

## **Travel and Expenses Policy**

### **1.0 Purpose**

- 1.1 This Policy sets out the rules on reimbursement of reasonable expenses incurred during official College business. The overall purpose of the Policy is to guide claimants through incurring and claiming these expenses, ensuring the process is as easy and efficient as possible.
- 1.2 The Policy also aims to make sure that:
  - individuals neither lose nor gain financially.
  - value for money is achieved.
  - fraud is avoided; and
  - tax and legal regulations are complied with.
  - diversity and inclusion of all staff is supported.
- 1.3 For the purposes of this policy, “must” is used when expressing obligation or an unavoidable requirement, whereas “should” is more of a recommendation.
- 1.4 This Policy should be read in conjunction with the Travel and Expenses Procedure.

### **2.0 Scope**

- 2.1 The policy applies to all staff of the College, office holders, students and others employed by the College who incur expenses which the College has agreed to reimburse.
- 2.2 The policy applies to all expenditure. Please note that any items purchased with College administered funds are College property. This policy takes precedence unless more restrictive financial limits are stipulated by the funder (for example, a research grant).
- 2.3 For the avoidance of doubt this policy supersedes any previous travel and expenses policy.
- 2.4 The College will reimburse claimants for expenses which they wholly, necessarily and exclusively incur during official College purposes. Only actual costs which are incurred as part of the College’s purposes will be reimbursed.
- 2.5 Travel by students that is in scope includes:
  - Travel in connection with research activities being undertaken on behalf of the College or, in connection with a taught or research degree programmes in association with the College.
  - Fieldtrips in connection with taught programmes or research degree programmes.
  - International study abroad programme.
  - International work placements.
  - Where students are representing the College in an official capacity or as part of a recognised event such as a fund-raising or sporting activity.
- 2.6 Not covered is travel by students where the travel is not connected with any College activity (e.g., as part of a leisure activity not organised by the College or to undertake work experience not linked to a taught programme such as work undertaken during vacations).

### 3.0 Principles

- 3.1 Individuals should make claims through the recognised expense process in line with the following principles:
- **Value for money is achieved** – costs should be modest and reasonable, and any cost which an external observer might regard as being unnecessary or an excessive use of public/charitable funds must be avoided. “Reasonable” expenses are those that are cost effective when weighed against the purpose of the activity. Reimbursement in full is not guaranteed if the claim is not considered value for money.
  - **Sustainability of activity is assessed** - before committing to any business travel expense, individuals must review sustainable travel arrangements, as the College is committed to encouraging alternative methods of transport to single-occupancy car journeys.
  - **Procurement should be considered first** – expenses claims should only be used when it is not possible and/or practical for the College to pay for the goods or service directly through our established Procurement routes by raising a PECOS purchase order.
  - **Costs incurred are for business purposes only**, and the claimant does not receive a personal benefit (see taxation below).
  - **Timely** – only actual and evidenced costs are reclaimed within a reasonable timeframe.
  - **Authorised by appropriate person** – claims must be authorised by someone other than the claimant or a related individual and should be a more senior member of staff.
- 3.2 The College’s authorised expenses claim form is the only route for staff expenses.

### 4.0 Overpayments

- 4.1 The College will seek to recover any overpayment of expenses, and any advance payments that are not fully accounted for.

### 5.0 Individual responsibility

- 5.1 This policy ensures that staff comply with the College’s requirements and attempts to assist claimants and authorisers to understand what can and cannot be claimed for and what is considered reasonable. In the interests of value for money and to support the appropriate use of public funds, claimants are expected to be prudent in their spending.
- 5.2 Authorisers are required to be diligent in their review and approval of expenses to avoid the College incurring any unnecessary expense. Please note that external funder restrictions must also be met before submitting expense claims for approval.
- 5.3 Claimants and authorisers must aim to ensure that economy, efficiency and effectiveness are achieved in respect of all expenses incurred without compromising personal safety.
- 5.4 Compliance with this policy will ensure that claimants, or the College, does not incur a tax or national insurance liability and that claimants need not report expenses on their tax returns.
- 5.5 The College assumes no obligation to reimburse expense claims that are not compliant with this policy. Staff who fail to comply with this policy will be dealt with under the College’s disciplinary procedures.

## 6.0 Roles

- 6.1 **Claimant** - Responsibility for compliance with this policy rests with staff or students making claims ("the claimant") for the reimbursement of expenses and their approving line manager/budget holder("the authoriser").
- 6.2 **Approver** - Has financial authority to approve claims in line with the Schedule of Delegated Authority. By approving the claim, the Authorised Signatory confirms that:
- each expense claim complies with the principles and requirements set out in this Policy.
  - budget is available.
  - the cost coding is correct; and
  - Tax implications have been considered and any appropriate actions taken to ensure that relevant items have been flagged to the Finance team for the application of tax.
- 6.3 The **Head of Finance** – Responsible for the reimbursement of expenses and for monitoring claims to support compliance, the interpretation of the meaning of the content of this policy and clarifying insurance arrangements for overseas travel.

## 7.0 Reasonable Adjustments

- 7.1 Reasonable adjustments to this policy may be considered for those with disabilities and/or medical conditions.

## 8.0 Audit and Review

- 8.1 The Finance team will review claims for compliance with the Travel and Expenses Policy. The responsibility of the claimant and the authoriser is to ensure that, to the best of their knowledge, the claim is compliant with this policy. Any unusual or significant items will be investigated.
- 8.2 The College is a charity and receives public funds. All College spend is subject to scrutiny and audit by government agencies, internal and external auditors, funders and their auditors and other sponsors.
- 8.3 College expenditure is also subject to scrutiny under Freedom of Information requests that can include the reporting of anonymised details of staff expense claims. All claimants and authorisers must ensure that any claim made is justifiable, legitimate and will not risk the College's reputation.
- 8.4 The College is committed to the prevention of bribery and to observing the provisions of the Bribery Act 2010 and will not tolerate bribery or other improper conduct either inside the UK or abroad, by staff or other individuals or organisations who perform services for or on behalf of the College.
- 8.5 Staff who knowingly submit a false or inappropriate claim will be subject to the College's procedures.

## **9.0 Taxation**

- 9.1 Expenses incurred by employees, which are reimbursed by their employer are taxable payments unless they are incurred wholly, exclusively and necessarily in the performance of their duties of employment.
- 9.2 All expenses must be recorded, clearly itemised and accurately coded on the College's Travel and expenses form together with the reason the expenses were incurred. This ensures that Value Added Tax (VAT) can be reclaimed on specified items of business expenses.

## **10.0 Subsistence**

### **10.1 Accommodation**

- Overnight accommodation may be booked when business duties require a member of staff to stay away from their normal place of employment and home.
- Accommodation booked should be modest, comfortable and cost effective and meet standards for cleanliness, privacy, personal security and should include the availability of breakfast.
- Staff should book and pay for their own accommodation unless the College has an account with the accommodation provider or prior arrangements have been made.
- Staff are reminded of the need to demonstrate value for money and reasonableness of expenditure when selecting accommodation.

### **10.2 Accommodation Rates**

- The College applies a set overnight rate. In recognition of the impact of tourism on room rates within the Highlands, different rates are set for the winter and summer periods.
- Accommodation rates per night
  - Winter - £110 - October to March
  - Summer - £150 - April to September
- In exceptional circumstances if no suitable accommodation within the set overnight rate is available then accommodation may be booked at a higher rate, but approval in advance from the claimant's budget holder must be obtained prior to booking.
- Where the cost of the hotel room has been paid in advance by the College, the employee is responsible for settling the cost of any additional items before leaving the hotel. Allowable expenses can be reimbursed.

### **10.3 Alcoholic Beverages**

- The College applies a general rule that no expenditure on alcoholic drinks will be reimbursed.
- There are special HMRC rules on the reimbursement of expenditure while entertaining clients or business associates. In advance of incurring any expenditure that a member of staff wishes to reclaim as a business expense they must obtain approval in advance from either the Principal or the Vice-Principal of Resources and Engagement.

#### 10.4 Subsistence Rates

- Food and beverages taken as a meal (breakfast, lunch and dinner) can be claimed while travelling on College business if the mealtime falls within the journey.
- The College applies the following subsistence rates for meals away from the normal place of work and home:
  - Within the UK
    - Breakfast £10
    - Lunch £10
    - Dinner £25
- Rates are on a per meal basis and cannot be used cumulatively. Receipts must also be kept for substantiate claims.
- Overseas subsistence rates are based on actual expenditure (i.e. cost of meals) and must be evidenced by itemised bills and proof of payment.
- Tips will not be reimbursed.

#### 10.5 Incidental expenses

- The actual costs of personal incidental expenses such as newspapers, private calls, laundry, non-alcoholic drinks, etc. can be claimed provided that the total amount spent on such items amounts to no more than:
  - £5 per night (where the night is spent in the UK) or
  - £10 per night (where the night is spent outside the UK).
- Receipts are required. This is not a round sum per day allowance claimed for nights away from home.

#### 10.6 What should not be claimed.

- Subsistence costs cannot be claimed when attending meetings or events at College premises unless they are student events that have been pre-approved by the budget holder.
- Items of a personal nature (for example, toiletries urgently required on work-related travel) will not be reimbursed unless there are exceptional circumstances.
- Working lunches or dinners held with College colleagues away from College premises must not be claimed.

### 11 Travel

Public transport, where practicable and reasonable for the business trip being undertaken, should always be considered ahead of the use of taxis and private vehicles.

#### 11.1 Public transport

- Rail travel must be by standard class travel and should be booked, if possible, in advance of the day of travel.
- Rail travel by first class is not permitted unless:
  - The train operator is selling a first-class ticket for less than the price of a standard class ticket. Any claim for reimbursement of a first-class ticket must be supported at the time the claim is being made by evidence that the first-class ticket was the cheaper option.

- The difference is negligible when considering space, comfort and Wi-Fi availability.
- If first class travel is the personal preference the difference between standard class and first class must be paid by the individual member of staff.
- For members of staff engaging in frequent rail travel the reimbursement of a rail card may be reimbursed.
- Local bus fares can be reclaimed.

#### 11.2 Pool car / car hire

- A pool car (where available) is a College vehicle that is made available to use by multiple members of staff, strictly for business use only.
- Mileage rates do not apply to pool cars, fuel used (if not paid for directly by use of a College fuel card) is by reimbursement, based on actual fuel receipts claimed on the Travel and expenses form.
- For journeys over 125 miles, in situations where a pool car is not available, the option of car hire should be considered, wherever appropriate and economic. (This option may not be available for staff at all centres.)

#### 11.3 Taxi

- Taxi fares are only admissible for journeys for which there is no other suitable method of transport, (e.g., where heavy luggage must be transported or where the saving of official time is of paramount importance.). Tips will not be reimbursed.

#### 11.4 Bicycle

- Mileage rate - 20p per mile
- Cycle Scheme enables employees to get a bike tax-free, saving on average half the cost. It is free to join and easy to work online. More information can be found at [www.cyclescheme.co.uk](http://www.cyclescheme.co.uk)

#### 11.5 Private vehicle

- Mileage rates (business miles)
  - Car and van
    - 45p per mile (first 10,000 miles)
    - 25p per mile (over 10,000 miles)
  - Motorcycle
    - 24p per mile (first 10,000 miles)
    - 24p per mile (over 10,000 miles)
- These rates apply also to both petrol/diesel and electric cars when they are personally owned and used for business purposes.
- Mileage rates are set according to approved HMRC rates, who designed them to cover fuel, insurance, maintenance and other running costs.
- To qualify for the mileage reimbursement staff should ensure their personal car is appropriately insured for business use and has an MOT if applicable.
- Where business mileage is being claimed, the start point, destination and number of miles must be included on the expense claim, along with the reason for travel.

#### 11.6 Parking

- Car parking charges paid whilst travelling on college business away from the normal place of work will be reimbursed.

#### 11.7 Home to work

- Mileage claims for travel from home to the workplace is only payable in exceptional circumstances when approved by the claimant's budget holder and with prior approval from the Finance team.
- Payments for approved home to work journeys should be processed via payroll as PAYE and NI contributions are deducted.

#### 11.8 Air

- Air travel must be by economy class travel and should be booked, if possible, in advance of the day of travel.
- Staff should select the lowest logical airfare available, considering cost and scheduling needs.
- Requests for travel by premium economy or business class must be approved by the Principal prior to a booking being made.

#### 11.9 Overseas

- **Authorisation**
  - is required in advance for all overseas travel. Approval must be sought by completion of the College's Overseas Permission to Travel Form.
  - A risk assessment should be completed prior to booking any overseas travel.
- **Medical**
  - Staff travelling the European Economic Area and Switzerland must apply for a Global Health Insurance Card [GHIC]. If you still have a valid European Health Insurance Card [EHIC], then this can continue to be used until it expires.
  - Vaccinations costs and other necessary medical requirements for overseas College travel will be reimbursed.
  - Mandatory quarantine hotel expenses incurred, in line with current Scottish Government guidance, will be reimbursed.
  - Staff are responsible for validating that any prescribed medication being taken is legal in the country being visited. The Embassy or High Commission of the country you are visiting can advise.
- **Insurance**
  - A risk assessment must be completed in advance of making travel arrangements.
  - Staff are, in principle, covered by the College's insurance policy while travelling outwith the UK for business purposes. However, staff must always contact the Head of Finance in advance of travel to confirm that appropriate insurance is in place.
  - For any pre-existing medical condition you should contact the Head of Finance, who will advise as to insurance cover.
  - If a pre-existing medical condition is not disclosed and you subsequently need to make a claim against the College's travel insurance policy, you risk not being covered and may be personally liable.

- **Other expenses**
  - Passport costs will not be reimbursed unless the claim is for the additional fee for a frequent traveller 54-page passport or if a second concurrent passport is required for College frequent travellers.
  - Travel visas, booking fees and carbon tax levies will be reimbursed.
- **Other – contact buddy**
  - To be assured of the safety of all staff travelling overseas it is important that an arrangement is made with another member of staff within the college to make regular contact whilst overseas.
  - If such contact is not made the 'Contact Buddy' must discuss the incidence with a member of Executive Leadership Team.

#### 11.10 Not claimable

- Ordinary commuting or private travel
- Parking at your normal place of work
- First class travel
- Fines (e.g. parking or speeding).

## 12 Other Business Expenses

### 12.1 Hospitality and entertaining

- The College recognises that there may be occasions when it is appropriate to provide hospitality to external customers or other important stakeholders of the College.
- On these occasions it is expected that the purpose of entertaining is to foster new business, provide a documented benefit to the College or to continue existing academic or business contacts. Hospitality is an accepted courtesy of an academic or business relationship however the College must avoid a situation whereby the hospitality may be deemed to have influenced a decision or lead to allegations of a conflict of interest.
- Where College staff are being offered gifts or hospitality, they should refer to the guidance within the College's Anti-Bribery and Corruption Policy which provides clear guidance on accepting gifts and hospitality.
- Hospitality is treated as taxable unless external examiners, visiting speakers or lecturers, external collaborators on research or other projects, potential or actual sponsors or donors, government officials, or other publicly funded organisations are present.
- All entertaining must be authorised in advance from either the Principal or the Vice-Principal of Resources and Engagement.

### 12.2 Membership fees

- Personal membership subscriptions to professional bodies will not normally be reimbursed.
- An exception to this can only be made where an individual's membership of a professional body can be demonstrated to result in wider benefit to the College and must have prior approval from the Principal.
- For professional memberships, individuals are entitled to obtain tax relief on professional subscriptions they fund themselves if the professional body is on HMRC's qualifying professional bodies.



### 12.3 Display screen equipment

- If working with a computer is part of your job, the College will contribute up to £75 of the cost of corrective lenses if it is deemed necessary for working with display screens
- Further information and claim forms are available from Human Resources.

### 12.4 Combining business and personal travel

- it is acceptable to tag a holiday onto a trip primarily undertaken for College business; the College will not bear any cost for this portion of the trip.
- If any costs pre-paid by the College are affected by the extra time for the holiday, the member of staff is required to reimburse the College for the difference. Calculated by using the costs of the trip without the holiday and the actual cost.
- If there is an additional cost for taking a holiday during a business trip and the member of staff fails to reimburse the College accordingly, the total value of the trip becomes a taxable benefit and will be reported to HMRC at the financial year end.

### 12.5 Relocation

- Relocation expenses will be determined on a case-by-case basis.
- The allowance may include some or all of the following and be payable against receipts to cover; removal costs; legal fees; survey fees; estate agent fees; soft furnishings; weekend family visits to view properties.
- Should the post become vacant [for whatever reason] within 24 months, the staff member would be required to repay the allowance calculated on a monthly incremental basis.

### 12.6 Travel and accommodation for spouses and partners

- Travel and subsistence costs for spouses or partners of members of staff may be claimed in accordance with this policy where their attendance at an event is required and approved in advance by the Principal.
- Additional costs to the College that are incurred by family members travelling with a staff member may not be claimed and will not be reimbursed

## 13.0 Officer holders

13.1 A member of the Board is an officer holder under UK law, appointed to their position without a contract of employment or regular payment, with duties set by statute or constitution, not by employer instruction.

### 13.2 Allowable and non-allowable expenses

- Allowable expenses – the reimbursement of allowable travel and subsistence expenses (such as mileage, accommodation, and meals while traveling for board meetings or other FE college business), is generally not considered taxable income.
- Non-allowable expenses – if the College were to reimburse non-allowable expenses (such as personal travel or excessive meals), then this extra amount would be considered taxable income.

### 13.4 Tax and NIC relief

- The college automatically provides tax and National Insurance contributions (NIC) relief for allowable expenses. The office holder does not need to claim separately on their own tax return.

#### 13.5 Authorisation

- The Principal & Chief Executive authorises claims by the Chair of the Board and the Secretary to the Board authorises claims by all other members of the Board.

#### 14.0 Related Policies / Useful Links

- Driving at Work Policy  
[Driving-at-Work-Policy.docx](#)
- UK Foreign Office  
<http://www.fco.gov.uk>
- European Health Card  
<http://www.gov.scot/Topics/Health/Services/Europe>
- HMRC website for information on tax  
<http://www.hmrc.gov.uk>
- Home Office – Identity and Passport Service  
<http://www.ips.gov.uk>
- The Health and Safety Executive (HSE)  
<http://www.hse.gov.uk>
- National Rail  
<http://www.thetrainline.com>  
[www.gov.scot/Topics/Health/Services/Europe](http://www.gov.scot/Topics/Health/Services/Europe)
- Route Planning  
<http://theaa.com>
- Travel and Expenses Procedure  
[Travel and Expenses Procedure.pdf \(uhi.ac.uk\)](#)

#### 15.0 Relevant Legislation

Corporate Manslaughter and Corporate Homicide Act 2007