
EXPENSES POLICY

Document History

ISSUE	DATE	Amendment Comment
Draft 1	01/09/2015	Generated 1 st Draft for Approval
Issue C	08/10/2015	Approved for General Circulation
Issue D	21/08/2017	Amended for General Circulation
Issue E	02/11/2018	Amended for General Circulation
Issue F	20/02/2020	Amended for General Circulation

Document Authorisation

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Introduction

The following guidelines detail the policy of J & E Hall Limited and its subsidiary Coulstock and Place with regard to the reimbursement of expenses incurred whilst carrying out company business. Prior to making a claim, all employees will be expected to have an understanding of the policy and reimbursement procedure and follow the guidelines set out below when submitting expense claim forms. J & E Hall reserves to amend, update and modify the expenses guidelines as and when needed. Employees will not receive a separate written notification of such changes, but an updated Expenses Guidelines will be uploaded to Cascade.

Compliance with the information in the guidelines is required by all company employees and by any other person who may incur expenses. The guidelines will not apply to self-employed individuals except where otherwise stated.

The policies have been prepared in line with Income Tax and PAYE regulations. Failure to comply may give rise to penalties for both the company and individual.

Reimbursement Procedure & Other Points to Note

As a general principle and in line with HM Revenue & Customs guidelines, expenses will be reimbursed in full where they are incurred in line with the Expenses Guidelines set out herein wholly, exclusively and necessarily in the performance of duties for the company.

Expense claims should be submitted on an at least monthly basis no later than one month after the expense has been incurred. The company undertakes to pay expenses at least one per month as a minimum. All boxes should be completed on claim forms and must be supported by receipts (as set out in this policy).

The Company is not obliged to pay expenses more than 3 months old. Should the situation arise each case will be reviewed individually. Any Company Barclay card expenses not submitted within 2 months of the statement date will be passed by finance to HR, where it will be deducted in future payroll runs.

Expense claims, must be signed by the approver and applicant with signed date, and should be submitted timely to ensure the expense is recognised in the month of occurrence.

Authorisation

Line managers are responsible for authorising expense claims in accordance with J & E Hall limits of authority.

All employees can access the LOA file (for expenses section) within the documents section in Cascade

Authorisers must ensure the following when approving expenses claims:

- Receipts are attached to justify the expenditure
- VAT receipts have been obtained where appropriate
- The expenditure reclaimed is in accordance with these guidelines
- The most efficient means of transport has been used
- The amounts on the receipts are the same as the amounts claimed
- The approval authorisation is within the Company Levels of Authority (as amended)

Lost Receipts

The Company reserves the right not to pay any expense unless supported by valid receipts.
If an employee loses a receipt, the Company will take a view on an individual basis whether to reimburse.

Advances

Advances of expenses must be agreed by the Managing Director, Director of Finance or the Senior Manager Human Resources as defined in the company LOA . Advances must be supported by an expense claim form and receipts at the end of the month in which the advance was made.

Advice and Assistance

Any queries on the expenses policy of the company should be directed to the HR Department.

VAT

Expenses paid to individuals by the Company

The company can only reclaim VAT where appropriate VAT receipts have been obtained. Wherever possible VAT invoices should be made out to the company (not the individual).

Non UK VAT invoices should always be made out to the company (not the individual) at the relevant office address.

Travel and Subsistence

Subsistence

Employees who are away from their normal place of employment (e.g. travelling to a different J & E Hall site or area) on company business are entitled to claim subsistence. Expenditure on meals must be modest and appropriate to the circumstances.

Gratuities will not be refunded unless included on an itemised bill as a service charge and not as an addition by the claimant.

Breakfast

The company will reimburse the cost of breakfast when:

- An employee is working away from their normal place of employment for the day and is required to leave home before 6.00am to undertake a business journey, or
- An employee is required to stay away from home overnight on business purposes. Where the meal is not taken at the accommodation a separate receipt must be obtained, or
- It has been pre-authorised by your Line Manager

An amount of up-to £7.00 can be claimed on production of receipts.

Lunch

Office based staff may claim a lunch allowance when working more than ten miles from the normal place of employment and the absence exceeds five hours.

An amount of up-to £7.00 can be claimed on production of receipts.

For the avoidance of doubt, office based staff are those employees who have a permanent workplace and would spend their normal working week at one site

Dinner / Evening Meal

The company will reimburse the reasonable cost of dinner when staying away overnight on business. Where the meal is not taken at the accommodation, a separate receipt must be obtained.

The company considers a reasonable cost to be £25 for a meal, which is inclusive of drinks. Receipts must be provided in all cases.

Sundry items

In addition to lunches, office based staff may claim other subsistence costs whilst travelling in the performance of duties. Examples of such items are tea / coffee at train stations or airports. Expenditure must be reasonable and will only be refunded on production of receipts.

Overnight stays at hotels

General Policy

Overnight stays must be approved in advance by your line manager. Staff may claim all subsistence costs incurred for overnight stays when working away from home and it is impractical to return home.

Accommodation

The company will reimburse the reasonable cost of hotel accommodation where the conditions under 'General Policy' are met. The company encourages the use of Holiday Inn Express, Travelodge and Days Inn, or hotels of a similar cost per night.

Personal Items

Items of a personal nature, such as alcoholic mini bar items, film hires etc. will not be reimbursed by the Company. Where these are included in the bill, the costs must be deducted by the claimant prior to submission of the bill for reimbursement.

Overnight stays at friend's homes

If the conditions at 'General Policy' are met, an employee may stay at a friend or relative's house rather than a hotel. A claim can be made for an accommodation allowance of £25 per night. As evidence of stay, the claimant must attach a note to the claim form giving the name and address of the friend or relative.

Travel costs

General policy

Except where otherwise stated, expenditure on necessary business travel at the most cost effective rate will be refunded.

All journeys between home and the normal place of work are to be regarded as private and the cost of such journeys cannot be claimed.

Claim forms must record:

- Date of journey
- Mode of transport
- Reason for the journey (for example - to undertake a site visit at Joe Blogs Ltd)
- Amount claimed

Mileage records should provide full details of the journey including starting point, places visited en-route, the point at which the journey ended and total business mileage. Fuel receipts must be attached to support the VAT element of the claim.

The normal place of work shall be the start and finish location for travel claims except in the instances where it is more economical for the company for the claim to start at the home address, or where it is necessary to travel directly from the home address to the local railway station to catch an early train. In these cases, the home address must be included on the claim form.

Rail

The most cost effective class of travel is to be used. First class travel may be used only with prior approval from the Managing Director or Director of Finance.

Members of staff are expected to take advantage of all types of 'saver' tickets, including any discounts that may be obtained through the use of railcards. It is the responsibility of the line manager to ensure that the appropriate class of travel is approved.

Air

All employees are encouraged to use the most economic fare available for all travel.

The payment of air travel by scheduled air services is permitted provided it is agreed by the line manager in advance where the cost of travel is less than two hundred pounds sterling (£200).

Where the cost of the airfare (with return) exceeds two hundred pounds Sterling (£200) the requested flight details are to be sent to the PA of the Managing Director, prior to booking, for comparative prices to be obtained prior to approval. Should an alternative comparative airfare be available at lower cost, only this lower fare is reimbursable to the employee unless otherwise agreed.

Approval for air travel above economy class can only be given by the Managing Director or the Director of Finance.

Taxis

The cost of taxis will be reimbursed if this is the cheapest or most appropriate means of reaching your destination.

Parking

Parking costs incurred in the course of travelling away from home and the normal place of work may be claimed via the expense system, the cost of parking at the normal place of work may not be claimed.

Tolls

The cost of toll bridges and tunnels will be reimbursed if they form part of a business journey.

Company Cars

The company does not pay for private fuel in company cars.

The cost of private miles will be reclaimed by the company from employees holding fuel cards using the current mileage rates.

Company car drivers who do not have fuel cards should claim business mileage via expense claims using the current mileage rates, remembering to attach fuel receipts.

The current mileage rate form is available to all employees through Cascade. The mileage rate form will be updated quarterly and will follow the HMRC Advisory Fuel Rates (AFR).

Hire cars - general policy

Costs relating to a hire car in the UK may only be charged where the claimant provides prior written confirmation to their line manager that it is cost effective. Unless approved in advance by the Senior Manager Human Resources or Director of Finance, all hire car use should be arranged through Venson Fleet Management.

Fuel for business journeys should be paid by the employee and will be reimbursed on production of receipts.

Company Vans

The company does not pay for private fuel in company vans. The cost of private miles will be reclaimed by the company from employees holding fuel cards using the current vehicle mileage rates.

Use of Own Vehicles

Users of private cars on company business must ensure that they meet with all requirements set out in the Company Vehicle Policy available on Cascade.

Mileage incurred whilst on company business will be reimbursed at the current vehicle mileage rates.

The responsibility to maintain mileage records remains with members of staff concerned.

Pool Cars and Vans

A limited number of pool cars are available. These vehicles are not to be taken home or used privately. Use of these vehicles is set out at Appendix 1.

Corporate Expenditure

Business Entertainment

Members of staff will be reimbursed reasonable entertainment costs for themselves and guests where the guest is present for a business purpose and their attendance is judged likely to be beneficial to the company.

It is important that employees distinguish between business entertaining and staff entertaining. Clearly the number of internal members of staff for whom incidental costs are incurred in providing hospitality to third parties needs to be reasonable.

Business entertainment must comply with the company's anti bribery and anti-corruption policy, which is available on Cascade.

In summary, the key features are that:

- The expenditure must have been agreed in advance. This may simply mean that the line manager is aware of events or activities that may give rise to this type of expenditure. Ultimately, the line manager must determine the appropriate level of control.
- Claims must be supported by itemised receipts.
- The expenditure is wholly, exclusively and necessarily incurred in the performance of duties on the company's behalf.

The following information must be shown on expense claim forms:

- Date;
- Amount;
- The names of attendees (both company and external);
- The organisation which they represent;
- The venue where the entertaining took place; and
- The purpose of the entertainment

It is important to demonstrate to HM Revenue & Customs the business purpose of the entertainment and expenses claims should reflect this. As a general rule, the ratio of company representatives to guests should not exceed 3:1 although this ratio may be exceeded where there is a valid business purpose for doing so. In all cases the business purpose must be shown on the claim form. If appropriate a note containing further information should be attached to the form.

Should any unapproved, excessive expenditure be incurred the company will require the additional costs to be refunded by those attending.

Gratuities will not be refunded unless included on an itemised bill as a service charge and not as an addition by the claimant.

Conferences and Courses

The company may provide financial support for individuals who are required to attend courses, conferences or trade conventions in the course of their duties for the company. Those selected to attend will receive approval from their line manager

Spouse Travel & Hospitality

The company will only pay for a spouse to travel or accompany employees at social functions where there is a genuine business need and this has been agreed in advance with the Managing Director.

In most cases, the company will be obliged to deduct tax and National Insurance from the reimbursement of such expenses to the employee in respect of the spouse.

Staff Entertaining

Christmas Party

Events of this nature that are available to all staff generally at a particular location can be provided free of tax up to a limit which will be advised annually by the HR Department.

Training/Away Days

Where an event is part of an overall training day, the expenditure is normally treated as part of the training costs. Any such events must be agreed in advance by the Senior Manager Human Resources or Director of Finance.

Light Working Lunches

The costs of meals/drinks provided onsite for light working lunches can only be claimed following prior authorisation by the line manager and not to exceed £5 per person.

Other policies

Telephones

Privately Owned Mobile Telephones

A claim for reimbursement of business calls in respect of privately owned mobile telephones must be supported by itemised bills attached to the expense claim form. No proportion of the line rental or private calls may be claimed.

Provision of Internet at Home

Where it is essential to the performance of the duties of the employment, the company will consider refunding the cost of broadband internet costs in the employee's home. This is on the basis that the connection is used for business purposes only and claimants sign an agreement to this effect. Prior approval must be sought by the Managing Director.

Appendix 1

Pool Cars and Vans HM Revenue & Customs Guidelines

Since it is anticipated that a car benefit charge will not apply in respect of vehicles designated as pool cars, it is important that staff members note the following points:

- Pool cars are provided for official business journeys only and must not be used for any private purposes whatsoever, (including home to work journeys after late working);
- They are not intended to be used by any employee to the exclusion of others;
- Pool cars must be left overnight at the company location to which they are allocated and not taken home by employees. In the exceptional event that it is necessary to take a pool car home, (when for example an official journey on the following day is to be commenced early in the morning), specific permission must be sought in advance from the individual responsible for authorising the employee's expenses.

Company employees who use pool cars are required to keep business mileage logs as follows:

- Enter on the vehicle log the date of the journey.
- Enter the reason for the journey.
- More than one line should be used if necessary if this will enable a more detailed description. Also, enter details of each journey stating the starting point, places visited on route and the point at which the journey ended.
- Details must include the names and addresses of the destination visited and addresses must be sufficiently precise to enable a check to be made on the mileage calculation.
- Enter the starting and finishing milometer readings.

The company policy will not pay for employees' private fuel.

