

# Expenses Policy

Academic Year 2022-2025



Version and Date		Action/Notes	Date Written	Date to be Reviewed
4.0	13.07.2021	Approved by Board of Trustees	Reviewed July 2021	3 Years – July 2024
4.0	12.07.2022	Approved by Board of Trustees	Reviewed July 2022	3 Years – July 2025

### Scope

This policy and procedure applies to all employees of Connect Education Trust, volunteers, members of Local Governing Body and the Trust Board.

### Policy Statement

- It is our policy to offer claimants full reimbursement of out-of-pocket expenses incurred on the Trust's behalf, providing that the nature of these expenses has been agreed in advance.
- All claims should normally be submitted within three months of the expenditure being incurred.
- Consideration must always be given to using the most cost-effective method of travel. As the Trust is a charity, claimants are encouraged to keep expenses to a minimum.
- The Trust will only make reimbursement for actual reasonable expenses necessarily incurred and if supported by a receipt where appropriate. As part of its commitment to achieving good practice, the Trust does not pay 'flat rate' expenses; paying round-sum amounts unsupported by actual expenditure receipts may result in an individual becoming liable to tax on the payments and may put any benefits they receive at risk. The Trust will hold receipts for all claims for at least six years. This is a requirement of the Inland Revenue.

### The Trust will pay the following out-of-pocket expenses:

- Mileage costs incurred whilst on Trust business at a rate of 45p per mile for the first 10,000 miles in any tax year and 25p per mile thereafter.
- Mileage claims to a different place of work/ meeting are to be calculated by deducting home to main usual place of work.
- Postage, phone calls and stationery costs necessary to the work
- Meals taken while on Trust business, subject to a minimum time commitment and an upper limit of payment
- Accommodation costs if overnight stays are necessary to the activity
- It is not acceptable to claim sums higher than actual out-of-pocket expense levels. Claiming sums for travel not actually taken, or food not actually consumed, is fraudulent and defrauding the Trust.
- Travel costs between home and the normal place of work can never be claimed. Costs incurred by travelling companions not engaged in official Academy Trust business may not be claimed.
- Where expenses are incurred in foreign currencies, the amounts should be shown with the currency in question clearly marked. Reimbursement will be made in Sterling. The rate of exchange will be the rate in force on the date of the claim, as calculated by the Chief Financial Officer.

### Procedure:

#### Administration

Expenses will usually be reimbursed via payroll for mileage other expenses will be paid via BACS. Original receipts (i.e. not photocopies or credit card vouchers) must support all claims and, if VAT has been charged, the receipt should contain the VAT registration number and rate of VAT. In the event of hotel accommodation, please ensure that the receipt is either in the name of Connect Education Trust, School Name or your own name. Receipts made out in the name of other organisations will be returned unpaid. Expenses are claimed using the Trust's travel expense or an order form, available from the finance team. These must be signed by the Headteacher for school expenses and the Chief Operations Officer for the Trust.

### General Travel Expenses

If you are attending a meeting as a Trust representative, the Trust will reimburse the expenses incurred, subject to the terms of this policy. If you are attending a meeting at the request of, or as a representative of

another professional body, association or institution then the Trust may require that such costs should be claimed directly from that professional body, association or institution and not from the Trust.

The Trust will not reimburse travel expenses from home to a place of work. Journeys made from site to site will be reimbursed.

Dates of meetings are often known in advance, when discounts may be offered by travel companies for advanced booking, e.g. by taking advantage of advance, off peak, standard fares. In order to encourage the booking of tickets in advance, should it subsequently not be possible for you to attend the particular meeting, the Trust will reimburse to you any non-refundable element of the ticket.

All travel expenses claims must be supported with a receipt.

### **Use of Alternative Transport for Persons with Disabilities**

In circumstances where disabled persons are unable to travel by public transport or their own vehicle, taxis may be used, subject to the prior approval of either the Headteacher or the Chief Operations Officer.

### **Rail Travel**

The Trust staff should normally travel standard class, unless agreed otherwise in advance by the Headteacher or the Chief Financial Officer.

Claimants should ensure that they secure the best price possible by, for example, taking advantage of railcards (if appropriate), adopting flexible travel arrangements and booking tickets in advance of the day of travel.

### **Travel by Privately Owned Car**

The driver, not the Trust, is personally liable for any incident, thus drivers should ensure that their own private motor insurance policy is comprehensive and permits the use of their own vehicle for the purpose of travel on Trust business.

If an individual's own car is used, a mileage rate will be paid. These rates apply only to travel in your privately-owned car, and are regardless of engine size. Please note that the total claim for any journey made by car (including the mileage rate, parking, toll fees, congestion charges, etc.) should not exceed the standard-class rail fare. A receipt should support claims for parking or other incidental expenses.

The Trust will not reimburse parking fines, congestion charge fines or fines for other motoring-related offences. The Trust will not pay for private car insurance to be upgraded to include business use.

### **Travel by Hire Car**

It is requested that the use of public transport or privately-owned vehicle be considered before resorting to a hire car. It is, however, recognised that in certain circumstances it may be appropriate to use a hire car, but permission must be sought from either the Headteacher or the Chief Operations Officer in advance of a booking being made.

In cases where a hire car is used, insurance must be arranged at the time of ordering. It is essential that all insurance requirements of the hire company are fully met. Where vehicles are hired, expense claims should be for the actual hire and running costs, rather than based on the mileage rates.

### **Travel by Taxi**

Use of public transport or privately-owned car is encouraged and should be used wherever possible. However, it is recognised that the use of a taxi may, in the following circumstances, be the most effective mode of transport:

- Where equipment or heavy baggage is being carried
- When no public transport is available, especially in the early morning or late at night when public transport is either not running or running irregularly
- Where the claimant is pregnant
- Where the claimant has a temporary or permanent disability
- When it is important to save official time.

Travel by taxi should be kept to a minimum and should definitely not be used for long journeys. Claimants should obtain an official receipt from the taxi driver to substantiate their travel expense claim. Taxis should be booked on a school account where possible. Where it is expected that the taxi fare will exceed £20, permission to use a taxi must be sought in advance from either the Headteacher or the Chief Operations Officer.

### **Air Travel**

All journeys by air travel within the UK should be arranged on economy-class basis. A receipt should be requested at the time of ticket purchase. Claimants should seek to minimise the cost of air travel by booking tickets in advance, taking advantage of early booking discounts where available.

In the case of overseas travel, particularly where the costs are to be funded by the Trust, it is necessary to justify the journey. Please notify either the Headteacher or the Chief Operations Officer before tickets are purchased for agreement as to whether the Trust will reimburse the cost, which will normally be on economy-class basis. The Trust will need to give consideration as to how the journey fits with the Trust's overall strategy and what outputs/outcomes are expected to be achieved/delivered.

### **Entertaining Expenses**

The Trust will not normally reimburse entertainment expenses. However, in the rare case where this may be appropriate, permission must be sought in advance from either the Headteacher or the Chief Operations Officer.

### **Overnight Accommodation**

Claimants are reminded of the need to demonstrate value for money and reasonableness of expenditure when selecting accommodation.

In all cases, a receipt for the hotel costs should be obtained that is made out either in the name of Connect Education Trust, schools name or in your own name.

### **Personal Incidental Expenses**

Persons staying away from home overnight often incur minor incidental expenses of a personal nature such as newspapers, laundry, telephone calls home, etc. These may be claimed up to a daily limit of £5. Please ensure that these amounts are itemised separately on your expense claim form.

### **Meals and Subsistence**

Round-sum subsistence allowances are not paid. A receipt should support all claims for meals or subsistence. Claimants are reminded of the need to demonstrate value for money and reasonableness of expenditure when claiming subsistence. Claims for breakfast will not be reimbursed where already included on a hotel bill.

### **Other Expenses**

The Trust will reimburse other out-of-pocket expenses incurred by individual claimants on Trust business such as the cost of postage, phone calls and stationery, subject to a receipt being submitted with the claim.

If you are in doubt about what may be claimed, or wish to claim for items not mentioned in this expenses policy, please contact the Chief Operations Officer for advice prior to incurring the expenses.

### **Expenses and Tax**

It is Trust policy only to reimburse for actual out-of-pocket expenses incurred, for which there is no tax liability. Claimants would only be liable to pay tax if payments were made that either exceeded actual expenditure, or that were not supported by original receipts. The Trust has a dispensation in force from the Inland Revenue and does not have to report normal expense payments to them.

The Inland Revenue sets tax-free mileage rates under the Fixed Profit Car Scheme (FPCS). The Academy Trust reimburses for mileage at the tax-free mileage rate, therefore the Inland Revenue assumes the claimant has made no profit. Again, under Trusts dispensation, the Trust does not have to report payments to the Inland Revenue.

The FPCS rates are 45p per mile for the first 10,000 miles in any tax year and 25p per mile thereafter. These rates apply only to travel in your privately-owned car, and are regardless of engine size.