



Expenses Policy

Review Summary

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| Adopted: | March 2017 |
| Review Cycle: | Bi-annual |
| Last Review: | N/A |
| Next Review: | March 2019 |

1. INTRODUCTION

- 1.1. This policy provides guidance to all individuals claiming reimbursement of travel, subsistence or other expenses incurred in connection with Multi Academy Trust (Trust) business.
- 1.2. The Expenses policy ensures that individuals operate within the Trust's Financial Regulations and that any potential tax implications for the individual or the Trust are fully understood.
- 1.3. This policy applies to all employees of the Trust and Trustees. Any failure to comply with this policy may lead to disciplinary action being taken.
- 1.4. Although this policy relates specifically to the reimbursement of expenses, it includes key principles that apply to all expenditure, regardless of the method of payment. The key principles therefore cover:
 - purchase invoices
 - expense claims
 - petty cash purchases
- 1.5. This policy also applies to all Trust expenditure, whatever the funding source. Restrictions on items of expenditure within this policy take precedence over definitions of eligibility for externally funded expenditure. The only exception is where the external funding may only be applied against expenditure inconsistent with this policy.
- 1.6. This policy reflects the need to manage our activities efficiently and to keep bureaucracy to a minimum, while demonstrating probity and complying with tax and other statutory obligations.
- 1.7. This policy was approved by the Trust and will remain effective until any revisions are approved by the Trust. In order to ensure that the detail contained within the Appendices is maintained up to date with current HMRC guidelines or internal financial policies, revisions to the Appendices may be approved in the interim by the CEO and the Director of Finance.

2. GENERAL PURCHASING PRINCIPLES

- 2.1. The Trust requires that goods and services should be procured through the Central Finance Team or School Finance Officers or via an alternative centrally approved system in accordance with the Trust's procurement route whenever practicable. This assists in ensuring the Trust is compliant with UK and EU legislation on public procurement.
- 2.2. This method of procurement also ensures that expenditure is billed directly to the Trust and that the potential for VAT recovery is maximised.
- 2.3. The Trust expects the majority of its non-pay expenditure to be undertaken through approved procurement routes, using suppliers on the main supplier ledger within the finance system. The Trust has established contracts with many suppliers for a variety of goods and services, and where there is no existing agreement it can enter into negotiations to secure the best deal for the organisation.

3. REIMBURSEMENT OF EXPENSES

3.1. There may be circumstances where it is not possible to use the standard procurement route individual members of staff may incur expenditure on behalf of the Trust. In such circumstances the Trust will reimburse staff, provided all the following criteria are met:

- The expenditure is incurred wholly, exclusively and necessarily in the course of the Trust's business (see section 4 below);
- The expenditure falls within one of the defined categories for expenses and meets the specific criteria relating to the particular expense item (see Appendix A);
- The nature and scale of the expenditure is considered reasonable;
- The budget holder has given approval for the expenditure to be incurred;
- Appropriate evidence of expenditure is produced;
- The expenses are claimed through the Trust Central Finance Team or School Finance Officers.

3.2. The Director of Finance or CEO will have the final decision in respect of the reimbursement of expenses.

4. TAXABLE EXPENSES

4.1. It is important that all employees understand the potential tax implications of claiming expenses.

4.2. Under general tax law the majority of expenses and benefits payments made to employees are taxable remuneration. However, the employee is entitled to a deduction for any expenses which are incurred wholly, exclusively and necessarily in the performance of the duties of the employment and no tax is therefore payable on payments made.

4.3. To avoid the submission to HMRC of details of routine expenses payments and benefits that would clearly involve no extra tax liability because they are offset by allowable deductions, the Trust is able to obtain a 'dispensation', provided certain conditions are met. Where a dispensation is given, the Pay As You Earn scheme does not apply to the payments or benefits concerned. The Trust need not show the particular payments or benefits on the annual return made to HMRC, nor need the employee show them in his or her Tax Return.

4.4. Claims for expenditure not identified in this policy as appropriate for reimbursement are likely to be taxable. This means that tax and employee National Insurance Contributions will be deductible from the amount paid to the employee and employer National Insurance Contributions will be a cost to the Trust.

4.5. Before making a claim for reimbursement of expenditure not identified in this policy, an employee should ask the Central Finance Team or School Finance Officers whether reimbursement will be approved.

5. RESPONSIBILITIES

5.1. Senior Management

5.1.1. The Director of Finance is responsible for ensuring that all staff understand the requirements of the Expenses Policy. The attention of new staff must be drawn to this policy as part of the induction process.

5.2. Claimant

5.2.1. In making an expense claim staff should be prepared to be held publically accountable for their actions. Expense claims can be a legitimate subject of Freedom of Information requests and the Trust reserves the right to make available to third parties, or to publish, expense claims.

5.2.2. The key responsibility in relation to expense claims lies with the claimant. They should ensure that all claims and payments comply with this Expenses Policy. When claims are submitted, claimants will be required to make a declaration to this effect. In cases of doubt as to whether items of expenditure fall within this policy or not, employees should wherever possible before incurring the expenditure and in any case before submitting the claim, make enquiries of the Central Finance Team or School Finance Officers or Director of Finance.

5.2.3. It is also the responsibility of the claimant to ensure that the expenditure incurred has the approval of the budget-holder and that in the case of externally funded expenditure the costs are eligible against the grant.

5.2.4. Claimants are responsible for submitting claims on a timely basis (see section 7 below).

5.2.5. Claimants are responsible for submitting original receipts in accordance with sections 7 and 8 below.

5.3. THE TRUST

5.3.1. It is the responsibility of the Director of Finance to ensure that:

- expense claims analysis are submitted by individual employees on a timely basis
- sufficient checks and reviews are undertaken as part of the approval process to monitor policy compliance for claimant error or deliberate fraud.
- claims for expenditure incurred in currencies other than sterling use an appropriate exchange rate. This will be either the exchange rate at the time of submission of the claim, the rate evidenced on the claimant's credit card statement or the exchange rate actually obtained by the claimant.
- original receipts have as a minimum been sample checked
- account codes entered are appropriate and active

5.4. Where the reviewer or approver in the Trust believes an expense claim is non-compliant or there is insufficient information provided to assess the validity of the claim, the claim must be referred back to the claimant for deletion, amendment or further explanation and re-submission.

- 5.5. If on re-submission the reviewer or approver is not satisfied that expenditure has been incurred appropriately on behalf of the Trust, the matter will be referred to the Trustees. In disputed cases the matter will be referred to the CEO for a final decision.
- 5.6. If the expenditure is deemed not to have been incurred appropriately on behalf of the Trust, the expense claim will not be paid.
- 5.7. All authorised expense claims are received by the School Finance Officer or Central Finance Team. It is the responsibility of the School Finance Officer or Central Finance Team to ensure that:
- expense claims are processed in preparation for payment on a timely basis through payroll;
 - expense claims are monitored for policy compliance on a sample / exception basis as approved by the Director of Finance.
- 5.8. Where material breaches of policy in relation to individual expense claims expenditure items are identified, the School Finance Officer or Central Finance Team will inform the Director of Finance immediately and will discuss appropriate action.
- 5.9. Where breaches of policy are identified on a persistent basis the Director of Finance, Central Finance Team or School Finance Officers will advise the CEO and an action plan will be agreed to address issues of policy awareness and training.
- 5.10. Fraudulent claims identified at any stage of approval will be treated in accordance with the Trust's Fraud Policy and may result in disciplinary action being taken.

6. AUTHORITY TO APPROVE CLAIMS

- 6.1. For the purpose of this section, a "claim" refers to expense claims.
- 6.2. All claims will be authorised in accordance with the following procedure:
- Claims of £200 or less require one signature, which is the Head Teacher or their delegated member of staff.
 - Claims above this amount require two signatures.
 - Authorisation of Trustee claims by Chair and CEO.
 - Authorisation Trust Employees by Director of Finance, Chief Operating Officer, CEO or Chair of the Trust
 - Authorisation of Academy Employees by Chair of LGB, CEO or Senior Leadership Team.
 - All claims will be processed for payment by a member of the School Finance Officer or Central Finance Team.
 - It is the responsibility of the Trust to notify the Central Finance Team or School Finance Officers of amendments to approved authorisers due to changes in staff.
 - An annual review of approval levels and signatures will be led by the Central Finance Team.
 - Approval levels will also be reviewed at time of organisational restructuring.

7. PROCEDURE FOR MAKING CLAIMS FOR REIMBURSEMENT OF EXPENSES

- 7.1. Claims must be submitted via the Central Finance Team or School Finance Officers
- 7.2. All claims for reimbursement of expenses, with the exception of mileage based claims, must be supported by receipts.
- 7.3. Where UK VAT is included in the amount to be reimbursed, a UK VAT receipt must be requested from the supplier. A UK VAT receipt will include the supplier's VAT registration number, the VAT rate applicable and the net, VAT and gross amounts.
- 7.4. Where it was not possible to obtain a receipt, reimbursement will be made without the support of a receipt provided details of individual costs and an explanation of the expense are given. It should be noted that this is the exception, not the rule and only likely to be in the case of trivial expenses under £10.
- 7.5. Credit card and debit card vouchers or statements are not acceptable forms of support for expense claims. Therefore claimants are advised that they should always request a proper receipt which provides details of the goods purchased and enables VAT to be reclaimed where appropriate.
- 7.6. Only original receipts will be accepted – not photocopies. In the case of purchasing card internet payments, a printout of an electronic receipt is an acceptable form of evidence.
- 7.7. Employees are expected to submit claims for reimbursement of expenses as soon as possible after the expense was incurred. The Trust does accept claims for processing up to three months after the date that the expense was incurred. Claims submitted more than three months after the expense was incurred will only be processed if there are exceptional and extenuating circumstances that caused the delay in submission.
- 7.8. The Trust will reimburse expenses in pound sterling to the employee's bank account through the payroll, in accordance with the bank details held on the Trust's payroll system it is the responsibility of the employee to ensure that these bank details are accurate. Expenses below £20 maybe reimbursed in cash.

8. CATEGORIES OF EXPENDITURE

- 8.1. Expense claims expenditure will be recorded against the expense categories and expense items listed below.
- 8.2. Claimants should note that the inclusion of an item in the list below is not confirmation of the eligibility of the specific item being claimed or purchased. Further details of each category and the eligibility of items within that category are set out in Appendix A. Claimants must review these detailed criteria to establish whether the particular expenditure item is eligible for reimbursement:
 - Travel
 - Mileage
 - Taxi
 - Other transport
 - Vehicle hire
 - Fuel for hired/pool vehicles

APPENDIX A

Travel General Principles

The Trust will pay for travelling expenses of members of staff for journeys made in the performance of their duties as employees of the Trust.

The most cost effective method of transport should be used. **[Note: consider different options, for example other public transport, hire car, or private car, depending on the destination, and the number of travellers.]**

Travel from the employee's home to permanent place of work will not be reimbursed.

1) Mileage

- a) Prior to an employee using their own vehicle (including motorbike) for Trust business purposes, they must provide evidence to their Academy / Trust that they have up to date insurance, road fund licence and MOT where applicable. The insurance policy must specifically include cover whilst driving on the business of the employer.
- b) The vehicle must be registered with the Trust.
- c) Travel by employee's own car will be reimbursed at the relevant mileage rate – **see 4 below**
- d) When working/training at a place other than your ordinary course of business, record the entire journey and then deduct your normal day's home to work mileage from the overall total.

2) Taxi

- a) Local taxis should be procured directly by one of the Academies if possible.
- b) Other taxi fares incurred while away from the office will be reimbursed.

3) Vehicle hire

- a) Fuel for hired/pool vehicles
- b) Vehicle hire should be procured directly by the Trust, except when the employee has occasion to hire a vehicle while away from the office.
- c) Hired vehicles must not be used for private journeys. Travelling from the office to home in a hired vehicle to enable a journey to start from home the following day is permitted as is returning a hire vehicle the following morning.
- d) Fuel for hired/pool vehicles is reimbursed at cost, not at Trust mileage rates.

4) Mileage Rates

Vehicle Category Pence per mile Own car usage: -

- a) Vehicle first 100 miles of day 45p.
- b) Additional mileage over 100 miles in a day 20p.
- c) Per additional passenger travelling on Trust business 5p
- d) Motorcycle usage 24p
- e) Bicycle usage (min 2m) 20p

Adoption of the Policy

This Policy has been adopted by the Trustees of the Ted Wragg Multi Academy Trust.

Signed

(Chair of Trust)

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Date 22 March 2017