

Employee Expenses Policy

HR/OD

July 2015 (updated March 2018)



MANCHESTER
CITY COUNCIL

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Document Control

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|----------------------------|--|--------------------|---------------------|
| Date effective from | March 2018 | Owner | HR Policy - HROD |
| Approval Date | 07 March 2018 | Approval By | Personnel Committee |
| Version History | 1.2 March 2018 1.1 July 2015 1.0 September 2012 | | |
| Review date | Two years from the date of approval (or earlier where there is a change in the applicable law) | | |

Introduction

- 1.1 The primary objective of this policy is to help ensure employees make responsible decisions for business travel and that where possible sustainable forms of transport are used. Guidance is provided separately to ensure that any claims are supported by clear, justified reasons for travel; sufficient evidence to enable reimbursement and are for additional expenses incurred only.
- 1.2 All expenditure for business travel should only be incurred in accordance with authorised business need. The key principle is that everyone should try to minimise the overall costs to the taxpayer, including the use of official time, fares and subsistence and this will in the majority of cases, mean using public transport.
- 1.3 National conditions of Service (Green Book) state:

“Employees necessarily incurring additional expense in the course of their work in respect of travel, meals or overnight accommodation will be reimbursed approved expenses subject to appropriate evidence being produced.”
- 1.4 Authorisation for payment of claims will be based on whether the claim made is timely, reasonable and can be validated. It is the claimant’s responsibility to ensure that claims made are certified as legitimate additional expenditure.
- 1.5 The policy will include roles and responsibilities and regulatory requirements and restrictions. A supplementary guidance document to be used in conjunction with this policy is available on the Intranet.

Scope

- 2.1 The policy applies to all employees of the Council excluding employees directly employed by schools. The policy also encompasses travel arrangements that may be made for service users as part of service provision.
- 2.2 All travel arrangements must be made through the Council’s approved travel contractors. Details of the current travel contractors can be obtained from the Council’s Corporate Procurement Team and are available on the Intranet.
- 2.3 The Council fully endorses the Government’s Sustainable Transport Policy. The Council’s own travel plan encourages all Council employees to use public transport and to consider the environmental impact of all journeys made.
- 2.4 The policy will be reviewed periodically to ensure that it remains effective.

Criteria

- 3.1 To be eligible to claim travel or related subsistence expenses, the employee's claim must be for additional expense incurred as a direct result of being employed on City Council business away from their work place, taking into account that employees work flexibly from a number of locations. The general principle is that where no additional expense is incurred no reimbursement is due. Expenses incurred will only be considered "additional" if the employee would not have reasonably expected to have incurred the expense if they had actually been in work. For example, buying a sandwich for lunch is not additional and having a three course meal instead of a sandwich is unreasonable.

Claim Procedure

- 4.1 Claims for subsistence/expenses should be submitted by the employee using either mi self, or the off-line Employee Expenses Form (if they do not have access to mi self).
- 4.2 The employee will need to show the relevant original receipts to his or her line manager when submitting a claim. Receipts will then need to be retained by the claimant for a period of 25 months in case of audit by the HMRC or Internal Audit. The receipts should be retained in a logical monthly order.
- 4.3 Where employees are making an expense claim using the off-line Employee Expenses Form, they will need to submit the form with the receipts attached.
- 4.4 Employees should be aware that it is their responsibility to obtain approval from their line manager before incurring expenses. Failure to do so will lead to the expense claim being rejected on the basis it was not authorised.
- 4.5 Retrospective claims for expenses which are over three months old from the date of the expense will not be reimbursed.

Regulatory Requirements and Restrictions

- 5.1 All travel or subsistence expenditure must be approved in advance, and in the first instance by the appropriate line manager.
- 5.2 Business travel arrangements must be booked through the approved travel contractor. It is neither expected nor desirable that Council officers carry out research into fares to make their own travel arrangements as the approved travel contractors are obliged to provide the most cost effective solutions to individual travel requirements. Where a Council officer believes a fare could have been obtained more economically this should be reported to the Corporate Procurement Team.
- 5.3 The MCC Code of Conduct for Employees states the following "*Employees have a duty to use public funds in a responsible and lawful manner and in undertaking their duties,*

they should strive for value for money for the local community and should try to avoid legal challenge to the Council.” Any employee knowingly making a false claim or failing to demonstrate value for money may face disciplinary action in accordance with the Council’s disciplinary procedure.

- 5.4 All business travel and accommodation must be arranged through the Council’s formal contracts. However, it is recognised that there will be very exceptional occasions where Council Officers may need to arrange and pay for this themselves. Where an officer does need to make a claim, the official “employee expenses” claim procedure must be used. Where such arrangements are made any expenditure must be formally approved in advance by the appropriate line manager, together with the reason for departing from the standard procedure.
- 5.5 Claims for all expenses: rail, taxi, private cars, subsistence etc. must be supported by itemised receipts as evidence of actual payment of incurred expenses and must be reasonable. Where it is not possible to provide receipts or travel tickets for any reason an explanation must be provided on the claim form. Payment of expenses not supported by official receipts will only be paid at the discretion of the manager responsible for authorising the claim.
- 5.6 Claims for items purchased using a credit card must be evidenced and receipted by the detailed itemised payment receipt and not the total summary card payment receipt.
- 5.7 Optional tips and gratuities on bills which are given at the employee’s discretion will not be reimbursed by the Council.
- 5.8 The Council does not expect employees to spend their own money on behalf of the Council and these situations should be avoided wherever possible by using the agreed process.

Travel Expenses

- 6.1 The Council is committed to providing excellent value for money, therefore employees should seek to minimise the cost of travel by avoiding the need to make business trips in the first instance but, where this is not possible, to use the most cost effective form of sustainable transport available.
- 6.2 All travel arrangements must be pre-booked through the official corporate contracts for travel. Details of current travel contractors can be obtained from the Corporate Procurement Team.

6.2.1 Rail Travel

All employees should normally use standard class rail travel. Rail is the preferred mode of travel for long distances. However, consideration should be given as to whether the journey is business critical or whether other options could be explored in order to avoid the need to travel at all.

Entitlements are standard rate fare at all times, using the best rate available. First class rail travel may only be used in the following exceptional circumstances and only then with prior approval of the appropriate Strategic Director:

- when the facilities provided in standard class do not meet business needs (such as there being no seats available for longer journeys, or where the adequacy of the seating available prevents the employee from carrying out their duties)
- if the employee is pregnant and cannot obtain a seated ticket
- if the employee is suffering from a temporary or permanent disability which means that standard class travel is unsuitable or there is a need to travel overnight and use a sleeping berth

Rail tickets must be booked, wherever possible, on a pre-booked, closed ticket basis as early as possible using the agreed contract/procurement process. Tickets for urgent rail travel when approved can be purchased outside of the agreed procurement process. A retrospective claim to recoup the costs incurred through the expenses process can then be submitted via mi people Self Service or the paper process for those staff without systems access.

On return journeys, if the employee needs to return at an earlier or later time than stipulated on the ticket, then the additional cost may be reclaimable in arrears via the employee expenses claim procedure.

6.2.2 Public Transport (including buses and Metrolink)

Employees who need to use public transport in the course of their duties may be able to claim for journeys incurred. Fares will be paid either via the employee expenses claim procedure (or in limited circumstances via petty cash if this is available to the service) or by using a bus ticket purchased by the Council. There are HMRC implications with the use of bus tickets purchased by the Council and these tickets must only be used in conjunction with work related activities and cannot be used for personal use (to be confirmed by the user in writing).

This does not apply to employees who use their own personal season ticket/monthly pass to cover journeys by Metrolink or bus as there is no additional cost to the ticket holder. Therefore, if their own season ticket/monthly pass is used to travel in connection with work related duties, no additional payments will be made. The only exception will be

where an employee agrees to purchase an extra zone in order to travel outside of their normal season ticket/monthly pass area. Employees should obtain approval from their line manager before incurring any such expense and the reimbursement paid using the appropriate financial processes. Records of these decisions must be retained and referred to as part of any claim. Zone passes should be purchased and reclaimed providing evidence of the additional costs incurred.

6.2.3 Taxis

Employees who need to travel to a particular destination may, by prior agreement, arrange for a taxi to be provided under the Council's corporate taxi contract. However, taxi journeys should be authorised and agreed in advance by the employee's line manager by using a "Taxi Authorisation Form." Please refer to the Intranet for details of the contracts currently in place and the procedures to be used.

Only in exceptional circumstances will employees be reimbursed for the cost of a taxi or hire car where it is not possible to book a taxi using standard procedures, reimbursement will be made via the employee expenses claim procedure.

Taxis should only be used in the following circumstances:

- when no other method of public transport is available (e.g. when travelling at night)
- when carrying heavy official papers, equipment /baggage, or for reasons of personal safety
- if you are unable to use public transport because of pregnancy or a temporary or permanent disability (this particularly applies to short journeys)
- if there would be an overall cost saving including any claim for subsistence or to ensure journey connection or arrival times
- where public transport is sporadic or unreliable
- if it is more cost effective when travelling in a group

6.2.4 Car Allowance

Car allowances will only be paid to authorised Casual Car Users. Employees required to use their own motor vehicles for the efficient performance of their duties will need to seek authorisation to becoming a "Casual Car User" in order to be eligible to be paid mileage for their business travel. The mileage rate is that authorised by the Council. Car allowance is only payable where it can be proven that using this means of transport provides savings over any other means of transportation.

Mileage must be claimed through the vehicle allowance claim procedure and verified by the relevant line manager. The claim requires specific details of journeys such as (from where) and (to where) (specific addresses are required and “from home “will not be considered sufficient). Confirmation of why mileage has been claimed and public transport not used must be included.

Where it is deemed more cost effective to travel by public transport but the employee chooses to use their own car to make the journey (assuming they have the relevant insurance), then the cost claimed and reimbursed by the employee must not exceed the sum of the most cost effective means of public transport. For clarity and to prevent any misunderstanding, if the most cost effective means of transport is for example by rail (and the fare is £5.00) but the employee wishes to use their own car and the mileage for the journey is equivalent to £10.00, then the employee may only claim for and be reimbursed £5.00, the cost of the rail fare.

The Council supports government environmental initiatives and encourages car sharing among its employees whilst travelling on business using their own vehicles. In addition the Car Club offers cars which can be used for business journeys, the Car Club option is both cost effective and convenient and details of this scheme can be found on the Intranet.

6.2.5 Parking Fees and Tolls

Employees are entitled to be reimbursed for the costs of unavoidable expenses for parking and tolls (including road tolls and river ferries), upon production of suitable receipts. Planned journey routes prior to travel should be considered, avoiding these costs where economically possible to do so.

6.2.6 Air Travel

Air travel will only be considered for long distance travel and only then, when it is a business critical case and it is considered that this mode of transport represents value for money and ensures a shorter travel time. However, all travel by air must be in economy class and agreed by the relevant Strategic Director and booked in advance through the agreed contractor.

Benefits accrued as a result of official travel (for instance ‘Air Miles’) must not be used for personal travel. These should be declared and used to offset the cost of future Council official business journeys.

6.2.7 Overnight Accommodation

Overnight accommodation must be booked through the approved contractor. It is neither expected nor desirable that Council officers carry out research into accommodation rates to make their own arrangements. The approved contractors are obliged to provide the

most cost effective solutions to individual accommodation requirements, whilst taking account of the employees' requirements, i.e. disability requirements.

6.2.8 Subsistence allowance

As a general rule, meal costs are an employee's responsibility whether at or away from their work base. Subsistence is intended to meet the extra costs for additional meals that they necessarily incur when they are away from their normal workplace on official business.

Employees are entitled to claim subsistence if they are away from their normal workplace on official business and necessarily purchase a meal or meals (including snacks, soft drinks and beverages, but not alcohol). To claim subsistence allowance an employee would normally be expected to be away from their base for more than 10 hours. Claims should be for the actual receipted cost of subsistence, up to the maximum limit. Optional tipping will not be reimbursed and therefore must not be claimed. Subsistence cannot be claimed where the meal or meals are provided by a third party at no cost to the employee.

Subsistence can also be claimed if the employee stays away from home overnight on official business. It covers a period of 24 hours to meet the actual costs of the employees' meals, drinks (excluding alcohol), and accommodation. This allowance will not be paid where meals are provided for at the temporary place of work/event and there has been no additional cost.

Claims will need to be supported with receipts for actual expenditure incurred. Failure to produce receipts will result in the claim not being approved and processed.

In all situations, reimbursement will be made through the Corporate Shared Service Centre. All expense claims will be paid directly through the claimant's bank account (as held on their payroll record) and as the payment relates to a reimbursement of actual expenditure, the amount payable will be non-taxable.

The Council have determined a number of [subsistence rates](#), which are intended to be the maximum amount that an employee may claim and therefore in some circumstances may only represent a contribution towards the actual subsistence expenditure occurred.

6.2.9 Mobile Phone Charges

If you find you need to use your personal mobile phone in the course of carrying out your duties with the Council then you can claim for reasonable charges incurred. For any usage claimed you will need to provide proof of associated costs in order to assess the validity of the claim. Where possible, please check with your line manager first if you know you are going to be away from your work location and feel you may need to claim for mobile phone charges. They may be able to provide a shared Council mobile phone if

this is a regular occurrence and you do not have a mobile phone assigned to you as part of your role.

7.0 Other Types of Business Expenditure

The following expenditure types, although not specific to this policy are included for reference.

7.1 Home Working

In the event of an employee being approved for home working and a broadband connection and/or office equipment is required, these expenses should be managed in accordance with the Home Working Code of Practice and approved, in advance in the first instance by the appropriate line manager using established and agreed, formal procedures. No payments will be made through the employee expenses process.

7.2 Emergency Purchases

For the purpose of this policy an “emergency purchase” is defined as a threat to public health, welfare or to comply with the Health and Safety Act. Emergency procurement will be limited to resources necessary to meet the emergency only. Emergency procurement of resources will require advance authorisation by a line manager to obtain the goods through a route other than established and agreed formal procedures, i.e. emergency purchases may be claimed through the employee expenses policy as long as they were approved in advance and were genuinely required as a result of an emergency as defined above. Poor planning does not constitute an emergency.

7.3 Use of City Council Purchase Cards.

Some Council Officers will have access to a Purchase Card to facilitate the efficient discharge of their duties. The possession of a purchase card does not exempt any Council officer from the requirement to comply with this policy in full. Purchase card spend is monitored and any purchases made which contravene this policy will be reported to the appropriate Line Manager and / or Internal Audit as appropriate.

7.4 WiFi / Internet Use (only whilst travelling)

Employees are entitled to be reimbursed for the costs of WiFi / Internet Use charges whilst travelling for business purposes. Cost incurred must be authorised prior to purchase and will only be reimbursed when accompanied by the relevant receipt.

7.5 Flu Vaccination

Flu vaccinations not only protects employees, they also help to protect the vulnerable people they come into contact with and members of the public. If employees are pregnant, age 65 or over, a carer, or living with a long term health condition they can receive a free flu jab through their GP.

For other employees, flu jabs are widely available through GPs, at pharmacies and even at supermarkets for a small cost. Dependent on the likely scale of flu and potential benefit of wide scale vaccination the Director of Public Health and Director of HROD may permit the reimbursement of the cost of a flu jab, up to an agreed maximum amount, using the standard expenses process.

Roles and Responsibilities

8.1 Claimant/Employee

Employees should be aware of this policy and procedure and ensure that any potential claim must be pre authorised before incurring the costs. Employees are required to submit claims promptly. Claims must be supported by official, original receipts. Receipts should then be retained by the employee for a period of 25 months in case of audit by the HMRC or Internal Audit. The receipts should be retained in a logical monthly order.

Where such claims are necessary by virtue of the employee's role in the Council, claims must be submitted on a monthly basis only i.e. not several claims per month (with the exception of any low value claims that cannot be accumulated to the collective value of £10).

The employee must certify the claim as accurate and incurred as an additional expense in line with business need.

In respect of the purchase of travel passes for work purposes these must be purchased by the Council through standard processes unless the claim is for purchasing additional zones (see earlier in the policy document).

8.2 Managers

Managers are responsible for ensuring the policy is adhered to within their teams and for any claims that they are asked to approve. Managers are also responsible for reviewing and approving travel arrangements within their areas of responsibility and should incorporate the principles contained within this policy into their decision making and business planning.

Managers must check whether claim amounts are reasonable, making an informed judgement based on the type of claim and the reasons for claiming. Claims must be rejected where they do not meet the Council's criteria. Advice should be sought from the [Employee Life Cycle](#) Team if there are questions about the veracity of any claim.

Managers should implement an assurance process to enable them to minimise the risk of error or omission, and ensure good financial management including budgetary control.