk assessment and authorisation checklist](#)). The form must be approved by a member of SMT and emailed to finance@integrityaction.org.

If travelling to high risk countries, staff should undergo hostile environment training and follow the guidance given.

Public transport

All travel should be in standard class. However, if first/business class is cheaper than standard class this option may be taken provided evidence is provided (e.g. a screen shot of the booking screen). In some countries it may be appropriate to travel in a higher class for safety reasons – this should be approved by your manager.

Itemised receipts showing the start and end point of each journey are required. Oyster Card top up receipts are not acceptable (and Her Majesty's Revenue and Customs (HMRC) considers this to be a taxable benefit – see section 9). You can obtain details of individual journeys by registering your oyster card/contactless card with Transport for London and opening an on line account.

If you have a travel card (weekly, monthly or annual) which covers your whole journey, you cannot claim anything for that journey.

Taxis

Taxis should be avoided in favour of public transport for both cost and environmental reasons; however, where public transport is impractical or alternative methods of transport are not available taxi charges will be reimbursed. In these cases prior approval by CEO needs to be obtained.

As guidance:

- Taxi can be used if traveling before 6.30am or after 10pm

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- If traveling with work equipment
- If traveling in a country where public transport is unsafe or unsecure
- If traveling to reach local communities overseas

When this is the case, staff should ensure that their choice of taxi firm offers the best available value for money.

Taxis to or from an employees' home may be a taxable benefit and as such the charity requires detailed information about the time and purpose of the journey to ensure that it meets its tax obligations. Only taxis deemed essential will be reimbursed.

Use of own vehicle

In certain circumstances it may be more efficient, for staff to use a private vehicle. Staff are expected to get prior approval from the budget holder and are responsible for ensuring they have appropriate insurance to use the vehicle for business purposes.

Mileage can be claimed in line with HMRC rates per business mile. For the first 10,000 miles these are currently as follows:

Car	Motorbike	Bicycle
45p	24p	20p

Further details can be found here: <http://www.hmrc.gov.uk/payerti/exb/a-z/m/mileage-expenses.htm>

Expenses forms with mileage claims must include details of the journey undertaken, for example the postcode or street address of your starting point and destination. This allows for independent verification of the mileage claimed.

The expense claim must include a VAT receipt for fuel dated on or before the date of travel which covers the mileage claimed.

Hiring a car

In some circumstances it may be necessary to hire a car. This is acceptable if it can be justified for business purposes e.g. to reach remote projects. The use of self-drive hire cars is encouraged where savings are generated over alternative vehicle use. Approval must be sought when the trip is approved (authorised approvers are as noted for travel approval).

Parking and other motoring charges

The charity will pay the cost of unavoidable motoring charges on business journeys, such as parking, congestion charge and road tolls. Where possible, pre-bookings should be made (for example airport parking).

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If it is not possible to get a receipt (e.g. from parking meters), staff are expected to detail the date, location, cost and purpose clearly on the expenses form.

The charity will not pay avoidable costs, such as parking fines and speeding tickets. Relevant laws and parking restrictions must be obeyed.

Ordinary commuting

Travel between an employee's home and his/her normal place of work is not reimbursable (it would be considered by HMRC to be a taxable benefit if it were paid).

If you travel to a location other than the office for work and it costs more than your travel to the office the extra cost is reclaimable. For example, if you usually cycle to work but cannot cycle to the location since it is too far/not convenient then you can claim the travel costs. If however, you usually take the tube to the office and the location is within the same zone (i.e. you have not incurred any extra cost) then you cannot claim for the travel.

Flights

All staff must travel in standard economy class, unless a cheaper acceptable alternative is available. Restricted tickets should be accepted unless flexibility is critical.

Staff are expected to book the lowest logical fare, including accepting indirect or alternatively timed tickets if such a ticket does not unduly inconvenience them.

Quotes for non-European international travel should be obtained from our appointed travel agents: Diversity Travel (by emailing reservations@diversitytravel.co.uk). In addition an on-line search for flights should be made and the option which provides best value of money should be chosen.

When booking a flight Diversity Travel will ask for a Purchase Order (PO) – this is the donor which is funding the travel. The invoice will be sent directly to the finance team but must still be approved by the budget holder in the usual way.

Our Diversity Travel account should only be used for booking business travel. On occasion and with CEO approval, staff may book an extension/additional flight for personal reasons or a staff member's family may accompany them. In this situation the staff member must reimburse the charity for the additional cost of the flight immediately.

Staff are expected to obtain value for money at all times. As such, it may be best to book European travel directly with a low cost/budget airline.

Baggage and airport costs

The charity will cover the cost of a single piece of pre-booked checked baggage where necessary.

The charity will not reimburse staff for the cost of excess baggage charges unless it was incurred as a result of carrying supplies and equipment on behalf of the charity. Nor will the charity pay

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additional charges for printing boarding passes, seat selection and early boarding in normal circumstances.

Medical treatment, insurance and visas

Before travelling overseas to non-European countries staff should ensure that they have all recommended immunisations. The cost of these will be paid by Integrity Action. If a member of staff chooses not to have the recommended immunisations, Integrity Action may prevent them from travelling.

Business travel is covered by the charity's travel insurance. However, there are circumstances and locations that are not covered under our standard policy so it is important that staff who are travelling to high risk areas fill in a Travel Form to enable the Administration Team to confirm that they are covered.

Staff undertaking business travel may claim for the cost of reasonable, unavoidable medical treatment whilst they are abroad. Receipts must be obtained so that an insurance claim can be made if appropriate.

The cost of entry visas to countries visited for business may be reclaimed, and staff who are non-EU passport holders can claim for their Schengen area visa if their work requires them to travel within the EU.

Cash advances

The Finance Team provide cash advances when necessary.

At least **five working days'** notice is required to ensure that the cash reaches your bank account on time. After the trip any remaining cash must be submitted to the Finance team immediately on return to the office. Details of the expenses incurred must be submitted within **two weeks** of return to the office. Staff will not be reimbursed for any other expenses until the charity's funds have been accounted for.

If more than one currency is used, please submit a different expenses form for each currency.

Where staff do not account for the full advance, or have used advances to purchase personal items, or items not reimbursable by the charity, it will be deducted from their expense claim or prompt repayment must be made if no expenses were incurred.

Accommodation

Accommodation will be provided when there is a business requirement for staff to stay away from home.

Staff are expected to obtain value for money by choosing budget or standard hotels and booking only basic or standard rooms whilst being mindful of their safety. When this isn't feasible due to the nature of the trip (time, location, availability, importance to attend), the staff member travelling should seek approval from their line manager in the form of an email.

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The maximum reimbursable cost of a hotel is £100, with London (and similar) rates being £150. Prior authorisation is needed from the CEO to stay in more expensive hotels, which may on rare occasions be justified.

If staff arrange to stay in a private home in lieu of hotel accommodation, they are able to purchase a gift, or meal to thank the host for their hospitality. This gift can cost up to £25 per day. As with all other expenses, receipts must be submitted and an explanation included on the expenses form stating that the gift was in exchange for hospitality. Cash cannot be given directly to a private individual in exchange for their hospitality.

Subsistence

Subsistence can only be claimed for when staff are away from their normal place of work and costs are supported by an itemised receipt, including (if applicable) the VAT number of the supplier.

Subsistence claims should not exceed **£37.50 per day** - the limits below are intended to be guidelines rather than targets and we recognise that trips to certain countries may necessarily incur higher costs. In this case the latest DFID rates should be used as a limit. See <https://www.gov.uk/government/publications/scale-rate-expenses-payments-employee-travelling-outside-the-uk>

- **Breakfast: limit £7.50**

Breakfast can be claimed when staff are staying away from home or are required to leave home before their normal time to travel/attend a business meeting or function and a breakfast cost is incurred before 9am away from both home and their regular place of work.

Where accommodation includes breakfast, staff will not be able to claim expenses for breakfast separately.

- **Lunch: limit £10**

- Staff who are away from their regular place of work over lunchtime (approximately 11:30 until 3:00) are entitled to have reasonable lunch expenses reimbursed.

- **Evening meal: limit £15**

Expenses for an evening meal can be claimed when staff are required to work away from their regular place of work and incur the cost away from both home and their regular place of work.

- **Other subsistence: limit £5 per day**

Whilst out of the office and away from the regular place of work, expenses such as coffee, tea or soft drinks and phone calls home are acceptable within reason.

Integrity Action will not pay for the cost of newspapers / periodicals. Reasonable laundry expenses are allowed for trips lasting five nights or more.

Tips/service charges will only be paid if they are reasonable and, if possible, should be included on the receipt, where one is available. If a cash tip is given staff may claim for the tip and should

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manually write it on the receipt themselves or note on the expenses form that one was not available.

Alcohol

The charity will cover one reasonably-priced alcoholic drink with a meal within the financial limits set. Staff cannot claim for drinks in lieu of subsistence nor will excessive alcohol charges be reimbursed. If a corporate credit card is used staff may be asked to repay excessive charges.

Insurance

We have a group travel insurance policy which covers all staff. A copy can be found here: _IA Folders\Finance, HR, Insurance\Insurance\Travel insurance. Staff must ensure they carry details of the policy and emergency assistance contact numbers at all times while on business travel.

5. Entertaining

Staff entertaining

The charity may pay for certain events where **all employees** are invited and CEO approval has been given. Providing such costs do not exceed £100 per person per year, this is not a taxable benefit as there is a statutory exemption provided by HMRC. The charity does not contribute towards a Christmas party.

Events where only some employees are invited will **not** be funded by the charity; therefore, such events must be paid for by the employee, including, but not limited to, team lunches, team drinks and birthday/other celebrations. If such events do occur they may have to be disclosed to HMRC as taxable benefits, and employees will be responsible for any tax due.

For the avoidance of doubt - meals taken while on business away from the usual place or work/permanent workplace are classified as subsistence rather than entertaining even if only staff are present.

Business entertaining

"Entertaining" has a specific definition for expenses purposes, as defined by HMRC. I.e. it must be for the purpose of discussing a particular business project or forming or maintaining a business connection. It is not entertaining a business acquaintance for social reasons.

Staff in the course of their duties may be required to entertain suppliers, partners, business contacts etc. Staff are expected to show restraint with regard to business entertaining and should obtain prior approval from their manager.

The names of the individuals entertained (including staff) and the purpose of the meeting must be recorded on the expenses form. An itemised receipt must be obtained.

The consumption of alcohol for business purposes should be controlled and excessive alcohol charges will not be reimbursed.

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Expenses for business entertaining must be incurred wholly, exclusively, and necessarily in the performance of the duties of employment. If expenses do not meet this criteria, HMRC considers them to be taxable benefits and they will not be paid by the charity.

Staff are reminded that in the context of the Bribery Act 2010 a bribe does not have to involve cash or an actual payment changing hands, bribes can take many forms such as lavish treatment, and are reminded to be vigilant against claims of bribery.

Internal meetings

Meetings held at the charity offices for staff only should not normally be catered for. In situations that require catering, such as trustee meetings, all day meetings or lunchtime sessions, then it may be reasonable for the charity to cover the cost. However, it may be considered a taxable benefit and it is important that the expenditure can be readily tracked by person.

6. Telephone costs

Personal phones

Staff who use their personal phone for business calls may reclaim the cost of these calls if they substantiate them with an itemised bill showing the charge that has been incurred.

Where staff have a contracted mobile or landline phone, they can only reclaim the cost of calls once they have exceeded the monthly contract charge. The charity will then pay the cost of the calls, or the amount exceeding the monthly charge whichever is lower.

IA will not pay for mobile top up vouchers.

Business mobile phones

The CEO may be supplied with a business mobile. They are expected to use their business mobile phone for work purposes only. Call or data charges deemed to be excessive may be recharged to the employee. If the work phone is used for personal calls, staff are expected to make prompt repayment by finding out the cost of the calls from the bill.

Integrity Action reserves the right to cancel a phone subscription should a staff member be using his or her phone without discretion, or not repaying the cost of personal calls.

Staff should wherever possible use Skype, WhatsApp or other internet-based services to minimise the cost of phone calls.

7. Company credit cards

All permanent staff may request a credit card for business use. This must be approved by the Head of Finance. They will then be sent an online application form by the finance team and will be credit checked by the issuing bank (HSBC).

Staff who are approved and successfully pass a credit check are accepting limited liability with regard to the use of the card. They must review their statements for fraudulent transactions upon receipt. Any transactions they do not recognise must be reported immediately to the card issuer and Finance Team.

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The charity has both an overall credit limit and a limit per card. The credit limit per card must be agreed with the Head of Finance. The general guidance is not more than £1,000 per card but temporary increases can be arranged if circumstances require. Changes take up to 48 hours to be effective.

If a company credit card is lost or stolen it must be reported to the card issuer immediately so it can be cancelled and re-issued. The card must only be used by the named cardholder i.e. it should not be loaned to other employees.

The contact number for the HSBC Corporate Cards Team is 03456 015934 or +44 1442 442 929 from overseas. Our relationship number is 4555983783699877. Our company number is 3783699877.

Staff must provide receipts and an explanation of the purpose of the expense to the Finance team within **two weeks** of receiving the monthly statement. The credit card form should be used (found here: \IA Folders\Finance, HR, Insurance\Finance\Procedures and forms). Procedures are the same as noted in section 3 above in relation to claiming expenses.

Credit cards **must not** be used for personal transactions. Should this happen by mistake, prompt repayment must be made.

If items are purchased which do not comply with this policy they will be recharged to the relevant staff member and may be deducted from their next salary payment. If there is persistent misuse or regular delays in providing receipts the card will be cancelled.

8. Miscellaneous

Professional fees

Staff may claim fees for membership of professional bodies if it is a requirement of their work, or if there are clear reasons for the charity to pay the fees and these are agreed with their line manager and/or the relevant budget holder.

The professional body must be an approved body for tax purposes, the full list of approved bodies can be found at: <http://www.hmrc.gov.uk/list3/>.

Books

Books must not be purchased unless there is a clearly identified business need and the purchase has been approved by the CEO. All books purchased by IA should remain in the IA library, although they may be borrowed by staff members on a short term basis.

Subscriptions

All subscriptions should be managed by the Finance and Administration team.

Subscriptions for IT software, databases, etc. should be agreed by EMT and paid for centrally.

Subscriptions to consumer magazines (e.g. The Economist), newspapers (Financial Times, New York Times) or other similar subscriptions will not be covered by expenses.

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Gifts

The charity does not consider it an acceptable use of charitable funds to purchase gifts for staff, such as flowers, cake or drinks. Staff should organise personal collections if they wish to recognise significant events such as leaving, parental, marriage, or other special occasions.

Gifts to anyone who is not a member of staff must be considered within the framework of The Bribery Act 2010 – see below. Staff wishing to purchase gifts for contacts must get approval from their line manager. When claiming for these items a clear explanation of who was given the gift, the company they work for and the reason for the gift must be recorded.

Consultants (self-employed service providers)

Consultants must invoice for their expenses and may not claim using the charity's expenses procedures. Similarly, consultants are not provided with currency advances; they must organise their own currency for any foreign trips.

Employees may arrange flights for consultants via our appointed travel agents in the normal way as the charity will often be able to obtain more favourable rates and to ensure that staff and consultants are travelling together on flights.

Cycle to work scheme

If employees wish to purchase a bike under the UK bike to work scheme they should speak to the Head of Finance.

9. Taxable benefits

Certain benefits provided to employees by their employer in addition to their salary are taxable. Any taxable benefits will be declared to HMRC on the P11D. Examples include staff entertaining which is not open to all staff or costs over £150 pa, mobile phone top up vouchers and unspecified travel costs such as Oyster card top ups.

There is a statutory exemption for individual 'trivial benefits in kind' costing less than £50 including VAT. However, this does not apply to gifts given as rewards.

If extra tax is due as a result of receiving a taxable benefit the employee will be liable for this tax.

10. Fraud, corruption or misuse of expenses, and bribery

Any misuse of expenses claims, company credit cards or advances will not be tolerated. This includes, but is not limited to, false or inflated expenses claims and expenses that were not legitimately incurred, or not incurred wholly on behalf of the charity.

The charity will take disciplinary action where appropriate and, in certain circumstances, may treat a breach of this guidance as gross misconduct, which may result in summary dismissal.

In addition, where appropriate, the charity will report the matter to the Police, Companies House and/or the Charity Commission.

Bribery

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The Bribery Act 2010 broadly defines a bribe as *'the offering or giving of any benefit in order to induce that person to give improper assistance in breach of their duty to the government or company which has employed or appointed them'*. The charity will not pay, or accept, bribes in any circumstances. For further information, see our anti-corruption policy which can be found on the IA internet site: www.integrityaction.org