



Oasis Community Learning  
**Expenses  
Policy**

**June 2014**

## **STAFF REIMBURSEMENT OF EXPENSES INCURRED ON OASIS COMMUNITY LEARNING (OASIS) BUSINESS**

### **1. Policy**

- 1.1 Oasis will refund the actual travelling and reasonable out of pocket costs incurred by employees wholly, exclusively and necessarily incurred in the performance of the duties of their employment.
- 1.2 Oasis will NOT reimburse any expenses relating to private travel (which includes travelling to and from the regular workplace). Oasis does not reimburse employees for other personal expenses or any fees unless expressly approved through their Contract of Employment.
- 1.3 Reimbursement of expenses shall normally be made by BACS, alongside the monthly payroll run, using the account which the employee has specified for payroll purposes. Claims should be made within two months of the date the expenditure was incurred.
- 1.4 HR/Payroll will publish monthly deadlines for payroll amendments and expenses should be submitted prior to this date. Expenses payments shall be made only upon receipt of a properly completed claim, together with supporting documents and vouchers.
- 1.5 All expenses (except mileage rates – see below) must be backed by a VAT receipt or other evidence of payment (e.g. tube and rail tickets). Original receipts (not photocopies) should be provided to substantiate all payments. For National Office staff, scanned receipts must be attached to the expenses claim submission via Midland I-Trent self-service. All expenses must be authorized by the employee's line manager and line managers must not approve expenses without the relevant receipt.

In exceptional circumstances, in the absence of an original receipt, the approval of the expense is discretionary but must be supported by other evidence of the expenditure, such as credit/debit card slip or bank statement. Recording of VAT is essential and an expense claim may be refused on the basis of lack of an acceptable receipt with VAT breakdown.

- 1.6 Authorisation of an expense is not simply an instruction to pay; it is a representation that the expenditure has been incurred in accordance with Oasis' business.

### **2 Travel Expenses**

- 2.1 When travelling on Oasis business the most cost effective form of transport available should be used, consistent with the purpose and schedule of the trip. Decisions could be influenced by various factors including group travel, staff time and safety. Oasis will only reimburse the cost of the cheapest appropriate method of travel.
- 2.2 Oasis will meet the cost of reasonable out of pocket travel and incidental expenses. Examples of these will include, but are not limited to:
  - Tube/bus fares
  - Parking meters
  - Taxi fares (use of public transport in London, however, is encouraged)
  - Telephone calls from public call boxes
  - Ferry or road toll charges
  - Snack/ trolley meals purchased while travelling up to a maximum of £5 per person per instance

In central London the use of an Oyster card is generally the most cost effective method of payment for tube or bus travel. Itemised printouts of journeys can be obtained from the TfL website and should be used to support expenses claims. Company credit cards should not be used to 'top up' Oyster cards.

- 2.3 Train travel, other than for local/short distance journeys, should be pre-booked wherever possible using the specific accounts operated by the Finance Department. These will be paid directly by Oasis and no personal expense should be incurred. Travel should be by Standard Class and staff are encouraged to seek such discounts as may, from time to time, be available. There may be occasions where it is appropriate and/or cost efficient to travel First Class but this should only be in exceptional circumstances and with the approval of the relevant Executive Director.
- 2.4 Reimbursement will not be made for any fines incurred while on Oasis business.

### 3. Use of Private Vehicles

- 3.1 If you use your private vehicle for Oasis business you will be reimbursed at the following HMRC tax free rates. These rates are reviewed and updated regularly by HMRC and the table below indicates the rates effective as at the date of this policy (June 2014). HR/Payroll will notify changes as they arise.

From 2011/12	Up to 10,000 miles	Over 10,000 miles
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

A separate record of each journey should be kept detailing

- Date of travel
- Journey undertaken, highlighting from which base to which destination, inclusive of return travel
- Number of miles for each journey

- 3.2 Any employee using his/her car/motor-cycle for business purposes should ensure that the vehicle is adequately insured for the purpose. The standard rate per mile is set having taken into account any additional insurance costs.
- 3.3 Travel to and from your designated place of employment (as determined by your contract of employment) does not qualify for business mileage. HMRC rules state that any payment for the expense of travel (car mileage or fares) to a principal place of employment constitutes a taxable benefit and also that travelling to and then on from the regular workplace should constitute two journeys. Business mileage excludes home to office but travel from home to a business location other than your regular place of employment and return is permissible.

### 4. Car Allowance:

- 4.1 Employees who are required to travel extensively on behalf of Oasis may receive a car allowance. Staff receiving a car allowance will have the relevant amount added to gross pay from which tax and National Insurance will be deducted as appropriate. The car allowance is not pensionable.
- 4.2 Following agreement with HMRC of the comparative benefit of receiving a company car versus a car allowance, employees who receive a car allowance may claim reimbursement of business mileage using the rates indicated in the table below. It is not permissible to claim for private mileage.

## Rates for employees in receipt of Car Allowance

Engine Size	Petrol	Diesel	LPG
1400cc or less	37p	34p	33p
1401cc to 2000cc	40p	37p	35p
Over 2000cc	45p	40p	40p

A separate document, "Business Needs Car Policy" sets out full arrangements for the scheme.

### 5. Subsistence Expenses

5.1 Oasis will meet the costs of overnight accommodation which is necessitated by travel on behalf of the company. For overnight stays the nightly cost in a hotel should be as cost effective as possible (e.g. Travelodge/Premier Inn etc.) and not exceed £110 per night (£140 for London) other than in exceptional circumstances (eg. last minute bookings) and this is at the discretion of the line manager. These rates will be reviewed over a period of time with market accommodation rates.

5.2 Oasis will reimburse reasonable costs of meals incurred while travelling as follows:

Breakfast	£10.00 maximum
Lunch	£5.00 maximum
Supper	£20.00 maximum

If the meal rates (especially breakfast) in the hotel you are staying in are greater than the above limits then you may use your reasonable discretion and claim a higher sum. The breach of the limit should be noted on any expense/credit card claim and managers approving claims should be mindful of the reasonableness test when signing off claims.

If you need to leave home before 06.45, you may claim Breakfast and Lunch. If your travel time means you will not get home before 19.00 you may claim for Supper.

5.3 Where a claim is for meals, it must relate to the business undertaken and indicate whether self or staff present (subsistence) or if any third person was present (entertaining).

5.4 Staying with Friends/Family: Oasis recognises that occasionally when overnight accommodation is required, employees will choose to stay with family or friends instead of in a hotel. In such circumstances it is appropriate to compensate your host, up to a value of £20.00 per night. This claim must be supported by receipts in order to be treated as an allowable expense and not a taxable benefit.

### 6. Business Entertaining

6.1 Employees, in the execution of their duties, may be required to entertain customers, suppliers, business contacts or potential customers. All business entertaining activities must be approved by your line manager and evidenced by an outcome that delivers value to Oasis. If approved, the nature of the business, the names and the organisation of the people being entertained must be clearly stated on the expense claim form, or on a supporting document.

6.2 Oasis will only reimburse the cost of entertaining business contacts on a business occasion where at least one representative of an outside organisation is present. All

such recipients of Oasis hospitality must be identified by name and organisation in the claim. At no time will Oasis meet the costs of entertaining relatives or partners.

- 6.3 Oasis will not cover the cost of alcohol purchased as part of business entertaining.

## **7. Meetings / Refreshments**

Where lunches or refreshments are provided for meetings with a business agenda or in-house training etc. the standard practice shall be to pay or reimburse these costs. Should an employee stand the cost and claim subsequently, all recipients must be identified by name in the claim. Oasis will not cover the cost of any alcohol purchased.

## **8. Home phones and mobile phones**

- 8.1 The cost of incidental business calls made by employees from their personal phones, whether mobile or landline, are reimbursable upon presentation of an itemised bill, on which the business calls are clearly indicated.
- 8.2 No rental or service charges are reimbursable.
- 8.3 For employees who are identified as 'essential' users – an Oasis mobile phone will be provided under contract to Oasis. Please refer to the Mobile Phone policy available to view in the Policy Section of Oasis Zone.

## **9. Petty Cash**

- 9.1 Small amounts of incidental expenditure, up to £50 (primary academies) and £75 (secondary academies and National Office), may be reimbursed from petty cash.
- 9.2 Certain items should not be paid via petty cash. These include:
- Staff advances
  - Staff travel and subsistence
  - Casual workers' wages
- 9.3 Claims for reimbursement of expenditure through petty cash must be submitted by employees on a petty cash voucher with supporting receipts attached. In exceptional circumstances, where a receipt is not available, a written explanation of the expenditure can be provided instead.

## **10. Expenses Advance**

- 10.1 If an employee anticipates incurring expenditure in excess of £50 (at primary academies) and £75 (secondary academies) when engaged in a specific activity, e.g. project activity or event attendance, then the employee may apply for an advance to cover the anticipated cost. The request for an advance must be put in writing and approved by the employee's line manager. Requests must be submitted at least 5 working days in advance to the Finance Team to guarantee availability.
- 10.2 Expense claims against the advance must be made within 5 working days of return from the activity.

## **11. Miscellaneous**

- 11.1 Any purchase linked to computers, telephones or high cost items of stationery must not be purchased without prior authorisation by the line manager.
- 11.2 No member of staff shall personally make any loan or advance to an employee on behalf of Oasis.
- 11.3 The National Finance department is responsible for communicating the Expenses policy to all relevant academy and National Office line managers, who are responsible for compliance. If in any doubt, line managers should refer to the National Finance department before approving expenses that may be deemed outside the scope of this policy.

## **APPENDIX 1**

### **PROCESS FOR EXPENSE CLAIMS**

#### **How to Claim Expenses**

National Office employees should use the Midland i-Trent self-service system to enter a claim for expenses. Receipts should be scanned into i-Trent and attached to the claim. The claim will then be sent through the system to the line manager for a uthorisation. Once authorised by the line manager the expenses will be processed and payment will then be made through the payroll system.

Academy employees should use the expense claim form to enter a claim for expenses. Receipts should be attached to the claim and sent to the line manager for authorisation. The expense will be processed and payment made through the payroll system.

In exceptional circumstances (e.g. if the claimant would suffer personal hardship) the line manager may request that payment is made by cheque, bank transfer or, if less than £50, from petty cash. In these cases a signed and approved expense form should be attached to a completed authorised payment request form and submitted to the Finance Department (*payment request forms can be obtained from the Finance Department, who can supply an electronic template or hard copy form*).

Line managers are responsible for checking the validity of the expense claim in line with this policy. Line managers have the right to refuse payment if the claim does not comply with this policy.

## **APPENDIX 2**

### **CREDIT CARDS**

The Oasis policy is to hold credit cards for some non-cash/cheque payments, accepting that some payments for the supply of goods or services are most conveniently made by credit card. Credit card transactions made in any month will be paid in full in the following month by means of a Direct Debit.

The use of company credit cards shall be subject to rigorous control at all times and line managers should refer to this policy and other relevant guidance, including the procurement and credit card policies, in the approval of transactions. The credit limits are maintained at the National Finance office at a level commensurate with expected monthly levels of expense.

All staff that hold a credit card must complete a credit card expense claim form and this must be signed off by their line manager each month. The line manager is responsible for checking the validity of the credit card expense claim in line with this policy. Line managers have the right to request reimbursement from staff who have not complied with policy.

OCL prefers that staff do not use private credit cards when incurring expenses on behalf of the employer.

OCL company credit cards must NOT be used to draw cash for casual purchases e.g. working lunches. Each location maintains a Petty Cash float which should be sufficient for all such purposes either by means of an advance or a payment in arrears to cover receipted expenses.

## **APPENDIX 3**

### **PAYE SETTLEMENT AGREEMENT**

As a general rule, Oasis only pays expenses that are deemed by HM Revenue & Customs (HMRC) to be non-taxable PAYE benefits.

Oasis Community Learning (OCL) has obtained a Dispensation from HMRC which allows the reimbursement of employees' non-taxable expenses without HMRC scrutiny.

OCL also has a PAYE Settlement Agreement (PSA) in place with HMRC. This agreement applies to all OCL staff at academies and the National Office. The PSA is a flexible scheme to settle any PAYE tax and NICs due to HMRC on employee related benefits and expenses by the employer, for any reasonable expenses outside of the dispensation agreement, to avoid the individual member of staff bearing the cost..

Any PSA liability will follow the individual member of staff, the academy and or national department budget. This will be in line with the acceptable criteria below.

There are three types of items that can be covered by a PSA:

- Minor items: such as a gift to an employee in hospital or exceptional circumstances
- Irregular items: e.g. relocation expenses in excess of £8000
- Items impractical to operate PAYE on or to value for P9D/P11D purposes:

Items that can't be covered on a PSA:

- Cash payments
- Large benefits such as company cars
- Lump sums to cover annual expenses
- Items where tax is already deducted through PAYE or managed via a tax code

As part of the PSA it has been agreed with HMRC that the following items can be classed as exempt for which there will not be a Tax / NI liability:

- Health screen / eye tests
- Staff uniform that is (a) clearly and permanently logoed, or (b) for safety e.g. work boots
- Relocation expenses under £8000 (this does not include council tax)
- Travel and subsistence for genuine business expenses
- Staff Meals can be exempt if this is available to all staff appropriate to their role (eg lunchtime supervisors)
- Discretionary items under £50 such as flowers, birthday cards etc.
- Staff welfare i.e. tea & coffee

Items deemed reasonable that will be included on the PSA which will have a Tax / NI liability attached to the individual, but covered by academy or national budgets as appropriate are as follows:

- Staff Meals where the benefit is not available to all employees
- Gifts where the value is over £50
- Relocation expenses in excess of £8000
- Personal travel costs
- Personal Hospitality
- Personal Vouchers

This does NOT mean that a Form P11D will never need to be completed where a payment is negotiated which may give rise to a taxable benefit. Any employee that makes a claim outside of the dispensation and PSA criteria will be informed of this and they may be personally liable for their own PAYE liability.