



APPENDIX 6

Staff Expense Policy

1. Introduction

This employee business expense policy supports the web-based expenses claim system, and supersedes all previous business expenses policies and procedures. The policy is applicable only to employees of the university including staff employed by the Employment & Recruitment Service (ERS), it does not apply to self-employed persons or non-university employees.

As a general rule, claims for expenses are limited to travel, accommodation, subsistence and incidental personal expenses incurred when travelling away on University business. Expense claims should not be used for the purchase of goods and services which should be bought in accordance with the University's procurement procedures found [here](#) which exist to facilitate the procurement of goods and services without the need for staff to incur personal expense.

2. General principles

Generally speaking, expenses falling in line with this policy and incurred during the normal course of University business will satisfy the key HMRC requirement that they have been wholly, necessarily and exclusively incurred for business reasons. The following list provides a summary of allowable expenditure types, with the specific details described in the following sections. Claims for business expenditure should be supported by full VAT receipts and should not be evidenced by Credit card flimsies or copies of bank/credit card statements.

2.1 Allowable expenses

Business travel – including car mileage, taxi fares and toll charges	See Section 3
Accommodation	See Section 4
Subsistence allowances for meals and personal incidental expenses	See Section 5
Business entertaining	See Section 6
Business telephone calls made from personal telephones	
Internet, WiFi, fax, photocopying and postage charges	

2.2 Disallowable expenses

The following are examples of types of expenses that are not permitted by either the University or HRMC and will not be reimbursed:

- Home to work travel
- Prizes for employees
- Traffic related fines incurred on business travel

For further examples of disallowable expenses, see Appendix 6(A).

2.3 Purchases outside of the expenses policy

The following examples are types of expenditure which should be bought in accordance with the University's procurement procedures as detailed [here](#)

- Mobile phones
- Protective clothing
- Departmental away days to discuss business activities
- Conference and course fees

2.4 Purchases whilst on University business

The University recognises that there will be rare occasions when staff need to make legitimate purchases outside the scope of the expenses policy whilst away on University business for example:

- Purchase or repair of lost or damaged University property
- Books required for business purposes

In such circumstances, the University will reimburse such expenditure provided that a satisfactory explanation is detailed within the expense claim.

2.5 Further guidance

Further summary guidance on claim limits in the form of a 'quick expenses policy guide'; and additionally a 'web expense quick start guide' with details on how to use the system can both be found [here](#).

3. Business travel

3.1 General

Employees should book all forms of business travel including flights, trains, hire cars, and airport taxis through the central travel booking facility found [here](#).

3.2 Hire and private cars

3.2.1 *Hire cars*

For journeys of over 100 miles per day, it is probably more cost effective to use a hire car and in such cases, hire cars should be booked through the university travel system travel@lancaster.ac.uk.

Journeys from home to work at any time, whether undertaken within University business hours, at night, early mornings or at weekends are not business journeys: these expenses (if paid) are taxable and are paid to the employee through payroll. They must not be claimed via the expenses system.

3.3 Motorbikes and bicycles

3.3.1 *Motorbikes*

The rules relating to insurance, MOT certificates and driving licenses as detailed in 3.2.2 re private cars also apply to the use of motor cycles and business mileage will also be reimbursed at the HMRC statutory rate which is currently:

Receipts need not be submitted for overseas subsistence allowances but claims should only be made for expenditure actually incurred

Expenses in respect of alcohol will not be reimbursed by the University.

5.2 Staying with family or friends

Where staff choose to stay with family or friends whilst away on University business (both UK and overseas), the UK subsistence allowances at 5.1.1 and the countries listed in Appendix 6(C) still apply. For the avoidance of doubt (and in order to comply with HMRC regulations), the subsistence allowance relates to the member of staff only and must not include any costs relating the member of family or friend.

6. Entertaining

6.1 Business Entertaining

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Departments may incur an additional tax charge if staff to visitor ratio exceeds 3:1. Such charges are made annually in May each year, following the end of the tax year.

Please ensure entertainment does not contravene the Bribery Act. For details, please see Sections 8.13/8.14 of the Financial Regulations [here](#)

6.2 Staff entertaining

Entertaining attended by University staff only (i.e. not involving third parties) cannot be charged to University administered funds, and is not reimbursable. Nor is it acceptable to charge for part of the cost of entertaining University staff only. This means that the University will not pay for wine at a function where staff have paid for the food, nor will it pay for food/drinks purchased from a grocery store or similar, so that the function can be

will be liable to tax and national insurance and need to be paid through the payroll.

If the secondment unexpectedly lasts for more than 24 months, the expenses will become taxable from the date that it is known that the secondment will exceed 24 months.

If the secondment is for the whole or the majority of the period of the employment, the expenses will also be liable to tax and national insurance, for example, if an employee resigns part way through the secondment.

When employees with a permanent workplace are seconded to a temporary workplace (for example, a department in another part of the country), this is business mileage

APPENDIX 6(A)

Non-allowable expenditure

Non-allowable expenditure as detailed below may not be claimed, charged to the university or reimbursed to employees in any circumstances or by any method. This includes by purchase order, credit card, direct invoice, employee expense claim, employee advance or petty cash.

- Home to work travel
- Traffic related fines
- Home broadband charges
- Leisure club treatments

