



Expenses Policy

Policy Area: Finance

Policy Lead: Executive Director Finance

Approved By: Governing Board

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1. Policy statement

- 1.1. The purpose of this policy is to advise staff members and governors of procedures to be followed when expenses are to be incurred on behalf of the college. Expenses primarily relate to those amounts reimbursed to staff members and governors relating to travel expenses but may include subsistence (food and drink) and staff development (as per People Services' agreement). Where possible expenditure should be paid through one of the college's other payment mechanisms such as by invoice or through the [Contracts & Compliance Officer](#)'s purchasing card.
- 1.2. This policy applies to all staff members employed by the college and to all governors of the college. This policy and the associated procedures are non-contractual and can be subject to change or withdrawal at any time. Expenses for staff not employed by the college must be charged through the agency.
- 1.3. As governors are not staff members of the college the approval process is different to members of staff. The process for governors is included in Section 4.

2. Responsibilities and obligations

- 2.1. The policy applies to all members of staff and governors. Responsibilities under the policy are as follows:

| | |
|------------------------|---|
| All staff | All staff who incur and claim expenses should do so with reference to this policy. Claims must be made in accordance with the policy. |
| Budget holders | Budget holders are responsible for ensuring all members of staff follow the policy. They are responsible for authorising the expenses claim and need to ensure that it is accurate. |
| Finance (Payroll) | Finance is responsible for paying all expenses claims when authorised expenses claims forms are received. |
| Governors | All governors are responsible for following the policy when making claims. |
| Director of Governance | Ensuring all governors claims are appropriately authorised. |

3. Procedures and guidance on expenses

- 3.1. **General principles**
 - 3.1.1. The college's Expenses Policy is intended to be fair to all members of staff and governors and aims to ensure that they do not gain or lose out financially, i.e., it intends to leave them in a neutral position. Staff and governors are trusted to act reasonably when claiming expenses, providing evidence that expenses have been incurred. Evidence (except for car mileage claims) is in the form of a VAT receipt.
 - 3.1.2. The policy is designed to cover an staff member's out of pocket expenses, with a primary focus on travel costs. This principle helps to ensure procurement activity is completed in accordance with the college's Financial Regulations.
 - 3.1.3. Budget holders are trusted to authorise expenses in accordance with this policy and to ensure any claims are reasonable. Advice and guidance in respect of this may be sought from the Executive Director Finance if required. Managers are expected to ensure the

correct process is followed, evidence is electronically attached (where possible) and that claims are completed in a timely manner.

- 3.1.4. Budget holders are expected to have considered alternatives to attending meetings and conferences if other options have been made available e.g. Zoom or Teams meetings. They are also expected to have considered green travel options to minimise the impact of travel on the environment.
- 3.1.5. To ensure that expense claims are paid promptly to all those making claims, one payment run of expenses will be performed each month and staff members are encouraged to submit one monthly claim. This ensures the process is smooth and efficient.
- 3.1.6. Staff should use the online travel booking system Clarity to purchase rail tickets; rail tickets should not be purchased and claimed through expenses. Staff are encouraged to plan in advance and take advantage of cheaper rates/advanced fares. Whilst it is not always possible, staff are encouraged to take advantage of fixed time tickets rather than more costly open tickets. Please see the Clarity Guidance on the intranet.

3.2. **Procedures**

- 3.2.1. Business expenses incurred by staff members on behalf of the college must be processed by the individual using the college's Expenses Claim Form, which can be found on the intranet.
- 3.2.2. Any new member of staff wishing to claim expenses must complete a Staff Creditor New Account Request Form, which can be found on the intranet. No expenses claims can be processed or payment made until the new account form has been completed.
- 3.2.3. Original receipts must be uploaded and attached to the expense claim. You will be unable to proceed with the claim without a valid receipt. Please note that credit card sales vouchers are not acceptable as receipts and that VAT invoices/receipts are required when VAT has been incurred.
- 3.2.4. Mileage claims should include destination postcodes and details of the home to work distance removed from the claim, if applicable. All expenses should include a brief description as to why the expense has been incurred.
- 3.2.5. All travel except for mileage should be booked through Clarity.
- 3.2.6. Expenses must be claimed within three months of the expense being incurred. Claims submitted more than three months from the date of incurring the expense could be regarded as 'time barred' (non-claimable) and therefore not processed. Authorisation to process an otherwise time barred claim may be given by either the Executive Director Finance or a member of the Executive team if a valid reason (e.g., sickness) has prevented submission of the claim in a timely basis.
- 3.2.7. Budget holders authorising expense claims have a responsibility to ensure that claims are valid, appropriate, and proportionate in accordance with the requirements of this policy. Claims which do not meet these criteria should not be authorised.
- 3.2.8. Expenses claims must be authorised by the authorised budget holder by the due date. Monthly expenses claim dates can be found on the intranet. The Finance team will only make one expenses payment run each month. If a claim is received after the due date, it will be held over until the next month.
- 3.2.9. Expense claims will be checked by the Finance team on a sample basis to ensure that they comply with this policy. This check should be regarded as an audit rather than an authorisation procedure. As noted above it is the authorising manager's responsibility to ensure that the expense claim is correct.
- 3.2.10. Once a claim has been processed the Finance team will make a BACS payment into the colleague's bank account and the staff member will receive a remittance advice. Staff

- members should check that reimbursements have been made correctly and raise any queries directly with the Finance team.
- 3.2.11. Where there are concerns over the validity/appropriateness of a claim, authorising managers may consult their own budget holders for guidance. Managers can decline a claim or restrict it if deemed unreasonable.
- 3.2.12. Staff are to check beforehand with their manager and/or budget holder if they are unclear about the eligibility of any expenses they intend to incur. This helps to avoid any issues that may arise when a claim is submitted.
- 3.2.13. Any attempt to submit a false claim will be investigated in line with the College's Fraud Policy and treated as a serious disciplinary issue and will be dealt with in accordance with the College's disciplinary procedures, which may lead to dismissal.
- 3.2.14. Prior to staff undertaking any business mileage in a private vehicle, they need to demonstrate that they have a valid driving licence and are insured for business use for the vehicle in the performance of their employment. Insurance certificates confirming that you have the appropriate cover must be provided to Finance on an annual basis. The Finance team will collate this information and expenses will not be paid until the insurance certificate has been received. Any claims which are not covered by insurance at the time of the expense, will not be claimable.
- 3.3. **Guidance - business travel**
- 3.3.1. Staff members are asked to consider whether other options rather than travel are appropriate.
- 3.3.2. Where travelling cannot be avoided, staff should use the college's travel system Clarity to book their travel tickets. Items which should be booked through Clarity include train fares, flights, accommodation, and taxis.
- 3.3.3. The college will only reimburse travel expenses which are necessarily incurred for business purposes.
- 3.3.4. Staff are advised to check beforehand with their budget holder if they are unclear about the eligibility of any proposed journey.
- 3.3.5. Travel should be by the most direct and suitable means. Where possible, steps should be taken to keep costs to a minimum. An example of this is staff travelling to the same destination by car should car share if possible.
- 3.3.6. Staff members may book a taxi or private hire vehicle fares (of a standard nature) when it would not be reasonable to take a connecting journey via public transport. Taxis must be booked through the college's travel system Clarity. Taxis may be used for the following journeys:
- Where no other suitable transport is available
 - Where the saving of time is of paramount importance
 - Where an individual has difficulty because of restricted mobility or another disability
 - Where public transport is unavailable e.g., either early in the morning or late in the evening or where no service is available
- 3.3.7. Journeys between a staff member's home and normal place of work are considered private and not business travel and therefore claims are not allowed in respect of journeys from home to their normal place of work.
- 3.3.8. Journeys from the workplace to, for example another college site or a customer, fall within the definition of business travel. A claim for such travel should include details of the purpose of the journey, the person being visited, the destination and the actual mileage incurred.
- 3.3.9. Where staff members visit a work location which is not their normal base, the journey

falls within the definition of business travel. The amount claimable depends on the starting point of the journey.

- 3.3.10. If the staff member commences the journey from home, they will be able to claim the distance from home to the location they are visiting less the mileage they would incur on their normal journey to work from home.
- 3.3.11. If the staff member commences the journey from their office or another location, they can claim the full mileage for the journey.
- 3.3.12. When travelling home the staff member will be able to claim the journey from their last location to home, less the normal mileage between their home and their normal place of work.
- 3.3.13. Mileage is paid at the current rate of 45p for the first 10,000 miles per annum, followed by 25p for all subsequent mileage. The year for mileage runs in accordance with the tax year, i.e., from 6 April to the following 5 April. Motorcycle mileage is reimbursed at 24p per mile and cycle mileage at a rate of 20p per mile. An additional 5p per mile is payable for qualifying journeys where a passenger is being taken on college business.
- 3.3.14. The cost of car parking related to a business journey must be supported by a valid receipt or ticket.
- 3.3.15. Where no ticket is given i.e., car parks, the name of the street/car park should be recorded together with details of when the expense was incurred.
- 3.3.16. The college does not undertake to always provide free parking at all its office locations. Staff members are not able to claim for car parking costs relating to attending their main place of work. Currently there is free parking available on all sites but with restricted availability at Hastings Station Plaza. Congestion (or similar) charges necessarily incurred on business travel can be claimed. However, staff members are responsible for paying the congestion charge in the first instance. The college will not reimburse any fines incurred in relation to congestion charges (e.g., those associated with unpaid charges).
- 3.3.17. The college acknowledges that it may be appropriate on occasions to use toll roads/bridges whilst on business travel. This may be because of, for example, time saved or traffic conditions elsewhere on the motorway network. Toll fees can be claimed. Claims should be supported by a valid receipt, with details of the journey.
- 3.3.18. If the return journey is 200 miles or shorter, mileage will be paid at the appropriate rate. If the return journey is greater than 200 miles then it is expected that travel will be by train. In exceptional circumstances, the prior authority of the CEO or COO must be obtained for approval of mileage claims for journeys over 200 miles. For these claims a maximum of 200 miles equivalent will be paid, or the second-class rail fare if this is greater, based on saver or apex rates where appropriate.

3.4. **Fines**

- 3.4.1. Staff members are responsible for paying any fixed penalty or parking fines incurred. Costs relating to such matters are not eligible for reimbursement as valid expense claims.
- 3.4.2. In the event of a prosecution for a breach of the Road Traffic Acts or local regulations, the college has no liability for the cost of the defence nor for paying any penalty imposed. Costs relating to such matters are not eligible for reimbursement as a valid expense claim.

3.5. **Business entertainment**

- 3.5.1. The college will meet the costs incurred in entertaining business contacts. Only business costs which are considered necessary will be reimbursed. Claims for business entertaining are only acceptable where staff members have provided details of the

names of attendees and details of who has been entertained and from which organisation. Under no circumstances will the cost of alcohol be reimbursed.

- 3.5.2. Business entertainment expenses must be authorised in advance by a member of the Executive team. There must be an appropriate budget in place for the activity taking place.
- 3.5.3. It is a requirement under the Code of Conduct that staff members record gifts and hospitality with a value of over £50 that they have both received and given in the Hospitality and Gifts Register. For further information please see the Gifts, Hospitality & Declarations of Interest Policy.
- 3.5.4. Where possible business entertainment expenses should be settled through other college procurement methods, such as using a procurement card or direct invoice. Where this is not possible the Expenses Claim Form should be used.

3.6. Guidance - subsistence

- 3.6.1. Where meals are not provided as part of a conference or accommodation package, reasonable costs of actual expenditure incurred will be reimbursed. Meals taken at the College's expense are expected to be within the below limits (see Section 3.6.4), and staff members need to be mindful of budget limitations.
- 3.6.2. Overnight accommodation should be booked through Clarity. Accommodation should only be booked where it is necessary for staff members to stay away overnight given the distance. All accommodation should be booked on a bed and breakfast basis except where it is booked as part of an inclusive conference package.
- 3.6.3. Managers/directors are permitted to authorise spend up to a maximum value of £100 outside London and £150 in London. All amounts are inclusive of VAT. If a hotel cannot be sourced for this price within a reasonable distance of the required location, the manager/director will need to provide value for money evidence to Finance and the authorisation of the Executive Director Finance must be sought prior to the trip taking place.
- 3.6.4. Meal allowances (for subsistence) of up to the following amounts are allowed:

| Minimum journey time | Maximum amount of meal allowance |
|-------------------------------|----------------------------------|
| 5 hours | £5 |
| 10 hours | £10 |
| 15 hours (and ongoing at 8pm) | £25 |

- 3.6.5. No claims for alcohol are allowed. Receipts must be provided for all claims.
- 3.6.6. The subsistence rates are different for overseas travel dependent on country, the link below will take you to the HMRC approved rates for each country:
<https://www.gov.uk/guidance/expenses-rates-for-staff-members-travelling-outside-the-uk>

3.7. Other areas

- 3.7.1. Car hire bookings can be made using approved suppliers. Travel to/from work is not allowable unless it is more practical for delivery/return of hire car from the home address. A vehicle hire log form must be completed for each hire to comply with the college's motor insurance. It is expected that the class of car hired is suitable for the

business need and generally classed as 'large compact/intermediate level' e.g., UK equivalent of a Ford Focus/VW Golf.

- 3.7.2. Rail tickets should be booked in standard class, unless first class travel is the cheapest option. In exceptional circumstances a member of staff may need to travel in first class so that they are able to work productively during a long journey. In this case permission must be sought from the Executive Director Finance to use first class travel. All train tickets should be booked through Clarity.
- 3.7.3. Air travel should be booked to ensure value for money is achieved. All air travel should be booked through Clarity and should be authorised by a member of the Executive team prior to travel being booked.
- 3.7.4. Foreign travel should only be undertaken with permission of the CEO. Permission should be sought in writing in advance and a budget agreed with the Executive Director Finance. NB. this does not include trips where members of staff are accompanying students on a trip as part of their study programme, this is covered by the college's Trips & Visits Procedure & Guidance. Foreign travel should be booked through Clarity.

4. Policy and process for governors, including co-opted members

4.1. Travel

- 4.1.1. All governors may claim mileage for the purpose of attending official college functions and meetings. The home to work mileage provisions applicable to staff (see 3.3.7) do not apply to governors. Mileage rates are set at the same level as for college staff and governors may claim related parking expenses supported by receipts.
- 4.1.2. Governors may, as an alternative, use other transport where use of their own car is not reasonably practicable. Where possible, governors should book any form of travel using Clarity through the Director of Governance. Governors are expected always to travel by the most cost-effective means bearing in mind the nature and purpose of the business journey. All rail travel should be undertaken in standard class. Governors should book their journeys as far in advance as possible, taking advantage of any concessions or discounts available. Air travel is only to be used when it can be demonstrated that it offers the best value for money and agreed in advance with the Director of Governance.
- 4.1.3. Taxis can be used for travel to and from meetings, where there is no reasonable public transport option, or where there are concerns for the welfare and safety of the student governors, with the prior agreement of the Director of Governance or CEO. Where reasonably possible, taxi fares should be booked using Clarity.

4.2. Hospitality

- 4.2.1. The Chair of the Governing Board may incur expenses in relation to college business including travel and refreshments. Such expenses must be reasonable and proportionate, itemised on the subsequent claim form and authorised by the Director of Governance.

4.3. Hotel or college-provided accommodation

- 4.3.1. The college will reimburse the cost of hotel accommodation (at the rates specified at 3.6.3) or will make accommodation available to governors in circumstances where it is necessary for the purpose of attending official college functions and meetings.

4.4. Other expenses

- 4.4.1. Any costs or expenses incurred as a result of requests made to members (for example, to represent the Board outside the college or attend meetings in the interests of the college but outside the college's premises) should be discussed with the Chair or the Director of Governance and where appropriate will be paid in line with the college's

prevailing arrangements for reimbursing similar staff expenses.

4.5. **Reporting**

- 4.5.1. An annual report of all governors' expenses will be prepared by the Director of Governance for review by the Resources, Culture & Impact Committee.

5. Specific approvals

5.1. Chief Executive Officer:

- All expenses claims must be approved by the Chair or Vice Chair of the Corporation.
- All overseas trips must be approved in advance by the Chair or Vice Chair of the Corporation and detailed final costs reported to the Resources, Culture & Impact Committee.
- The Executive Director Finance will provide a detailed report of all expenses claimed by the CEO to the Resources, Culture & Impact Committee on a termly basis.

5.2. Senior post holders:

- All expenses claims must be approved by the CEO or in their absence, the Chair or Vice Chair of the Corporation.
- The Executive Director Finance will provide a detailed report of all expenses claimed by senior post holders to the Resources, Culture & Impact Committee on a termly basis

6. Compliance

6.1. Compliance under the policy is managed by both the budget holder and the Finance team.

6.1.1. The budget holder is responsible for ensuring that claims submitted by their team are accurate and in line with the policy.

6.1.2. The Finance team, through review of expenses, will monitor compliance with the Expenses Policy. If an issue is identified they will draw it to the attention of the Executive Director Finance who will then decide whether to investigate further.

6.1.3. Any claims that are considered fraudulent will be investigated under the college's disciplinary process. Any action required will be carried out in compliance with the Disciplinary Procedure.

Appendix 1: Allowable expenses

Summary of expenses which could be classified as out of pocket:

| Category | Allowable Cost? | Conditions |
|---------------------|-----------------|--|
| Stationery | No | The product should be purchased from the college's approved stationery supplier. If the product is not available from the supplier, the product should be sourced and paid for with support from the Procurement function. |
| Subscriptions | No | Subscriptions will only be paid using a properly authorised purchase order. |
| Hospitality | Yes | With prior approval from the budget holder. |
| Staff entertainment | No | Purchases should be processed using a properly authorised purchase order. |