



Travel and Expenses Policy

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CORPORATE FIT

Internal Management Plan

Risk Register

Business Plan

Regulatory Standards

Equalities Strategy

Legislation

Introduction

Albyn Housing Society recognises the importance of remuneration decisions that are appropriate, transparent, provide value for money and reward employees fairly for the work that they perform.

Set out in the Scottish Housing Regulatory Standards is a requirement to:

- manage our resources to ensure our financial well-being,
- ensure that employee salaries, benefits and pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.

This policy statement sets out the Society's key approaches to travel and expenses for our employees and Board members, while carrying out the work of the Society.

Aims of Policy

The policy is intended for all Albyn Housing Society Group staff and members of the Boards. A member of staff is defined as someone with a current contract of employment at the point of carrying out the duties for which a claim for expenses is being made.

It is accepted that staff travel is a necessary part of Albyn Group business. However, the Society is also committed to reducing the impact we have on the environment through the CO2 emissions we produce. Wherever possible and practical, MS teams, Skype or videoconference facilities should be used in place of travelling on authorised business.

There must be a genuine business reason for every trip made and any expenses incurred as a result of that trip. All costs for travel and subsistence which meet the relevant criteria will be reimbursed providing they are incurred wholly, exclusively, and necessarily in the performance of the duties of the employment. In the pursuit of fairness and consistency, all expense claims are subject to this policy, regardless of the source of the income against which the expenses are charged.

The Society has an obligation to ensure that it only spends money that is wholly, exclusively, and necessary in the furtherance of its objectives. It is essential that it does so in a way that is transparent, open and beyond reproach, and meets the highest standards of good governance. The rules set out in this policy are to ensure that all claims made for travel and other expenses are necessary, reasonable, and only for staff and Board members properly engaged on Society business. Authorised signatories must ensure that claims are complete and comply with the content of this policy. Under no circumstances should a Travel Request or resulting claim be approved if it is incomplete or non-compliant.

It is the Society's legal obligation to ensure that all expenses and benefits given to staff are treated correctly for the purposes of Pay As You Earn (PAYE). The payment of travel and subsistence expenses incurred whilst on Society business must either be equal to or less than what is allowable under HMRC rules. This means that provided all claims comply with the rules contained in this policy, there is no requirement to report them to HMRC at the tax year end, as there is no liability under PAYE. Staff are advised therefore, that there is no requirement to include details of expenses in their annual tax return.

The Society reserves the right to make changes to this policy from time to time. Any amendments will be publicised and made available to staff.

Normal travel to work

You will travel to and from your normal contracted place of work in your own time and at your own expense.

If we need you to make extra travel in connection with your work, we will refund reasonable costs you incur as a result of our request.

Business Travel

Journeys between home and a normal contracted place of work are not regarded as business trips and the cost of these journeys and any related costs such as car parking cannot be claimed. This still applies where staff choose to use their own car for business and commute to a place of work, even on days they are not normally due to work.

Travel Arrangements and Business Expense Claims

The process commences when there is a need for a member of staff to travel whilst carrying out Society business.

Staff must agree all business travel and accommodation with their line manager. The exception to this is for travel and accommodation arrangements to attend a training course which must be approved by the Human Resources Department prior to booking. Under no circumstances should staff pay for trip costs in advance using their own funds, without prior authorisation, any resulting claims will not be paid.

Staff should consider the most cost-effective options for travel which are within this policy prior to confirming the arrangements with their line manager. Such considerations should include the cost and convenience of travel and the environmental impact. First class travel should not be used unless this is a demonstrably cheaper form of travel than a standard ticket. Any loyalty incentives offered to staff must not influence travel decisions unless it results in a saving to the Society.

Staff are required to submit claims in a timely manner to ensure queries are dealt with promptly and to facilitate budgetary control. To claim expenses following a business trip, an expense claim form must be completed, authorised, and sent to Finance. Where receipts are required, they must be included with the claim.

Expense claims must be submitted no more than three (3) months from the date of travel.

Expense claims must never be authorised by the person making the claim or colleagues on the same business trip or the same event. Similarly, an authorised signatory must never authorise a claim by a related party.

Staff are not permitted to make a claim for colleagues' expenses; the only exception

is a shared taxi fare. This must be made clear when submitting a claim and full names of all staff must be provided.

The Society must never meet the cost of personal expenses, even if they are work related. The deliberate claiming of expenses to which there is no entitlement constitutes theft. In such cases, appropriate disciplinary action will be taken. Examples of items which cannot be claimed or paid for by the Society are:

- ☐ clothing and footwear for use at work which is not an approved uniform item, or a piece of safety wear not used exclusively for work.
- ☐ the cost of replacing personal items lost or stolen either at work or on Society business.
- ☐ personal communications (postage, telephone)
- ☐ gratuities and gifts (including presents and flowers for colleagues)
- ☐ parties and celebrations
- ☐ travel between home and work
- ☐ workplace car parking

Departure and arrival times must always be included in the claim to ensure that the correct rate of subsistence is claimed for the length of time spent away from the normal place of work.

The overarching principle is that all travel and expenses must be approved by each individual's line manager, subject to the limits set out in this policy and in line with the Scheme of Delegation.

Where the business trip includes some unusual expenditure that is not covered in this policy, the line manager should consult the Director of Finance and Corporate Services in advance to ensure the expense is allowable. Failure to do so may result in non-payment of the claim.

The Society does not expect anyone who incurs expenses whilst on Society business to be out of pocket for any significant period. All payments in respect of business trips are paid via payroll on a monthly basis.

Staff must ensure that all outstanding claims are submitted and authorised for payment prior to leaving the Society. Claims not submitted prior to leaving cannot be processed.

Accommodation

Overnight accommodation costs will be met by the Society if it is not feasible- [for staff to return home whilst on Society business away from their normal workplace, e.g., an overnight hotel stay is not necessary if staff attend a two-day conference in Inverness and can commute the following day. Similarly, with an early morning start time for a business meeting/event (i.e., before 8am), an overnight stay the day before may be appropriate if the journey time is considerable.

If a business trip lasts more than one day and it is necessary to stay overnight, accommodation needs to be arranged prior to the trip. Where possible, accommodation should be arranged with breakfast included.

To ensure the lowest available price is secured, non-refundable hotel rates should be booked unless there is sufficient reason to believe that there will be financial detriment to the Society. It is accepted that there may be discounted rates for delegates attending conferences which have been negotiated by the organiser to offer preferential rates; therefore, those arranging travel should take advantage of these as applicable.

Additional costs for subsistence must be paid for separately at the destination. In the exceptional circumstance that accommodation is charged to an Albyn Corporate credit card, the original receipt must be passed to the cardholder for checking against the statement.

The Society accepts that there may be occasions when it is not possible to restrict expenditure to the hotel limits, for example if there is a shortage of accommodation as a result of high demand. Where justification to exceed the limits is established, authorisation from the Director of Finance and Corporate Services must be sought prior to any bookings being made.

Air Travel

Flights within the UK should only be used where it can be demonstrated that a significant saving in overall travel costs can be achieved, including official time and/or subsistence costs. Internal air travel within the UK is only worth considering for journeys that would take more than four hours by train. The time needed to travel to the airport and to check-in, as well as at the other end of the journey getting from the airport to the destination, all need to be considered. Fundamental issues of health and safety, and the need to be ready for work at the destination in a fit condition, appropriately rested and ready for business should also be considered.

If additional expenses are incurred at an airport as a result of a flight delay, only the cost of qualifying subsistence can be claimed, and any other expenses must be met personally or claimed from the airline where applicable. Similarly, purchases resulting from delayed/lost luggage cannot be claimed from the Society and must be pursued with the airline/airport.

Staff are only permitted to fly economy class.

The Society will not meet the cost of booking seats on flights but where reasonable adjustments need to be made, they will be taken into consideration but are subject to the appropriate authorisation.

The Society will not meet the cost of using an airport's lounge during a business trip.

Alcoholic Beverages

Staff must not submit claims for the purchase of alcohol whilst on Society business as these will not be paid.

Bank Charges and other Financial Charges

Where costs incurred on a business trip are charged to a personal credit/debit card, the Society will not reimburse any charges associated with that e.g., overdraft charges or fines as a result of exceeding card limits.

Subsistence Rates

During a UK business trip, if staff are prevented from taking meals at their home or normal place of work, the Society agrees rates of allowance are based on your time away on business. Details are needed of the start and finish times of these instances when claiming subsistence allowance. The Society pays two levels of subsistence rates. The rates are reviewed as part of annual pay negotiations, and you can find up-to-date amounts by referring to the most recent pay agreement.

The circumstances where the cost of breakfast / evening meals may be reimbursed are:

- where the staff are required to attend meetings or functions that end after 9pm or begin before 8am the next morning, and/or where staff will be on duty for 5-10 hours outwith their normal workplace, or on duty for 10 hours or over.

If staff spend less than the Society rates, then only the expenditure incurred should be claimed.

Car Mileage

It is necessary for Albyn to give attention to economic efficiency in its spending on employee travel, and this means reviewing the cost of travel and promoting the most cost-effective method of transport to employees in the first instance.

A Mileage Allowance is payable for business journeys in the UK made in a privately-owned car. Details of the 'Essential User' mileage allowance and how it is determined is covered by the 'Pay and Allowances Policy'.

Consideration should always be given to whether a hire car would be cheaper, particularly for trips spanning several days where excessive mileage is likely. A hire car should be considered for journeys in excess of 100 miles return where this is of financial benefit given the nature of the journey to be undertaken. For example, for a business trip from Invergordon to Wick (162 miles return), the cost of car hire should be balanced against the cost of a member of staff taking own car, currently approximately £73* (*as at 25 May 2021*).

If a privately-owned car is used for business travel or in carrying out the duties of their role, staff must be in possession of a current and valid driving licence and must not be aware of any medical reasons why they should not drive. The vehicle must be roadworthy with a valid MOT certificate where appropriate and their insurance policy must cover business use. Staff are required to declare that they hold the appropriate insurance before making a claim. The Society does not provide insurance cover for privately owned vehicles and will not pay for damage incurred whilst on Society business. The Society will not accept any liability for any consequences arising from failing to comply with these conditions of use.

Where possible and practical staff should share cars when attending the same business event. In addition to the Car Mileage Allowance, a Passenger Allowance is payable to the car owner for each qualifying business mile carrying the passenger(s).

If car mileage is claimed, only the mileage that is over and above the normal home to work journey is payable. Mileage from home to a normal place of work (ordinary commuting) is not reimbursable, even if staff are required to come into work out of hours (evenings/weekends). This still applies where staff choose to use their own car for business and commute to a place of work on days they are not normally due to work. Any related costs such as parking cannot be claimed.

In special circumstances, such as emergency callouts, mileage can be claimed; however, this is paid through payroll with the deduction of Income Tax and NIC, to comply with HMRC rules.

All distances travelled must be recorded at the time of the journey and included in the claim. The Finance team will carry out checks on distances travelled using the route planner available on the AA website: http://www.theaa.com/travelwatch/planner_main.jsp.

It is important to indicate where journeys have involved a longer distance than would reasonably and normally be expected, as claims in excess of the expected mileage for the journey will be referred back to the claimant.

A return journey from a single destination is classed as a single trip. For example, a journey to a conference with an overnight stay and the return journey home is a single trip.

This allowance contributes to the cost of fuel and other costs of running a vehicle. The mileage allowance is only payable for trips using a privately-owned car. Reimbursement of actual fuel costs is only made for trips using a hire car.

Conferences, Courses and Training

Fees for conferences, courses and training are allowable if the training is related to the current employment and will improve or reinforce the knowledge and skills required to carry out the duties of that employment or support agreed objectives and succession planning. Specifically excluded are courses/conferences attended for personal reasons or personal education. Conference costs must be pre-approved through a request to the HR Team. Details are outlined in the 'Training and Development Policy'.

When arranging attendance at a conference consideration must be given to proportionate representation. Where more than one member of staff is required to attend the same conference there must be exceptional circumstances and justification provided.

Gifts

The Society does not provide gifts for business purposes and staff should not seek to provide any gifts or hospitality for suppliers or any other business partners.

The Society follows regulatory advice in the 'Entitlement, Payments and Benefits' policy as advised by the SFHA. It has assessed its main risks which include the giving/receiving of gifts. Staff are asked to bear this in mind in carrying out their duties and business on behalf of the Society.

Gifts to staff for reasons such as thank you, illness, a birth or marriage, success in exams or leaving and retirement, should be funded by staff collections and not by the Society. Such gifts are considered to be personal contributions from colleagues and as such cannot be reimbursed.

Hire Cars

For longer journeys, hiring a car is likely to be cheaper than using a privately owned car. Car hire must be arranged through a supplier approved by the Society and should be pre-booked where possible. The vehicle hired must be appropriate for the business journey and staff are restricted to cars with an engine size of 1600cc or less. The hiring of larger vehicles required for transporting equipment will not be subject to the engine size restriction.

The cost of fuel for a hire car must be paid for personally and can be claimed on presentation of a valid, itemised receipt. In exceptional circumstances, a petty cash advance may be requested from the Finance Team.

The cost of hiring a vehicle normally includes insurance cover but it is advisable to check this if hiring a car from a company. Staff hiring cars for business use must ensure that they hold a valid driver's license, not be aware of any medical reasons of why they should not drive and meet the requirements of the hire company insurance policy. The Society will not accept liability for a member of staff who makes a false declaration when hiring a car for business use. If during the period of hire an accident occurs, staff must report the details of the incident to their line manager and the Finance Department as soon as possible.

Mobile Telephones

The provision of mobile phones to staff is not a taxable benefit providing they remain the property of the Society and are bought in accordance with the Society Purchasing Procedures. To qualify as a non-taxable benefit, the use of mobile telephones must be restricted to business, i.e., personal use must be insignificant.

Motorcycles

For a privately-owned motorcycle used for business trips, the member of staff must be in possession of a current and valid driving licence for motorcycle use and must not be aware of any medical reasons why they should not drive. The motorcycle must be roadworthy with a valid MOT certificate where appropriate and the claimant's insurance policy must cover business use. Staff are required to declare that their insurance includes business use in order to claim the Motorcycle Mileage Allowance and/or parking charges.

The Society does not provide insurance cover for privately owned motorcycles and will not pay for damage incurred whilst on Society business. The Society will not accept any liability for any consequences arising from failing to comply with these

conditions of use.

The Society pays a motorcycle Mileage rate; rates are published annually alongside our pay scales. The current mileage claim level is set by HMRC annually.

Parking, Tolls and Fines

The Society will not reimburse any business costs incurred in a privately-owned vehicle where staff are not covered on their insurance for business use. Staff can claim car park charges, tolls and tunnel fees incurred whilst on a business trip if tickets/receipts are provided. In the absence of any proof of payment claims cannot be made.

Parking fines and other charges arising from illegal or inappropriate parking and fines relating to speeding or illegal driving cannot be claimed from the Society. Staff are liable for these costs and associated charges and are personally responsible for making payment. This applies to the use of both privately owned vehicles and hired vehicles.

Passengers/Car Share

Where more than one member of staff is expected to travel to the same destination as part of a business trip, the Society expects the journey to be undertaken in one car. For privately owned cars (not hired vehicles) a Car Passenger Allowance is payable to the owner in addition to the Car Mileage Allowance, if the appropriate insurance cover is in place. To qualify for this allowance the passenger must be a member of staff or board member and claimants must provide the full name of the passenger when making a claim.

Pedal Cycles

The Society pays a Pedal Cycle Mileage rate; rates are published annually alongside our pay scales. The current mileage claim level is set by HMRC annually

Hire Cars, Pool Cars and Vans

Any hire cars, pool cars and vans must be used for business journeys only. Any private use must be merely incidental to business use and home to work journeys are only allowable if they are occasional and necessary following a late finish or early start at work. Keeping the vehicle overnight at home must be occasional and necessary, as regular use of a Society owned or hired vehicle for personal reasons is a taxable benefit. Any regular or substantial private use of Society pool cars and vans must be recorded and reported to the Director of Finance and Corporate Services, to be returned to HMRC at tax year end.

Public Transport

If bus/tram/tube/coach tickets are required for business travel and cannot be pre-booked, the full cost can be claimed providing the appropriate class of travel is used and original ticket stubs and receipts are submitted.

Publications, Subscriptions and Professional Fees

Prior approval must be agreed to take up company subscriptions to journals and professional publications. These must be paid via invoice through the Society's Accounts Payable Section and delivered to the Society's address.

Society staff are encouraged to be members of professional bodies; these may require a subscription or registration fee to be paid. It is Society policy that these subscriptions should not be paid by the Society, as staff will be able to claim tax relief at the end of the tax year in which they make the payment for their own subscriptions/memberships via Self-Assessment, providing the organisation the payment was made to is on the HMRC approved list. This list is available at the following link: <http://www.hmrc.gov.uk/list3/index.htm>. If a professional subscription is required as part of their role in the Society, but where this qualification is not recognised by the HMRC, then staff may apply to recover the costs of those professional subscriptions.

Rail Travel

Standard class rail travel must be booked in advance of the business trip. For low-cost rail journeys within the Highlands area, staff are permitted to pay for these personally and make a claim on production of original ticket stubs and receipts.

First class rail travel is not permitted; in the exceptional circumstance where it is cheaper than standard class, first class travel can be used but claims must be evidenced as such. Where staff use their own rail card for discounts, it must be applied to both options when comparing the cost of standard versus first class rail travel.

Receipts

Where appropriate, original, itemised receipts must be submitted with the claim, indexing where appropriate. The receipt must show the date, time, and total/proof of payment. Credit card statements, cheque stubs and non-itemised credit/debit card receipts are not acceptable substitutes. Claims not supported by original, itemised receipts will not be paid.

For lost or mislaid receipts, staff must produce duplicate receipts or alternative, acceptable proof of payment. In the absence of any proof of payment reimbursement cannot be made.

Staff are not permitted to make a claim for a colleague's expenses and for claims which require a receipt, separate itemised copies must be provided.

Taxis

Taxi fares for business journeys are allowable in certain circumstances and must be claimed via an expense claim and not from a petty cash float. The use of taxis should be kept to a minimum and should not be used for journeys in excess of 30 miles. They can be used for the following journeys:

- for which no other suitable transport is readily available
- where personal safety or financial security is an issue
- where heavy or bulky equipment is being transported
- where the saving of time is of paramount importance
- where an individual has difficulty because of restricted mobility.

Full journey details must be recorded, stating both start and finish points and the

reason for the journey. Receipts must be obtained and accompany the claim.

Tips, Gratuities and Service Charges

Discretionary gratuities to hotel staff, restaurant staff, taxi drivers etc. cannot be claimed. Service charges automatically included in a bill will be reimbursed in full, providing they are clearly indicated on the bill. Claims for hospitality/business entertaining can include the costs of tips/gratuities up to a maximum of 10% of the bill.

Travel Insurance

The Society has a travel insurance policy that covers staff (under the age of 75) for all business travel. Travel within the United Kingdom is covered only if there is an overnight stay away from the normal place of residence or the business trip involves an airline journey that was booked before the business trip commenced. However, for domestic trips the cover does not extend to medical expenses. The Society will not meet the cost of personal/additional travel insurance policies.

Rates and Limits

HMRC sets rates annually for business related expenses; the most frequently used of these are published alongside the pay scales.