

**TRAVEL, SUBSISTENCE AND RELATED EXPENDITURE**

**POLICY AND PROCEDURES**

**Contents**

---

- 1 Scope and Purpose**
- 2 Authorisation**
- 3 Accommodation and Subsistence**
  - 3.1 UK Travel - Accommodation
  - 3.2 Meals
  - 3.3 Overseas Travel
  - 3.4 Other Expenses
- 4 Travelling Expenses**
  - 4.1 Travelling by Car
  - 4.2 Travelling by Public Transport
  - 4.3 Other Travelling Expenses
- 5 Mobile Phones**
- 6 Training**
- 7 Use of Equipment**
- 8 Business Entertainment**
- 9 Moving and Lodging Allowance**
- 10 General Procedures of the Scheme**
- 11 Procedures for Claiming**
- 12 Approval and Authorisation**
- 13 Making a Claim**
- 14 Payments**

**Appendix A Authorisation of claims and Rates**

## TRAVEL, SUBSISTENCE AND RELATED EXPENDITURE - POLICY AND PROCEDURE

### 1 Scope and Purpose

---

It is the policy of Lincoln Diocese Trust Board of Finance Limited (LDTBFL) to reimburse employees, members of the Clergy, Trustees and if appropriate external consultants and contractors for costs incurred in the carrying out of legitimate activities, in support of the Diocese.

Expenses will only be paid for costs incurred for legitimate business reasons when supported by relevant documentation, which means they must be **wholly, exclusively and necessarily** incurred in the performance of official duties. Claimants should only claim such expenses as are necessary in the performance of their duties. LDTBF reserves the right to question, and to refuse payment for those that fall outside of the schedule of rates (unless agreed in advance) those that it considers unreasonable or those that it believes contravene HMRC rules. It is the duty of the authorising officer (Budget holder) to satisfy him/herself that the expenditure is wholly and necessarily incurred for the business of LDTBF is reasonable and represents value for money. Expense claims are subject to HMRC legislation and inspection at any time and also the statutory audit.

The following procedures are designed to ensure a fair and equitable payment of costs across the Diocese, as well as to ensure that the Diocese meets its legal and business requirements.

Allowances will be reviewed annually in order to ensure that the Diocese takes into account annual inflation and cost of living levels. In addition, comparisons will be made with other Diocese's in order to monitor allowance amounts. HM Revenue & Customs standard rates will be applied to ensure compliance with tax legislation.

### 2 Authorisation

---

When authorising an expense claim, the person signing it must check the following:

- All claims are supported by a valid receipt reflecting the amount claimed.
- The items claimed are in accordance with these guidelines in terms of the type of expenditure and amount.
- The mileage claimed is accurate and was incurred whilst undertaking Diocese business.
- The expense claim has all appropriate boxes completed i.e. cost centres, dates, mileage etc.
- The expense claim adds up.

Employees are expected to claim expenses within one month of the activity taking place. Expenses will not be reimbursed where either of the following applies.

- Where any single expense claim covers activity that spans a period of three months or more; or

- Where an expense claim relates to the period up to 31 December and has been received after the published deadline within the year end instructions.

Expense claims arriving in the Finance Department with any of the above omissions may be returned to the authorising manager which may delay payment.

Authorisation levels for expense claims are shown in **Appendix A**.

### **3 Accommodation and Subsistence**

---

#### **3.1 UK Travel**

Subsistence allowance will be reimbursed in cases where a member of staff is necessarily working or training at other than Diocese premises. Reimbursement will be against actual expenditure and to the maximum amounts shown in Appendix A. Dated VAT receipts must accompany all claims before reimbursement can be authorised and processed.

##### **Advance Booking**

Accommodation associated with travel on Diocese business should be arranged in advance, and paid for by LDTBF. Expenditure should be agreed in advance by a member of the Diocesan Executive team for accommodation of a reasonably quality within an acceptable travelling distance (30 minutes) of the business location.

A room only rate will then allow the claimant to claim appropriate meals in accordance with the subsistence allowances in the published rates. However, if it can be shown that it is more economical to book a fully inclusive rate with the hotel quotes should be obtained by a third party to verify the rates prior to any booking taking place to ensure value for money is obtained.

##### **Accommodation**

Accommodation may be claimed up to a maximum of the following rates.

- Inner London     £100
- Elsewhere         £85

Standard single accommodation must be booked at all times unless being shared by a colleague on the same business or course. There may be circumstances that single accommodation is not available at the original accommodation or most convenient, in which case prior approval must be sought from the line/budget manager.

The accommodation rates quoted are for room only and are the maximum rates, including VAT, that may be claimed. Where it is compulsory to stay at a 'venue' hotel and proof can be provided, a higher rate may be allowed, at the discretion and approval of the Director of Finance.

## **Rented Accommodation**

For longer term accommodation needs it may be more cost effective to consider rented accommodation. This will be organised by the Property Department at a commercial rate and payment for the rent shall be directly between LDTBF and the property owner. Individuals may not enter into a property rental or lease agreement under any circumstances.

## **Relocation Expenses**

Non-clergy relocation expenses if applicable will be agreed at the time of recruitment and at a limit approved by the Diocesan Secretary.

### **3.2 Meals**

The following allowances are the maximum that may be claimed for meals, subject to receipts being provided. In the absence of receipts the allowances will not be paid.

**Lunch** – Actual cost up to a maximum of £5.00 – subject to an absence of more than four hours including the period between 12 noon and 2 pm.

**Dinner** –Actual cost up to a maximum of £20.00 – subject to an absence of more than four hours ending after 7.30pm.

In all cases the absence should be more than ten miles away from the normal place of work or home address.

The LDTBF will not reimburse the cost of alcohol. The LDTBF will reimburse the cost of a soft drink with a meal but will not reimburse the cost of alcohol.

### **3.3 Overseas Travel**

Whilst no clear limits can be set for claims relating to overseas travel, they must be seen to be on a par with limits set for UK travel and subsistence. The rule of value for money must be applied in the case of arranging overseas travel. All travel must be at standard fares and standard accommodation must be booked. Where special discounts or arrangements are available, then it is a good practice to take advantage of these. Dated receipts must be provided for subsistence expenditure. All travel arrangements must be agreed in advance with the line/budget manager responsible.

Travel by own car or hire car to mainland Europe must only take place if essential to business or clients' needs. Diocesan Secretaries prior approval (as with all overseas travel) is required.

Away from home personal allowances, as with UK travel, are permitted. The rate for overseas travel is £10.00 for each night from home. The total allowance available will depend on the number of nights the individual is away from home.

### 3.4 Other Expenses

Miscellaneous receipted business expenditure such as cost of business telephone calls and faxes etc. at a hotel, will also normally be reimbursed or settled by the Diocese, where included in the bill.

It should be noted that if full detailed receipts are not provided with the claim, a completed form stating that the expenses have been wholly incurred on Diocesan business and that you were unable to obtain a receipt to support the expenditure.

Reasonable personal incidental expenses shall be reimbursed when an officer is on an overnight stay, such as newspapers, beverages up to a maximum of £7.00.

## 4 Travelling Expenses

---

### 4.1 Travelling by Car

Business mileage will only be reimbursed at the current applicable rates. Mileage expenses which cover your normal journey to work from home cannot be claimed.

- a) During the normal working week (as defined by employment contract/staff handbook), journeys to meetings at the start of, or the end of the day (to and from home) will be subject to the 'lesser of' rule; i.e. you may only claim the lesser of the home or office to the meeting place (this is a HMRC requirement)
- b) Out of hours mileage expense (such as attendance at evening or week-end meetings) will normally be payable in full and not; subject to the 'lesser of' rule
- c) Full journey details including the purposes of the journey, the specific location (e.g. postcode/address), and whether it was a weekday, evening or weekend must be disclosed on the expenses claim to enable the budget holder to determine the reasonableness of all claims and especially out of hours expense claims.
- d) Claims that fail to disclose this information will be considered incomplete and should be rejected by the authorising signatory and returned to the claimant requesting that the missing information is provided.
- e) The Finance department will undertake spot checks on journey details for reasonableness and reserve the right to question mileages claimed and withhold payment for obvious errors whilst further checks are made.
- f) All staff that use their cars for business use must produce a copy of their insurance cover before any payments will be processed for the reimbursement of business mileage.
- g) LDTBF must be informed where you have any driving convictions or endorsements.

Travel by use of your own car should only be undertaken if public transport is difficult to arrange and is impracticable for the journey or proves more expensive. Mileage claimed must only be for distances travelled on the business of the Diocese. This does not include from home to the normal place of work. Where a business journey is from home, the normal journey from home to work and return should be deducted from the mileage claimed. However, if a member of staff is contracted to work from home, then travel from home to the Diocese's premises can be claimed. Mileage claims are verified using "AA Auto Route"

## 4.2 Travelling by Public Transport

### Travel by rail

Wherever possible rail fares must be paid for in advance direct by LDTBF in order to take advantage of specific deals and advance booking discounts. Standard class rail travel should be used by all employees. If an employee wishes to travel first class the additional cost should be met by the employee.

### Travel by Hired Vehicle

Wherever possible car hire must be booked and paid for in advance direct by LDTBF in order to take advantage of specific deals and advance booking discounts. Where an employee purchases fuel for a hired vehicle, they will be reimbursed the actual cost of fuel, and not the miles travelled at the current rates per miles. Receipts for this type of spend are a mandatory requirement.

Budget Holders cannot authorise spend for a vehicle to be used by themselves. Budget Holders are required to get signed authorisation from their line manager on the Purchase Order prior to confirming the booking with the supplier.

### Fines and Penalties

The payment of any fixed penalty notices or other fines and charges is the responsibility of the driver and reimbursement by the Diocese will not be made.

### Travel by Air

Wherever possible air fares must be approved by the Diocesan Secretary and then paid for in advance direct by LDTBF in order to take advantage of specific deals, and advance booking discounts. Economy class travel should be used by all employees. If an employee wishes to travel first class the additional cost should be met by the employee.

## 4.3 Other

### Taxis

Taxis fares will be reimbursed with a receipt (where a receipt cannot be obtained a signed statement from the claimant detailing the expenses should be submitted).

### Car Parking

Car parking whilst on official Diocese business will be reimbursed with a receipt (where a receipt cannot be obtained a signed statement from the claimant detailing the expenses should be submitted).

## 5 Mobile Telephone

All users must abide by the terms of the Mobile Phone Policy detailed in the Staff Handbook. Mobile phones are made available for use on Diocesan business only and must not be used for private business calls. From time to time a personal call may be made, if important, whilst the user is on Diocese business. As with the use of other Diocese telephone lines,

personal (i.e. non-business) calls should be avoided and where necessary should be of a short duration. Such calls will be subject to charge (see below). This privilege should not be abused whilst engaged on Diocese business.

### **Call Charges**

Any private calls that are made, either frequent, long distance (STD or ISDN), or of a long duration will necessitate reimbursement to the Diocese by the user through the Finance Office.

All Diocese business call charges will be paid by the Diocese.

All Diocese phone accounts are monitored and reviewed and users shall be responsible for their use and provide an explanation of call charges if requested.

### **Home Working**

Employees working at home who use their home telephone to make business calls can claim for the reimbursement of the actual cost of the call. The cost of the call (including the VAT element) should be shown on the claim form and a copy of the itemised telephone bill attached. A portion of the line rental is also claimable in selected circumstances and this shall be in the same proportion to the private/business calls ratio.

Business calls made by individuals on their personal mobiles will be reimbursed provided the claimant can support the claim by presentation of an itemised bill which highlights the business calls made. No part of the standard tariff will be paid unless a specific arrangement is in place and in which case a taxable benefit in kind may be likely to accrue as this is not deemed legitimately allowable by HMRC.

## **6 Staff Training Courses & Conferences**

---

Training/conference fees for individual's attendance will be paid for in advance by LDTBF via the purchase ledger system following approval by the budget holders. Group training and/or conferences will be organised centrally including all accommodation.

Any expenses incurred whilst on training courses or conferences (mileage etc.) shall be as per the rules outlined above for the specific item. A course fee may well include lunch and accommodation which should therefore not be claimed.

## **7 Use of Equipment**

---

Where work relating directly to the Diocese is being pursued as part of professional duties at home, it is appropriate for members of staff to borrow equipment to use at home. In particular this may include computers, video equipment, audio equipment etc. Staff must comply with Diocese data protection procedures and computer user policy.

Staff wishing to use Diocese computer equipment at home must ensure that appropriate authorisation is gained and that they have signed the 'Use of Diocese Equipment' form.

Equipment is available to staff on the strict understanding that it will only be used for Diocese related activity/training and the relevant form must be completed to indicate this.

## **8 Business Entertainment**

---

There will be occasions when it is appropriate to provide hospitality to various individuals and groups. Hospitality can be provided for visiting groups of Clergy, other professionals, local employers etc. There are also areas where Clergy and other professionals are entertained together with members of staff. Where appropriate the Diocesan internal catering facilities should be used.

All hospitality must be approved in advance by the Budget Holder.

### **Hospitality for External Clients**

- a A budget must be established each year to cover the proposed expenditure on such activities. All entertaining must be charged to this account. The budget cannot be exceeded.
- b A detailed receipt should be attached to the claim form, giving a full description of items purchased/claimed.
- c The number of Diocese staff should not exceed the number of guests at any function. The names of all staff and guests, together with their organisation name should be recorded and the information passed to the Finance Office.
- d The cost per head should be reasonable, taking account of all the circumstances and should not normally exceed the maximum subsistence allowances contained in the Diocesan travel, subsistence and other related expenses policy.

## **11 Procedures for Claiming**

---

Claims must be made in accordance with the following procedure and will be subject to audit.

## **12 Approval and Authorisation**

---

All the intended activities incurring costs must be approved by the appropriate budget holder.

## **13 Making a Claim**

---

Claims for mileage, subsistence and associated costs should be made on a Mileage and Subsistence Form. Copies are available on the Intranet under Finance team.

- Forms should be submitted on a monthly basis



- Staff are required to keep accurate records of claims including all car journeys , in order to meet Inland Revenue requirements. Claims must include post codes from and to and/or street name and AA auto route used to calculate mileage including reverse route.
- Completed claims forms with attached receipts should be signed by the appropriate person as set out in 1.6 and forwarded to the Finance Department at Edward King House.

## **14 Payments**

---

Payments will normally be made by BACS via the purchase ledger systems. Payments will be paid during the week after the authorised claim has been received. Any expense claim must be submitted promptly. At the discretion of the authorising signatory, where monthly expenses are less than £25, these may be rolled forward to the following month. Claims submitted more than one month after the expenses incurred will only be paid with the express approval of the Director of Finance.

In exceptional circumstances an 'advance payment' may be requested where the expense is high or the cost of incurring the expenses may cause the claimant unnecessary hardship. This must be approved by both the line manager and the Director of Finance and will not normally be approved for normal expenses such as mileage, fares, car parking, subsistence etc. Other avenues must be explored first such as payment via the purchase ledger system or the company credit card for larger value items.

**A. Authorisation Levels**

Expense Claimant	To be Authorised By
Diocesan Secretary	Chair of LDTBF
Executive	Diocesan Secretary
Heads of Department	Member of the Executive responsible for that particular area
Other Employees	Line Manager/Relevant Budget Holder
Clergy/Rural Deans	Archdeacon for the area in question

**B. Mileage Rates**

Cars & Vans	Standard Rate	Up to 10,000 miles	45p
	Reduced Rate	Greater than 10,000 miles	25p
Motorcycles	Standard Rate		24p
Bicycle	Standard Rate		20p
Passenger*	Standard Rate		5p
Company Car	Reduced rate		9p

\* The passenger rate can be claimed if other employees of the Diocese share a car to attend a business function. The rate can be claimed per passenger per mile in addition to the car mileage rate.

These rates are consistent with HMRC at the time of publication.

**C. Accommodation Rate**

Rate per person per night £		
Location	Accommodation only	Accommodation, Evening Meal and Breakfast (if booked as a package)
London	100.00	120.00
Other	85.00	100.00

**D. Meal Rates**

	Max rate (£)
Lunch	Actual cost up to £5.00
Evening Meal	Actual cost up to £20.00
Separately claimable only if employee is away overnight On business and meal is not included with accommodation	

**E. Incidental Expenses**

	Max rate (£)
--	--------------

Incidental expenses	Actual cost up to £7.00 per day
---------------------	---------------------------------