



# Expenses Policy and Procedure

## Policy details

Name of policy:	Expenses Policy and Procedure	Author name:	Rebecca Upton
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## Statement of intent

Richmond Housing Partnership (RHP) Group is made up of five organisations: RHP (parent association) and its subsidiaries Co-op Homes South Ltd (CHS), RHP Finance PLC, RHP Property Ltd and RHP Develop Ltd.

RHP Group wishes to ensure that employees are reimbursed for expenses incurred in the course of business in a timely manner. RHP Group is committed to enabling employees to enjoy an acceptable level of service and comfort in the course of their work, whilst at all times seeking to achieve value for RHP Group.

The purpose of this policy is to provide employees with clear guidance on the type of expenses for which a claim can be made, and to outline the procedure and other rules for claiming expenses. This policy should be read in conjunction with RHP's Group policies on payments and benefits to employees, and payments and benefits to Board members.

## Relevance

This policy applies to all RHP and Co-op Homes (CHS) employees and Board members.

## Guiding Principles

Expenses must be reasonable, necessary and pertinent to the performance of RHP Group business.

Expense claims must be submitted by the employee or Board member who incurred the expenses.

Employees and Board members must make all reasonable effort to incur expenses at the lowest possible cost.

Expenses must be claimed in a timely manner (i.e. within three months, or in the case of Board members 6 months only).

Certain expenses should not be incurred without the prior knowledge or approval of the individual's line manager (see section on Authorisation).

Any activity claimed for should be carried out in such a way as to minimise cost, while accepting that the claimant's health and safety should not be compromised in any way.

Expenses claims must be submitted with specific details and evidence including VAT receipts.

RHP Group may refuse to reimburse any claim that it feels totally or partially to be unreasonable or excessive.

Employees and Board members should bear in mind at all times RHP Group's aim to minimise the environmental impact of business travel; using public transport or car sharing where possible.

Any attempt to submit a false expense claim or to manipulate the expenses procedure in any way will be treated as a serious disciplinary offence. For Board members the matter will be referred to the RHP or CHS Chair whose decision will be final.

### Connected Documents

This policy should be read in conjunction with:

- a. The Code of Conduct.
- b. Payment and Benefits to Employees
- c. The Disciplinary Policy and Procedure.
- d. The Gifts and Hospitality Policy.
- e. Financial Regulations regarding company credit cards.

### Explicit exclusions

The following is a non-exhaustive list of examples of expenses which may not be claimed for:

- a. Parking / motor offence fine.
- b. Car washing / valeting.
- c. Mileage for ordinary commuting or private car journeys.

- d. Travel / hotel costs for friends, family and spouses of accompanied trips.
- e. Subsistence food costs during normal office hours.
- f. Childcare other than in exceptional circumstances.
- g. Parking fees incurred while the employee is at their normal place of work.

## Definitions

### Expenses

Costs incurred while undertaking authorised work for RHP Group.

### Ordinary commuting

Travel between your home, or another place you choose to stay at and your normal place of work.

### Business travel

Journeys undertaken in the course of business or from your home to a temporary workplace.

## Responsibilities

Managers must ensure that employees are aware of, understand and comply with this policy, as well as providing guidance where appropriate on what constitutes a reasonable business expense.

All RHP Group employees and Board members are responsible for making themselves aware of the content of this policy, and for ensuring they follow the appropriate procedure.

All RHP Group employees and all Board members must decide prior to incurring any expense on behalf of RHP Group whether such an expense not only technically complies with the guidance in this policy, but is genuinely justified, reasonable and presents value for money for RHP Group.

Managers and Directors authorising expense claims are responsible for satisfying themselves that the expenditure was justifiably and reasonably incurred, and appropriate guidance (including the submission of evidence and VAT receipts) has been followed.

## Procedures for implementation

The following contains specific information and guidance about different types of expenses that may be claimed, followed by details of the procedure used to claim expenses and brief guidance on tax and national insurance issues relating to expenses.

## GUIDANCE ON TYPES OF EXPENSES

### 1 TRAVEL

#### 1.1 Public transport; rail, bus and tube.

Employees and Board members are encouraged to avoid driving to meetings or other sites and use public transport where possible.

Employees and Board members are expected to travel at the lowest available fare, including making use of off-peak travel and advance bookings for rail travel and other methods of minimising expense. Journeys covered by a season ticket already held by the employee will not be reimbursed.

#### 1.1.1 Company Cars

RHP Group does not provide any company cars for individual employees.

RHP Group does operate a pool car and bike scheme for employees who need to travel during working hours to fulfil their job role. Employees must use a pool car if it is available and may only claim mileage for using their own car if this has been agreed in advance by their line manager.

#### 1.2 Car travel

Employees and Board members are encouraged to use a pool car or car share where possible.

#### 1.2.1 Private Vehicles

Where an employee or Board member does use their own vehicle on RHP Group business, they must hold a current driving licence. All private vehicles used on RHP Group business must be roadworthy and insured for business use. RHP Group will accept no responsibility for loss or damage to the vehicle, its passengers or other person arising out of the business use of the vehicle, or for any uninsured loss, excess or loss of no claims discount.

Mileage for private vehicles should be claimed at the following rate:

##### **Cars**

The first 10,000 miles annually	45p per mile
Any miles over 10,000 annually	25p per mile

<b>Motorbikes</b>	24p per mile
<b>Bicycles</b>	20p per mile

Mileage claims must include postcode of origin and destination as per HMRC guidelines.

### **Passengers**

An additional 5p per mile may be claimed for carrying passengers who are also RHP Group employees on a journey which is also a work journey for them.

These mileage rates take into account the cost of fuel, oil, depreciation and insurance.

### **1.2.2 Parking**

Reasonable parking fees incurred on RHP Group business will be reimbursed.

### **1.2.3 Congestion charge**

Congestion charges incurred in the course of essential business travel other than to the employee's normal place of work will be reimbursed.

### **1.3 Taxis**

The expectation is that public transport will be the normal mode of travel, particularly in London. The use of taxis must be exceptional, however it is acknowledged that there are certain circumstances where a taxi may be required; for example where public transport is unavailable, where a shared taxi is cheaper than public transport or in emergencies or late at night. Where a taxi fare is claimed, a full explanation as to why a taxi was necessary must be provided.

### **1.4 Air travel**

It is not expected that RHP Group employees and Board members will need to use air travel in the normal course of business. Where air travel is essential or cheaper than rail travel, the guidelines below must be followed:

- a. Low-cost carriers must be used where possible.
- b. The cheapest available fare must be used.
- c. Flights should be booked as far in advance as possible as this usually results in a cheaper fare.
- d. Seats must be standard class only.

## **2 ACCOMMODATION, SUBSISTENCE AND RELATED ALLOWANCES**

### **2.1 Hotel accommodation**

Subject to prior approval from the appropriate Director, overnight accommodation may be claimed for where appropriate and reasonable. Employees and Board members should make every effort to obtain value for money for RHP Group by making use of reasonable priced hotels as appropriate for the area concerned. The following

maximum rates will apply for overnight accommodation.

London	£175 per night
Outside London	£150 per night

If it is not possible to secure reasonable quality hotel accommodation at these rates, then authority to pay more must be obtained in advance from the appropriate Director or, in the case of Board members, the Chief Executive or CHS Managing Director.

## 2.2 Private accommodation

Where an employee or a Board member is staying away from home and is able to stay at the home of a friend or relative instead of incurring hotel costs, the employee or Board member may claim the cost of a meal or gift to the value of £25.00 on production of a receipt.

## 2.3 Subsistence

When an employee or a Board member is staying away from home on business, the following may be claimed in respect of meals.

**Breakfast** – must be included in room rate where possible, alternatively may be claimed for to a maximum of £20.00 per employee.

**Lunch** – may be claimed for to a maximum of £20.00 per employee.

**Dinner**- may be claimed for to a maximum of £30.00 per employee.

## 3 TELEPHONE AND BROADBAND

### 3.1 Telephone calls

Where the employee has been issued with a company mobile phone the preference will be for this to be used in the first instance. Reasonable cost of telephone calls (usually to the employee's home) can also be claimed to a maximum of £5.00 per night on production of an itemised mobile telephone bill. Hotel room telephones should not be used unless absolutely necessary for example where there is no reception on the company mobile phone and the employee needs to contact home.

### 3.2 Telephone calls from a home telephone line

The cost of home telephone calls is reimbursable where the calls directly relate to RHP Group business on submission of an itemised bill together with appropriate information about the recipient of such calls. No amount is reimbursable for line rental or installation costs for personal home telephones.

## **4 ENTERTAINING AND BUSINESS MEETING EXPENSES**

### **4.1 Business meetings**

Meetings, training sessions or seminars should always be arranged using RHP Group's own meeting rooms wherever possible to avoid incurring costs of outside meeting room space. For larger meetings or training events an outside venue may be used.

Lunch will normally be provided for the first day of induction and other team building events only. RHP Group uses ~~Accent Grayson's~~ as the preferred supplier at these events. Employees are not expected to claim for lunch where they are attending a meeting or training event at RHP Group's offices. Employees and Board members may claim for meals over and above the amount of £3.50 and up to a maximum of £10.00 where they are attending a business meeting outside RHP Group's offices and meals have not otherwise been provided by the meeting organiser.

CHS employees are often required to attend evening meetings of co-op customers. CHS employees can claim a meeting attendance fee of £95.00 per meeting (taxable). This can be claimed alongside travel expenses. This is reviewed annually in line with the additional duties and fees schedule.

### **4.2 Entertaining non-RHP Group employees**

Employees and all Board members will be reimbursed for expenses related to the entertaining of non-RHP Group employees, for example clients or suppliers, where the entertainment is directly related to the conduct of RHP Group business or is a networking event as described in 4.4. Such expenses should be reasonable, necessary and kept at a low cost where possible. All such expenses are required to be put on the association's Gifts and Hospitality Register, which can be done by making the PA to the Chief Executive or CHS Governance Advisor aware of the event; reason for expense claim and amount of the claim. Receipts must be attached and if not available a full explanation provided.

In addition any entertaining that an employee benefits from at the expense of an external person or company needs to be recorded in the association's Gifts and Hospitality Register in the same way.

### **4.3 Entertaining RHP Group employees**

RHP Group makes central provision for social events such as the Christmas party and annual conference and expenses will not need to be claimed for these events.

The cost of entertaining employees on an ad hoc basis for lunch, dinner, drinks and other events may be reimbursed when there is a business purpose justifying additional employee entertaining

#### **4.4 Networking events (including Sector / Industry events)**

RHP Group recognises that there may be events that do not directly relate to RHP Group business but which it is valuable for RHP Group employees and / or Board members to attend because it enables them to gain better understanding of and / or increase RHP Group's contacts and profile in the social housing sector. RHP Group will reimburse reasonable costs from such events provided that:

- a. such costs meet the other requirements of this policy;
- b. they are authorised by a Director in the case of an employee or the RHP Chair or CHS Chair or Vice Chair in the case of a Board member;
- c. there is a budget for them and that budget has not been exceeded.

Where employees or Board members attend such events they will be expected to brief their Board or their director as appropriate setting out any matters of interest for RHP Group.

#### **5 PROFESSIONAL FEES AND SUBSCRIPTIONS**

Those employees whose job role requires them to maintain membership of a professional body will be entitled to claim for reimbursement of the annual fee on submission of a receipt following successful completion of their probationary period.

#### **6 CHILDCARE AND OTHER CARER COSTS**

Childcare and other carer costs would not normally be reimbursable business expenses. However, RHP Group will reimburse these costs for Board members and employees who are required to attend Board or Committee meetings or other approved events to a maximum of £8.25 an hour for actual costs incurred in the case of employees outside of normal working hours, and for Board members for actual costs incurred at any time when they are required to attend meetings or events.

#### **7 CLAIMING EXPENSES**

##### **7.1 Online claims**

For payment of expenses, employees must submit a claim online through RHPeople before the 8th of each month for inclusion in that month's payroll. Receipts must be attached to the online claim, or, if not available, a full explanation provided. Where the expense claim includes mileage full details of the journeys must be included against the appropriate mileage rate. Claims must be made within three months of the expenditure being incurred.



## 7.2 Claim form

For payment of Board member and Chief Executive expenses, an Expense Claim Form (Appendix 1) must be completed, authorised and submitted to the RHP Finance team or CHS Finance team around the 8th of each month for inclusion in that month's payroll. Receipts must be attached to the form, or, if not available, a full explanation provided. Where the expense claim includes mileage, a mileage record form (Appendix 2) must also be attached giving full details of the journeys and mileage rates. Claims must be made within six months.

## 7.3 Authorisation and Approval

Claims will normally be authorised by the individual's line manager, subject to the following restrictions.

- a. Claims for more than £250 must be authorised by a Director;
- b. Claims for entertaining must be approved by a Director prior to the event and the claim form authorised by a Director regardless of amount;
- c. Claims for business travel must normally be approved prior to the event by the individual's line manager;
- d. Claims for childcare or other carer costs must be approved prior to the event by the individual's line manager;
- e. Claims by Board members must be signed off by the RHP Chair, Deputy Chair or Chief Executive; or the CHS Chair, or CHS Managing Director.

## 7.4 Payment

Payment will normally be made into the claimant's bank account with their monthly salary payment. Where claims are incomplete or further information or explanation is required, payment may be delayed.

## 7.5 Credit cards

A small group of RHP Group employees hold corporate credit cards for use when incurring business expenses. For those individuals holding credit cards, the same principles apply in terms of expenses that may be claimed and receipts that must be provided. Employees with credit cards are expected to check their monthly statement and have it authorised by the relevant Director. Please see also the Financial Regulations regarding use of company credit cards.

## 8 TAX AND NATIONAL INSURANCE RELATING TO EXPENSES

HM Revenue and Customs (HMRC) begin with the assumption that all payments are subject to tax and NI.

However, tax and NI may not be payable for expenses incurred genuinely and only in relation to doing your job; these are usually tax-deductible. Most of the expense types outlined in this policy will come into this category and therefore will be unlikely to incur any tax or NI liability.

Although RHP Group anticipates that expenses claimed for in line with the guidance and rules in this policy will not usually be taxable, it is each individual's responsibility to check their own tax liability on payments made to them. Detailed guidance on tax and NI liability for expenses can be found on the HMRC website.

### Measures of Success

The measures of success of this policy will be:

- a. All Group employees and Board members have a clear and full understanding of the expense claims procedure at RHP Group and of what constitutes a reasonable expense.
- b. The numbers of incomplete, inaccurate or inappropriate expense claims submitted will be reduced.

These measures will be quantified through:

- a. Monthly review of expenditure under the relevant budget codes by the budget holder.
- b. Regular audits of expenses by RHP Finance or CHS Finance and/or HR.



Meal Reimbursement (RHP Dept cost code 62100)				
Entertaining / Subsistence only - Include names if amount includes other staff or business associates, receipts MUST be attached				
Please note: Costs will default to standard department cost centre codes unless you state otherwise.				
Date	Account code/ Dept code	Project code - If needed	Description of Claim	Amount
<b>Total Meal Claim (B)</b>				<b>0.00</b>

Other Receipted Expenditure (Please state Cost code)				
Rail Fares, Car Parking, Taxis etc. Receipts Must Be Attached				
Date	Account code/ Dept code	Project code - If needed	Description of Claim	Amount
<b>Total "Other" Claim (C)</b>				<b>0.00</b>

**TOTAL CLAIM ON THIS FORM (A+B+C)** **0.00**

Authorised			
<b>Claimant:</b> (Print Name)		<b>Sign:</b>	<b>Date:</b>
<b>Manager:</b> (Print Name)		<b>Sign:</b>	<b>Date:</b>

**Employees knowingly making a false statement will be liable to disciplinary proceedings**

*Payroll Use Only*

Waitrose C/P	Expenses	Mileage	Car Park	Broadband		

