

British Red Cross

Reimbursement of Expenses Incurred on Duty for the Society by all Staff (including consultants) and Volunteers

6 April 2011

To be used in conjunction with Procedures for Booking Travel and Conferences

Policy

It is the Society's policy to reimburse all reasonable expenses incurred in carrying out the Society's business. As a charity, it is the Society's duty to minimise expenditure that is not directly charitable. Staff and volunteers are expected to keep expenses incurred to a minimum and record, explain and justify such expenses properly.

It is the Society's policy to purchase travel and accommodation through centrally negotiated arranged contracts except under exceptional circumstances.

Reimbursable expenses are generally those actually incurred by an individual in the course of Society business in excess of the costs incurred in a normal working day at your normal place of work and not the acquisition of goods normally purchased through Society suppliers. Telephones, stationery, electrical goods, IT equipment, workwear etc should not be purchased through the reimbursement of expenses procedures, nor should any other item of expense where national supply arrangements are in place. Expenses not directly attributed to the Society's business (e.g. speeding and parking fines, penalty fares) will not be reimbursed.

The types of expenditure normally reimbursed are business travel and subsistence when required to stay away from home. Exceptionally, purchase of supplies and sundries or entertaining may be reimbursed. Travel arrangements are made through the Area, Territory or UK Office using nationally agreed contracts and will be paid for centrally and therefore will not be reimbursed. Taxable benefits (such as kit allowances for delegates and essential car user allowance) must be paid through the office Purchasing and Supply processes and will not usually be reimbursed through the expenses claim system.

The method of obtaining reimbursement of expenses will depend on whether or not the claimant is:

(a) *an employee who has access to the Society's IT network.* This category of claimant should submit their claim using the online expenses facility within the Agresso system. Guidelines on how to use the online system can be found in the e-learning modules in Redroom and in the Finance Operations Manual

(b) *an employee who does not have access to the Society's IT network or a volunteer.* This category of claimant should complete a manual expenses claim form to obtain reimbursement of expenses.

Claims for each calendar month should be made promptly by the 4th the following month at the latest. Invoices (originals, not copies; preferably VAT invoices) are to be promptly provided for all expenses except when no invoice or receipt is available (e.g. parking meters and tips). Where no receipt is given, the reason must be clear.

All staff will be reimbursed on 15th of the month via payroll.

It is expected that line managers will ensure approve expense claims quickly in an appropriate way avoiding risk of abuse.

Reducing Carbon Emissions

The Society position on carbon emissions is

“There is strong consensus within the scientific community that climate change is occurring and is caused by human activity. The British Red Cross is therefore taking steps to reduce its own carbon emissions. This makes good sense environmentally and economically”.

As such we are working to reduce our carbon emissions by setting business units specific targets, monitoring output and working to find more fuel-efficient ways of travel.

From January 2009 we expect staff and volunteers to use the most “carbon efficient” ways of travelling given the circumstances of the particular journey.

This means, if possible

- using trains not planes
- using trains not cars for long journeys
- using public transport not taxis
- multiple occupation of vehicles
- using tele-conferencing and video conferencing more

Clearly there will always be exceptions, we know that often time constraints make some forms of travel more difficult but we need to encourage carbon friendly travel.

We have asked Directors to challenge (not stop) the need for all flights to Geneva and into London Airports given that these contribute the bulk of our carbon emissions from air travel.

The policies and procedures for reimbursement of expenses may be changed from time to time. If you have any suggestions for improvements to the policies or documentation, please forward them to the Director of HR & Education or the Director of Finance & Business Development.

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To be found on RedRoom

- 1. Air Travel Form
<http://intranet.redcross.org.uk/BRCS/Ourorganisation/Purchasing/REDX020450>
- 2. Staff and Volunteer Expense Claim Form
<http://intranet.redcross.org.uk/BRCS/howdoi/finance/expenses/staff/REDX036357>
- 3. Overseas Expense Claim Form
<http://intranet.redcross.org.uk/BRCS/howdoi/finance/expenses/staff/REDX036370>

Related Documents

- 1. Procedure for Booking Travel and Conferences
<http://intranet.redcross.org.uk/BRCS/howdoi/purchasing/travelconferencebooking/BRCS005566>
- 2. Currency Advances Procedures
<http://intranet.redcross.org.uk/BRCS/howdoi/finance/expenses/staff/REDX036881>

EXPENSES

1. INTERNATIONAL TRAVEL

1.1 Air Travel

Air travel will be at economy class and must be requested by the completion of an Air Travel form (found on RedRoom). Any other class of travel will be permitted in extremely exceptional circumstances and only with the agreement of the CEO. Please refer to Procedures for Booking Travel and Conferences for guidance on how to organise your travel through the Society's approved agents (found on RedRoom, link in Contents list). Directors have been asked to challenge (not stop) the need for all flights to Geneva and into London Airports, given that these contribute the bulk of our carbon emissions from air travel.

1.2 Car Parking

Costs of car parking relating to travel to or from the airport of departure are reimbursable.

1.3 Transport

Costs of public transport and taxis incurred in the course of Society business, including travel to and from airports and any travel in the destination country other than leisure travel, may be reclaimed.

1.4 Subsistence

When on a business journey or working temporarily away from the normal place of work a claim for subsistence expenses is permissible. If the duties or distances involved make it necessary to stay away from home overnight then accommodation expenses may also be claimed as described below.

1.4.1 Accommodation

International accommodation should be arranged through the International teams' programme support officers or equivalent and the agents approved by the Society, who will use the facilities of central booking thereby obtaining the discounts available through them.

1.4.2 Sundry expenses associated with accommodation

The following are regarded as Society costs and therefore reimbursable: business phone calls, private phone calls within reason (i.e. one per day), laundry on trips over seven days, meals within the limits shown in Appendix 1.

1.4.3 Meals

Meals will be reimbursable and where appropriate should be contained within authorised limits used in the UK (see Appendix 1).

1.4.4 Per diem allowances from the Federation/ICRC

Delegates recruited to work for either the Federation or ICRC may be provided with a per diem allowance for time spent overseas rather than reimbursement of expenses incurred. The tax implications of this depend on the circumstances of the individual. Expenses incurred while in the UK should be dealt with as described in this document.

1.5 Entertaining

1.5.1 Other organisations

Prior approval should be gained from the relevant divisional director before entertaining representatives of other organisations at the Society's expense; persons present, their organisation and the reason for the Society's paying should be recorded.

1.5.2 Society employees

Meals for Society employees will not be reimbursed except when covered by 1.4.3 or 1.5.1 above (see 3.8). Such items are considered by the Inland Revenue to be a taxable benefit to the individual.

1.6 Advances and Foreign Exchange

A float of Travellers Cheques and/or foreign currency will normally be advanced to employees travelling overseas on Society business. Exchange rates applied to expenses are those applied on the supply of foreign currency or on conversion of credit card bills. Commission charges are also reimbursable. If the claimant has access to the Society's IT network this should be done using the online expense claim facility within the Agresso System. If the claimant does not have access to the Society's IT network the claimant should complete an manual Overseas Expense Claim Form. Please refer to Currency Advances Procedures on guidance on how to organise your advance (see link to this document in contents list).

1.7 Other Expenses

1.7.1 Combined business and holiday trips

Holidays included with business trips may be taken, but costs of subsistence and travel in excess of those of the essential business element of the trip will not be reimbursed.

1.7.2 Ad hoc purchases

Items normally purchased centrally (e.g. stationery and office supplies) should be obtained from Area, Territory or UK Office. Items bought as necessary when overseas when central purchasing is not convenient (e.g. stationery supplies when working away from normal office base) may be reimbursed up to £20 unless a valid reason exists for additions to this amount.

1.7.3 Compensation for loss/injury (i.e. mugging)

Claims for compensation for losses or costs of treatment resulting from employees being mugged or robbed while on Society business will, to the extent not insured, be viewed sympathetically. Application should be made to the divisional director.

1.7.4 Insurance

People travelling abroad will automatically be insured for death, illness, accident or loss while abroad **BUT ONLY** when they complete the Air Travel Form and copy this to the Insurance Administrator. Please refer to Procedures for Booking Travel and Conferences for further guidance.

1.7.5 Kit Allowances

Depending on circumstances, a kit allowance (for buying clothing and equipment suitable to foreign conditions) may be granted. Such allowances must be approved by the relevant Operations, UK or Divisional Director.

Because the payment of a kit allowance is considered by the Inland Revenue to be a benefit in kind, such payments must be made via the payroll with deduction of tax and National Insurance. Such payment **must not** be paid through normal reimbursement of expense procedures.

In some circumstances Red Cross **branded** clothing will be supplied directly and not subject to tax.

1.7.6 Other expenses

Visas - please refer to Procedure for Booking Travel and Conferences for guidance on how to obtain a visa for travel, if necessary. Vaccinations should be organised through Society health service providers where possible.

Air Miles – The travel company we use to buy air travel provides flights at a very economical rate that does not generate air miles on booking. Some of our staff and volunteers do have their own airline loyalty cards and are able to gain some benefit by accrediting miles to these cards as they check in. It is an extremely complicated and somewhat expensive

process to track individual gains of air miles and we know it is not a substantial gain. We are happy for people to generate air miles but ask that they declare them in the same way we declare ad hoc gifts (and that is to notify your Director's PA by e-mail of any gift received).

2. DOMESTIC TRAVEL

2.1 Air Travel

All domestic flights should be economy class, and should only be undertaken when alternative means of travel are completely impractical. Such travel should be purchased through the centrally negotiated and managed contracts detailed in the Procedures for Booking Travel and Conferences.

2.2 Public Transport

Fares reimbursable are the lesser of the fare from the employee's home and that from the normal place of work. Fares should be standard class. Taxis should be avoided in favour of buses, trains and tubes where possible. Taxis are a very expensive way to travel. The Society expects volunteers and staff to limit their use of taxis to absolutely essential need or when a taxi is taking enough people to make it more cost effective than other forms of travel.

For volunteers who do not have a normal place of work the actual out of pocket costs will be reimbursable. This will have been agreed with the service manager prior to the claim being made.

If necessary, transport to and parking at the convenient point of departure is also reimbursable.

Rail travel should be purchased through the centrally negotiated and managed contracts detailed in the Procedures for Booking Travel and Conferences. All rail travel will be the most economical for the journey required.

Reimbursement of the cost of a journey using an Oyster card should be processed in the same way as other elements of travel but the approver should satisfy themselves that the cost is appropriate given that no receipt will be available.

2.3 Use of a Private Cars

If overall efficiency in time or cost is improved then the standard mileage rate for private car usage (see Appendix 1) may be claimed, as long as prior approval has been granted by the Head of Department/Director for this usage. However, for journeys over 100 miles, managers may require individuals to use the hire car facility available across the UK, as this is often a cheaper alternative for BRCS than paying the higher mileage rates. (See Appendix 2 Car Rental Prices)

Where prior agreement has not been given individuals may use private cars if they wish but the expense claim will be limited to the standard class rail fare if this is cheaper than a mileage rate (the Society Rail ticket provider can quote fares). The

expense claim should show both the standard class rail fare and the mileage at standard rate, to show that the lesser amount is being claimed. The manager may make such alterations to expense claims in these instances. Individuals claiming mileage allowance must provide a receipt for the fuel. The receipt must predate the claim but need not be for the exact amount of the claim.

If an employee believes that the mileage rates used by the Society do not cover the cost of business related miles, it is possible for them to apply to the Inland Revenue to have the excess expense treated as a deduction from taxable income. If the IR agrees to such a request, records of all mileage, mileage claims and expenses suffered (including invoices for services, fuel, etc.) should be retained for submission to the IR at the end of each year.

Managers should ensure that direct reports, who use their own vehicle for Society purposes, have adequate insurance and their vehicles are taxed and have current MOT certificates

2.4 Use of “Pool” Cars

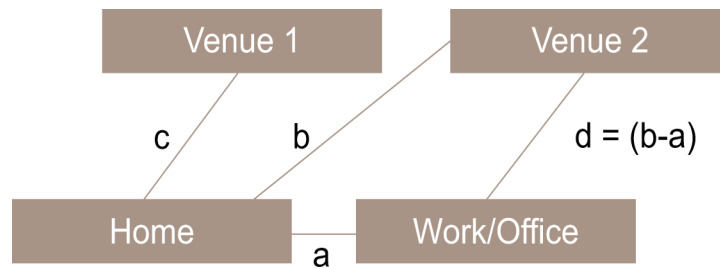
In some rare instances the work office (UK, Territory or Area) may require the allocation of a pool car or Society vehicle to an individual for a specific journey. (However, we are trying to discourage the leaning on pool cars). In these circumstances it must be noted that the allocation of a vehicle for evening and personal use (i.e. taken home regularly) will have significant tax implications for that person.

2.4.1 Vehicle expenses (pool/Society cars)

All related costs of vehicles (i.e. motor insurance, road tax, servicing, antifreeze and lubricants) will be invoiced through appropriate budgets rather than reimbursed directly (fuel costs being reimbursed via the Society's vehicle mileage allowance).

2.4.2 Calculating mileage

There are now an increasing number of staff, often Territory and Area employees, who live some distance from their office base. This means that as they travel to other offices in the Area and Territory, they often travel directly from home rather than from the main office base. In some cases deducting the normal distance travelled from home to work will leave a negative figure requiring no reimbursement. It has therefore been decided that the Finance Managers and HR Managers will come to an agreement with these staff about what distances are assumed reimbursable. However, in usual circumstances it is expected that this will be a rate that is calculated in the following manner.



- If travelling from home to an office (venue 1) closer to home, then mileage (c) will be claimed. If this is less than (a) then no claim will be permissible.
- If travelling from home to an office (venue 2) further away than the normal work office, then mileage (d) will be claimed.
- In most cases and for most of the staff who live and work in the same vicinity, mileage will be claimed from the office.
- For volunteers the actual distance travelled should be claimed as it is assumed that they will be travelling from their home base.

2.4.3 Allocation of Society cars

Society cars will only be allocated to individual staff on a long-term basis in exceptional circumstances and in each case only with the express agreement of the Director of HR & Education or CEO, in conjunction with the UK Director. In these instances, the individual will be notified of the conditions of this use and that this vehicle will be treated as a taxable benefit. (This is specifically so that we can manage risk).

An annual review of use will take place, and at times this privilege could be withdrawn. The key-influencing factor in this decision is the business use the vehicle receives. An average mileage of 15,000 miles a year is the baseline for the allocation of such a vehicle although other factors that may influence this are detailed in the car scheme procedures. Managers will be required to undertake an analysis of individual vehicle use to determine whether alternative transport could be used. It should be noted that if a Society car were to be allocated the vehicle type would be designated by the Society and will be based on our supplier's lowest carbon-emitting vehicle. Please refer to Car Scheme Procedure for Staff Vehicles.

2.5 Car Hire

Individuals who need to travel on Society business, often transporting equipment etc., and do not have the use of a Society or private car, can arrange through Area, Territory or UK Office for a vehicle adequate for the purpose to be hired for the required period. This is done through a centrally purchased agreement and, as stated in paragraph 2.3, this is a very economical option for 1-day journeys of over 100 miles.

If the use of hire cars is the preferred option or mandated option in a team or Territory, then the following procedure should be applied:

If a volunteer or member of staff refuses to use a hire car, insisting on using their own vehicle even though management advise is otherwise, managers can “allow” this but should apply the current private car mileage reimbursement for the first 100 miles and reduce any reimbursement for miles in excess of that 100 miles to the rate for use of staff cars, which is reimbursement for fuel costs only.

2.6 Car Parking Charges, Penalties and Fines

Reasonable car parking charges associated with Society business will be reimbursed on presentation of a receipt or ticket if available. Fines incurred whilst driving a Red Cross vehicle or whilst driving any vehicle on Red Cross business, will not be reimbursed and should be paid by the driver of the vehicle. Fines include, but are not limited to: congestion charge; parking fines, motoring offences including speeding. Where the driver or person in charge of the vehicle has not paid the fine a Notice to Owner will be issued to the Society which will be paid by the Society and the money must then be reimbursed by the driver or person identified as being in charge of the vehicle at the time of the offence.

2.7 Subsistence

2.7.1 Accommodation

The relevant head of department or director approval should be obtained before arranging hotel accommodation.

Arrangements should be made using the Society-wide centrally arranged booking contract outlined in the Procedures for Booking Travel and Conferences, thereby obtaining the discounts available through them.

Hotel accommodation should, where possible, be within the price limits set in Appendix 1.

Approval by the head of department or director must be obtained before more expensive hotel accommodation is arranged with centrally bought facilities. This should be only on rare occasions.

2.7.2 “Thank you” gifts in lieu of accommodation and breakfast

As an alternative to arranging accommodation and breakfast at a hotel, individuals may choose to stay overnight with friends or relatives. In such circumstances payment (up to the limit set out in Appendix 1) may be made.

2.7.3 Sundry expenses associated with accommodation

The following are regarded as Society costs and are therefore reimbursable: business phone calls, private phone calls within reason (1 per day), laundry on trips over seven days, and meals within the limits shown in Appendix 1.

The following are not regarded as Society costs and are therefore not reimbursable: laundry on trips shorter than seven days, newspapers, and entertainment (including video channels and admission charges).

2.8 Meals away from the normal place of work

Meals when away from the normal place of work will be reimbursed if there is any out of pocket expense for the individual. However, the individual would normally purchase meals, therefore the expense should only be claimed when out of the normal working area. Volunteers will be informed by their service manager if this applies to them. Staff will be expected to pre-arrange this with their Head of Department or Director. Please note that any alcohol purchased with the meal will **not** be reimbursed. Reimbursement should be contained within the authorised limits used (see Appendix 1).

2.9 Long Journeys

When an individual undertakes a long journey on Society business, reasonable costs of snacks and refreshments en route will be reimbursed as shown in Appendix 1.

2.10 Entertaining

2.10.1 Other organisations

Generally when representatives of another organisation meet Society employees, the other organisation is expected to cover the cost. Prior approval should be gained from the relevant director before entertaining representatives of another organisation at the Society's expense; person's present, their organisation and the reason for the Society paying should be recorded. Meals for Society employees and volunteers will not be reimbursed except when covered by 2.7 and 2.9 above. **Such items are considered by the Inland Revenue to be a taxable benefit to the individual.**

3. OTHER EXPENSES

3.1 Combined Business and Holiday Trips

Individuals may combine holidays with business trips, but costs of subsistence and travel in excess of those of the essential business element of the trip will not be reimbursed.

The private element of expenditure incurred should not be paid for with a Society credit card.

3.2 Training Courses

External training courses must be arranged and paid for by the office, not by individuals.

3.3 Society Mobile Phones

Society mobile phones must only be used for the Society's business. However, the Society mobile phone may be used in **exceptional circumstances** for personal purposes. Should this happen **any personal calls must be detailed and the employee must refund the full costs**. The Society has a national contract for the acquisition of all mobile phones.

3.4 Ad Hoc Purchases

Items normally purchased centrally (e.g. stationery and office supplies) should be obtained from Area, Territory or UK Office.

3.5 Capital Purchases

Capital items (e.g. computer equipment, furniture) should only be bought centrally through the Society's normal channels. Any personal purchases of such items will not be reimbursed unless previous arrangements have been made with the relevant Director.

3.6 Compensation for loss/injury (i.e. mugging)

Claims for compensation for losses or costs of treatment resulting from employees being mugged or robbed while on Society business will, to the extent of not insured, be viewed sympathetically. Application should be made to the relevant divisional director.

3.7 Non-Official Formal/Informal Gifts etc.

The costs of refreshments etc at any formal/informal staff event or leaving gifts/flowers should be personally born by the originating officer or divisional/departmental staff, as such items are considered by the Inland Revenue to be a taxable benefit to each individual. In addition, such items are not considered to be true charitable expenditure and could affect the Society's favourable tax position.

3.8 Tipping

The Society does not reimbursement for tips given for services provided.

4. PROCEDURES FOR REIMBURSEMENT OF EXPENSES

4.1 Expense Claimable

Expenses claimable are those which you have personally incurred on the Society's behalf and therefore exclude travel arrangements made through Area, Territory or UK Offices, which are paid for centrally. Centrally managed booking procedures should reduce the levels of expenses being claimed directly by the individual. The central Purchasing team monitors this regularly.

4.1.1 How to submit an expense claim

Staff with access to IT network

These staff will claim expenses using the online facility provided by the Agresso Business System. These expenses will also be approved online by the appropriate manager and processed automatically at the Shared Service Centre. This also applies to staff who incur expense while working outside of the UK. Guidelines on how to submit an online claim can be found on Redroom and in the Finance Operations Manual. Treatment of related expense receipts is explained at 4.2 below.

Volunteers and staff without access to the Society's IT network

Expenses Incurred while on duty in UK

All volunteers and also staff without access to the IT network should complete a manual Expenses Claim Form and forward this direct to the Shared Service Centre with expense receipts attached. The claim will be processed by the Shared Service Centre and subsequently approved, electronically, by the claimant's line manager.

Expenses Incurred while on duty outside of the UK

Staff who have incurred expense while working outside of the UK should complete an a manual overseas expense claim form and submit this to the Cashier, British Red Cross Society, Finance Dept, 44 Moorfields.

4.1.2 Information for completion of expense claims

The claimant should always make clear why the Society is liable for a particular item of expenditure.

A brief but clear description of the nature and Society purpose of each expense claimed (including destinations of visits) should be given. If a meal for more than one person is claimed then the names of those present should be given, and the reason for the meal.

If the claimant is completing a manual expense claim pages should be numbered (e.g. 'page 2 of 4').

Every item should be attributed to an expense account code: if you are unsure of which to use, consult your line manager.

Up to date mileage rates and claim limits should be applied: these are detailed in Appendix 1, and are reviewed each year.

Any deviation from or item not covered by the here should be fully explained.

4.1.3 Timescales for submission and settlement of expense claims

As a general rule all expense claims should be submitted within two months of the cost being incurred. In the case of overseas expense claims these should be submitted within one week of the claimant returning the UK. Additionally to ensure prompt reimbursement of expenses:

- (i) Online expense claims for each month should be submitted and authorised by the 4th working day of the following month. This is to allow time for these claims to be paid through payroll on 15th day of the month
- (ii) Manual expense claim forms for each month should be completed, approved and sent direct to the Shared Service Centre , by the 4th of the following month
- (iii) Overseas expense claim forms must be submitted using the online system and will be subsequently authorised electronically by the claimant's line manager. These claims should be submitted within one week of returning to the UK.

Claims will not normally be reimbursed for a financial year other than that in which the expense is generated.

4.2 Vouchers/Receipts

For each item of expense claimed the claimant must provide a supporting voucher or receipt, except where vouchers are unattainable (e.g. parking meters, mileage claims, some gratuities). Where no voucher is attached the reason must be made clear. Itemised invoices and full VAT invoices are required (so that the Society can claim back VAT); originals should be provided. Tickets or receipts should be provided for bus/coach/train journeys.

If the claimant is using the online expenses system the supporting vouchers/receipts should be placed in the blue expenses receipt envelope provided for this purpose and sent direct to the Shared Service Centre

If the claimant is using the manual expenses claim form the vouchers/receipts should be attached (stapled behind the claim form) to support every item claimed. Both the claim form and receipts should be forwarded direct to Shared Service Centre

For foreign currency expenses, evidence of the exchange and commission rates suffered should be supplied, e.g. exchange receipts, credit card bills (copies are acceptable).

Note: Almost anyone will provide a receipt if requested and this is normal practice in commercial organisations.

4.3 VAT Receipts

As a result of an EC court ruling, the Inland Revenue require that a VAT receipts must be available to support any fuel claims of staff and volunteers. Fuel claim include any claim for mileage. Anyone therefore claiming mileage will need to include a supporting VAT for purchase of fuel. However, the receipt does not have to be for the exact amount claimed. Anyone who wishes to claim reimbursement for fuel should use this simple process as a guide:

- Submit the expenses claim online or complete the expenses form as normal
- Enclose a VAT receipt for fuel that pre-dates the date of the “duty” or “work” for which you are claiming
- Do not worry if it’s not for the same amount, it does not matter. The Shared Service Centre (SSC) in Paisley will manage the audit for the Inland Revenue. However, your VAT receipt should be for an amount that exceeds the fuel costs only of your journey i.e. not the full allowance rate per mile of the claim.
- Do not worry about the Inland Revenue assessment. We have been informed that it will not affect your tax situation at all.
- If you, for some reason, need to keep your VAT receipts, attach a photocopy.
- Do not try to tie up your receipt with the amount you are claiming. Merely attach a receipt to you your claim and leave it up to the SSC to deal with.
- Managers who have responsibility for signing/confirming expense claims will continue to process claims without receipts attached but will remind you that they are needed.

It is important to submit these fuel receipts, as the British Red Cross will not be able to recover the related VAT without them.

4.4 Approval

Expense claims whether these are online claims or manual claim forms should be approved expediently by the claimant's line manager

Approval of online expense claims will automatically escalate to the next level of management in the event of the unavailability of the first line manager.

For approval of manual expense claims if the first line manager is not available the expense claim should be approved by the claimants second line manager.

Additionally in the case of manual expense claims the approving line manager should sign each page of the claim; if all claims are approved then the **form must be passed directly to the Shared Service Centre and not back to the claimant.** If a claim is queried or disallowed, then the form should be returned unsigned to the claimant immediately with an explanation of what the concern might be and why. The claimant should then amend the claim and resubmit.

It is the responsibility of the individual approving expense claims to ensure that the amounts claimed are within the current authorised limits as detailed in the appendices to this document (e.g. accommodation, meals, etc.).

4.5 Settlement of Claims from Local Petty Cash Floats

Volunteers, with agreement from their line manager may arrange to have expense claims up to £50 paid from local petty cash floats.

4.6 Use of Personal Credit Cards for Employees

To minimise any cash flow disadvantage of paying for Society expenses, employees may use personal credit cards where appropriate. Employees who regularly charge over £100 per month to personal credit cards may apply to their divisional director to have a reasonable annual fee for one card reimbursed.

Before reimbursement of a personal credit card annual fee can be made a photocopy of the relevant credit statement showing the charge for the annual fee must be provided.

The payment of annual credit card fees is considered by the IR to be a taxable benefit and should be included in individual tax returns.

4.7 Per Diem

Expenses will only be paid on receipt of receipts for actual cost. A per diem will not be paid to staff or volunteers.

4.8 Advances

In circumstances where an employee generates high levels of expense (usually by extensive travel) an advance can be obtained by agreement with HR and Finance. The amount of the advance would normally be equivalent of an average monthly claim

To obtain an advance the employee should complete the Request for Cash Advance form explaining the need for an advance and submit this to their line manager for approval.

Approved requests for advances should be submitted to the Shared Service Centre who will arrange to pay the advance direct to the employee's bank account.

Details of the advance will be recorded on the employee's payroll record.

The advance will be retained by the employee until it is no longer required at which point it will be deducted from the employee's salary.

5.0 REIMBURSEMENT OF BUSINESS MILES FOR STAFF AND VOLUNTEERS (from 6 April 2011)

5.1 Business miles in a private car *up* to 10,000 miles in the tax year – these will be paid at **45** pence per mile.

5.2 Business miles in a private car in *excess* of 10,000 miles in the tax year – these will be paid at **25** pence per mile.

5.3 Exceptionally high mileage

5.3.1 Staff and volunteers who, as a consequence of doing exceptionally high mileage, feel that the above rates do not adequately compensate them and are prepared to involve HMRC in the matter, will have the opportunity to request an excessive mileage allowance payment.

5.3.2 Staff and volunteers will need to submit these requests in writing. These requests should be made towards the end of the tax year (these may be made during the tax year if the cumulative mileage is exceptionally high at that point). The requests will need to be approved initially by Divisional/UK Director and finally by the Director of HR and Education.

5.3.3 Excessive mileage allowance payments, being above the HMRC rates, will be subject to income tax and national insurance. For staff this will automatically result in the issue of a P11d notice. In the case of volunteers the Director of HR and Education will explain to the volunteer the implications of the additional payment, (i.e. the issue of a P11d and its tax implications) giving the volunteers the opportunity to proceed with or withdraw the request.

5.4 Reimbursement for carrying passengers

5.4.1 Staff and volunteers who carry passengers will be able to claim 5 pence per mile for *each* passenger present during the journey who also needs to make the journey for Red Cross business. A specific P&D (pay and deductions) code will be available in Agresso expenses to enable monitoring and reporting of this cost. To be applied from 6 April 2011 onwards.

5.5 Society car mileage rate

5.4.2 The organisation's policy at present is to reimburse claimants at the following rates:

Engine size	HMRC rate	Society rate	Fuel type	Society rate
	Petrol	Petrol	Diesel	Diesel
<1400 cc	14p	19p	13p	14p
1400cc to 2000 cc	16p	19p	13p	14p
>2000cc	23p	19p	16p	14p

Since we are, in most cases, (as most Society cars are 1400cc) reimbursing users at a rate that is higher than HMRC advisory rate then there is an income tax implication for these users so the excess rate will be reported on the P11d.

REIMBURSEMENT OF EXPENSES INCURRED ON DUTY

Valid from 6 April 2011

REIMBURSEMENT RATES AND LIMITS

Rail and Air Travel – all at second class or economy and purchased through the agreed and approved agencies

MILEAGE RATES (not payable for home to work travel)
Society Cars

Diesel	14p per mile
Petrol	19p per mile

Private Cars/Motor Cycles/Bicycles

Cars – reimbursement rate up to first 10,000 miles	45p per mile
Cars – reimbursement rate after 10,000 miles	25p per mile
Additional amount claimable per passenger	5p per mile
Motor Cycles – reimbursement rate up to first 10,000 miles	24p per mile
Bicycles	20p per mile

SUBSISTENCE (All prices include VAT)

	London	Major Cities	Provinces
Accommodation	£85 per night (bed only)	£75 per night (bed only)	£65 per night (bed only)
Breakfast	£10.00	£10.00	£8.00
“Thank you” Gift (in lieu of accommodation/breakfast)	£15.00 per night	£15.00 per night	£15.00 per night
Daytime refreshment	£5.00 maximum *	£5.00 maximum *	£5.00 maximum *
Lunch	£5.00	£5.00	£5.00
Dinner	£20.00	£20.00	£15.00
Refreshment (evening) <i>NB. Alcohol will not be reimbursed</i>	£5.00	£5.00	£5.00
Overseas Travel Kit allowance (long stay) maximum	£300		

* If refreshments are not already available.