

ARK HOUSING ASSOCIATION LIMITED (ARK)

POLICY REF: HR32

Version 2.0 – February 2017

EXPENSES & ALLOWANCES POLICY

1. ARK'S VALUES

1.1 Our organisational values are the basis for everything that we do from providing housing, care and support to tenants and service users to safeguarding our employees. ARK believes that everyone should have the opportunity to lead a happy, healthy and safe life. We value:

- The worth of each person
- Trusting relationships
- Understanding difference
- Challenging oppression
- Personal and organisational accountability
- Caring for our physical environment
- Enjoyment

1.2 All ARK policies and procedures are underpinned by our values and we will ensure that our employees are treated fairly, consistently and in line with our values.

2. PURPOSE

2.1 The purpose of the policy is to clearly set out what expenses can be claimed by ARK management committee, managers and staff, at what rate, and in what circumstances. It also outlines the process for claiming expenses and how these will be paid by ARK.

3. PRINCIPLES

3.1 ARK Housing Association will reimburse to you all reasonable travelling, hotel, entertainment, telephone and other out-of-pocket expenses properly incurred by you in the execution of your duties subject to ARK Housing Association's policy from time to time regarding such expenses and the production of such vouchers, receipts or other evidence of actual payment of expenses as ARK Housing Association may require. It should be stressed that it is the responsibility of the individual to ensure the costs are reasonable.

3.2 ARK reserves the right to decline to pay back expenses where the individual has not complied with the Expenses and Allowances Policy.

3.3 Any attempt knowingly or falsely to claim expenses in breach of the Expenses and Allowances Policy will result in disciplinary action, which may lead to dismissal.

4. PROVISION

- 4.1 ARK reserves the right to vary provision from time to time, which may mean a review of HM Revenue and Customs rates, subsistence rates and reasonable expenses. The current provisions are detailed in this section.
- 4.2 Most expenses reimbursed by ARK are covered by a dispensation from the HM Revenue and Customs, and hence are not subject to tax if the claims are within the limits of the dispensation/ARK Expenses & Allowances Policy and are properly and completely detailed, receipted and authorised. Current dispensations are as follows:
- Professional Subscriptions
 - Business telephone calls
 - Travel and Subsistence
 - Entertaining (clients not staff)
- 4.3 Expenses and allowances are paid through the payroll on a fortnightly/month basis and included in employees' usual pay. Certain small claims may be reimbursed from petty cash (see 4.2), however all claims from employees who are Grade 4 and above must be submitted for payment through the payroll.
- 4.4 Mileage expenses **cannot** be paid out of petty cash (see section 6.1)

5. EXPENSE CLAIM PROCEDURE

Claim

- 5.1 Employees must record and claim all travel and subsistence expenses using MyView. Forms **must** include a staff number, be signed by claimants, authorised by the employees' line manager and then forwarded to the Payroll Section of the Finance Department. Expenses are authorised by the line manager then processed through MyView to Payroll.
- 5.2 All non mileage expenses **must** be supported by the appropriate receipts attached securely to the claim form. Petty cash vouchers are not receipts. Expenses claims without proper receipts will not be reimbursed. Expense claims for restaurant costs will only be reimbursed when the full itemised receipt is provided and will not be reimbursed where a claim is made for the city, town or village of residence. Please print the expense summary sheet and attach all receipts then forward to Payroll where the receipts are retained for audit purposes.
- 5.3 When completing the claim form, the reasons for all journeys must be included and detailed. Expenses claims without this detail will not be reimbursed.
- 5.4 It is the responsibility of the claimant to keep copies of all claims submitted and reimbursed. HM Revenue and Customs could ask to see these, and will certainly do so if the employee claims for further tax relief on business travel.
- 5.5 The Head of Finance has authority to reject any claim, even if it has been authorised by a line manager, on the grounds that it does not comply with the requirements as set out in this Policy.

Small Claims

- 5.6 Non-mileage claims from employees who are Support Worker level, which total £10 or less in any one pay period may have their claims paid out of petty cash. However, an Expense Claim Form must still be completed, receipted, and authorised, and held at the service for petty cash reconciliation.

Deadline for Payment

- 5.7 The deadline for the submission of expense forms for payment via MyView is during the 1st and 3rd week of every month. An exact date is entered in the calendars of appropriate employees by Payroll. Two expense payments are made each month on the 10th and the 20th. Details are available at your place of work or from Payroll. Payment of claims received after the deadline will be deferred until the following pay date.

6. TRAVEL EXPENSES

Public Transport

- 6.1 Travelling expenses necessarily incurred by employees in the performance of their duties for ARK will be reimbursed following the expenses claim procedure detailed above. All expenses will be subject to authorisation before reimbursement. Receipts must be attached securely to the claim.
- 6.2 Employees are expected to use the cheapest and most appropriate method of travel, while travelling on business, unless prior authority has been given for travel required in exceptional circumstances. For example, if an employee is required to travel on business to a place that is not their normal place of work by train before 8.00am or arrive after 6.00pm, a taxi may be taken to cover the journey between the station and home, if this is the most effective form of transport.

Rail Travel

- 6.3 For all rail journeys, expense forms must have attached to them, the actual train tickets or receipts from the train company. If a receipt is required, this should be requested at the time of ticket purchase. Staff should ensure that they secure the best price possible by, for example, taking advantage of Railcards, adopting flexible travel arrangements and booking tickets in advance of the day of travel. Economy class travel should be taken at all times.

Bus and Bicycle Allowance

- 6.4 In exceptional circumstances, staff that are required to travel regularly between places of work while on shift may be able to claim a bus allowance or a bicycle allowance. These allowances will be allowed and calculated as a round sum on an individual basis following the recommendation of the line manager and approval by the Assistant Director, Care and Support. Both allowances are payable through the payroll and are subject to income tax and national insurance deductions.

7. CAR AND MILEAGE EXPENSES

Mileage Expenses

- 7.1 Employees who are required to use their cars in the performance of their duties will be reimbursed at the approved tax free rate. ARK recognises the rates published by the HM Revenue and Customs and current rates are detailed below. Mileage expenses **cannot** be paid out of petty cash. **All** claims for mileage must be submitted to Payroll for payment through the payroll. The line manager who authorises the claim will monitor the mileage claims for individual employees to ensure the payment of the appropriate mileage rate depending on the cumulative business mileage in a tax year. Payroll hold receipted claims for audit purposes.
- 7.2 If employees use their own cars for ARK business, they must ensure that the insurance cover in place includes indemnity for business use. Business use will only be authorised on this basis. Further information regarding this can be found in the Use of Vehicles at Work Policy - HS22 -.
- 7.3 In line with HM Revenue and Customs rules, on no occasion will fuel be provided for employees' cars.

Table of mileage rates

Vehicle used	First 10,000 business miles	Each mile over 10,000 miles
Cars & Vans	45p	25p
Motorcycles	24p	24p
Bicycles	20p	20p

- 7.4 You may claim an additional 5p per mile for each passenger carried, where the passenger is a fellow employee making the same business trip.
- 7.5 These rates are reviewed annually, and updated in line with the HM Revenue & Customs Authorised Mileage Rates.
- 7.6 A minimum level for mileage claims is one mile. Any travel taken in your own vehicle of less than one mile will not be reimbursed.
- 7.7 Payroll will check a sample of mileage claims each month. This will be done using a standard checkable method of AA or Google Maps. Claims for mileage which show a discrepancy will be referred back to the line manager and/or employee and this may delay reimbursement of the mileage expense. The claim can be re-submitted for payment once the check has been carried out.
- 7.8 All individual employee claims over £100 will be checked by Payroll and returned to the line manager and/or the employee should a discrepancy be found. This may delay reimbursement.

Home to Base Mileage

- 7.9 Home to base mileage is not payable in any instance by ARK. HM Revenue and Customs does however allow employees who are temporarily required to work continuously at a different location to their contractual base to claim home to base

mileage for up to 24 months. Such claims are at ARK's discretion and normally employees will not be required to work for an extended period at a different location to their contractual base.

8. OVERNIGHT EXPENSES

- 8.1 If employees are required to make overnight stays in the performance of their duties then accommodation arrangements can be put in place. ARK will pay the costs directly if required. All overnight stays should be in accommodation approved by ARK and be within the approved current limits. Where employees have a preferred place to stay which is above these limits, they must pay the excess themselves. Where it is not possible to arrange accommodation within the limits appropriate to the needs of the employee and ARK then more expensive accommodation may be booked with the prior agreement of the individual's line manager.
- 8.2 If staying away overnight, a short personal telephone call may be claimed and will be exempt for tax purposes. Telephone calls exceeding £5 will not be exempt for tax purposes and employees will be required to pay the balance. Other personal incidental expenses including the cost of newspapers, bar bills, laundry costs etc. may not be claimed.

Staying with Friends

- 8.3 If you have to stay away from home overnight in connection with ARK business, and stay with relatives or friends instead of a hotel, you may claim an allowance of £25 per night. You can either give this to your host to cover his/her expenses or you can use some or all of it to buy them a gift or a meal, for example. You should claim whatever you have actually paid out up to a maximum of £25 per day. Receipts will not be required. If you claim this allowance you cannot also claim reimbursement of actual accommodation and subsistence costs as above.
- 8.4 You are not able to claim this allowance and retain the cash equivalent for your own purposes.

9. SUBSISTENCE EXPENSES

- 9.1 Employees may be able to claim subsistence expenses for lunch and beverages, as part of a meal, or for an evening meal in certain circumstances. Stopping for a break on a journey for a refreshment of tea, coffee or soft drink will not be classed as subsistence and will not be reimbursed. Expenses may be payable to employees who are prevented by their official duties, of exercising personal choice in taking a meal at their home, administrative centre or establishment where they normally take their meals, and as a result incur additional expenditure. These expenses will not be paid where a suitable meal is provided or when the employees could have made alternative arrangements e.g. eating before leaving home, at their usual place of work or when they return home in the evening.
- 9.2 Breakfasts are only claimable as part of an overnight stay and will not be authorised in any other circumstances.
- 9.3 Maximum rates apply which will change from time to time, see Appendix 1. Where more than one employee shares an expense e.g. eating a meal together,

employees should pay separately and obtain individual receipts for claim purposes.

- 9.4 In exceptional circumstances, one person (usually the most senior employee) should pay and claim the entire expense, detailing on the claim form that it covers other staff member(s) and giving their name(s). In all instances, receipts must be submitted prior to a reimbursement of subsistence expenses.
- 9.5 Reimbursement for alcohol is not payable in any instance by ARK.

Entertaining Visitors

- 9.6 You may entertain visitors and guests only where it is within budgetary limits, and is likely to help ARK to further its business objectives. You must use in-house facilities whenever possible.
- 9.7 The names of each person attending must be noted on the claim, identifying which attendees are from ARK and which are external guests. Subject to these constraints, you may claim reasonable and appropriate entertaining expenses.
- 9.8 ARK will not reimburse an employee for tipping waiters or taxis etc.

Entertaining Staff

- 9.9 The cost of entertaining other ARK staff is not normally reimbursable. Reimbursement may only be claimed where exceptional business purposes justify the expense. Advance approval from your Head of Department, Director of People and Organisational Development, Director of Finance or CEO is required.
- 9.10 If approval is given to a member of staff to entertain another member of staff this reimbursement will be subject to tax and national insurance.

10. EMERGENCY EXPENSES

- 10.1 ARK may, fully or partially, reimburse expenses incurred by employees in dealing with emergency incidents which have associated exceptional circumstances. Submissions should be made to the individuals Line Manager and will be judged on an individual basis on the mitigating facts of the application.

11. PROFESSIONAL SUBSCRIPTIONS

- 11.1 ARK will reimburse an employee for the cost of an annual subscription to a professional organisation, where it is a condition of employment that the employee be a member and/or hold, or be studying for, the professional qualification. The claim should be made via the appropriate expense claim form.

12. MOBILE PHONES

- 12.1 Employees who use a mobile phone belonging to ARK are liable for the cost of any personal calls, which are normally deducted from Payroll. It is the responsibility of the employee to advise Payroll of the amount for personal calls to be deducted each month.

13. HOME WORKING ALLOWANCES

- 13.1 An allowance subject to income tax and National Insurance deductions, may be payable to employees who are based at their own home. This allowance is designed to offset the additional cost of electricity and heating while working at home and will be allowed on the bases of individual circumstances and the principles of fair practice.
- 13.2 The criteria to be used in calculating the Home Working Allowance is 75p per square foot of home 'office' space used per month to a maximum of £500 per year. This will be paid on a pro rata basis for workers based at home for fewer than 5 days per week.
- 13.3 Payment of the Home Working Allowance will be discontinued if the employee ceases to be based at home for work.
- 13.4 Home Working allowance will not be payable to employees who choose to work from home for personal reasons.
- 13.5 For further information please see Home Working Policy - HR13, available on the general drive.

14. OTHER EXPENSES

- 14.1 If you are in doubt about what may be claimed, or wish to claim for items not mentioned in this Policy, please contact Payroll or HR advice prior to incurring the expenses.

15. MONITORING AND REVIEW OF POLICY

- 15.1 Responsibility for monitoring the application of this Policy will rest with the Senior Leadership Team of ARK Housing Association Ltd.

Agreed:	Approved by Senior Leadership Team	February 2017
	Approved by Board of Management	February 2017
	Approved by Unite Union	September 2017
	Next Review	February 2020

APPENDIX 1 - SUBSISTENCE RATES

With effect from 1 April 2011 subsistence rates will be as follows:

Lunch	Up to £5
Evening Meal	Up to £15
Or if necessary	Up to £20 per day for meals
Upper Limit for Overnight Stay	£95.00