



FINANCIAL PROCEDURES

Section 3 – Expenses Manual

Approving Body:	Resources and Performance Committee
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3. Section 3: Expenses Manual

3.1. Scope

- 3.1.1. This manual is intended for use by employees authorising or processing payments to other employees and by employees who are making expense claims. It sets out the tax treatment of payments made in accordance with University policy. Any claims made outside of University policy should be referred to the Finance Department.

3.2. General

- 3.2.1. Travelling and subsistence expenses incurred on University business journeys and other expenses which are “wholly, exclusively and necessarily incurred in the performance of an employee’s duties” will not be liable to tax or national insurance. If you have any queries about authorising or claiming items of expenditure incurred on business trips, please contact the Finance Department for advice but in all cases, employees should endeavor to exercise the same care in incurring expenses as if travelling for personal reasons.
- 3.2.2. Expenses should only be claimed or authorised if expenditure has been incurred. This will be evidenced by a receipt (unless stated elsewhere with this manual).
- 3.2.3. Receipts are always required and these should, wherever possible, be valid VAT receipts.
- 3.2.4. Expense claims procedures for Council members and other non-staff members of University committees are given in a separate document which is available from the Clerk to the Council.

3.3. Expense claim

- 3.3.1. Note that travel is to be booked wherever possible through our travel suppliers which will minimise any outlay in advance by individuals. Please refer to the Student Travel Procedure.
- 3.3.2. Note that travel is to be booked wherever possible through our travel suppliers which will minimize any outlay in advance by individuals. Please refer to the Staff Procedure.
- 3.3.3. If expenses are incurred, claims should be completed on a monthly basis. The University will not reimburse claims if the claim is submitted more than three months after the expense is incurred.
- 3.3.4. Details must be shown on the expense claim form in accordance with the manual, with associated receipts.
- 3.3.5. Actual expenditure should be claimed subject to the maximum rates as set out in the guidelines for employed travelling on university basis.
- 3.3.6. The claim should be approved by an authorised signatory prior to payment being made.
- 3.3.7. A valid receipt must support all items included on an expense claim form. A valid receipt, wherever possible, include:
- Vendor address and /or name
 - Breakdown of items (including VAT breakdown if applicable)
 - Date of transaction
 - VAT registration number (if applicable)
 - Total amount due
- 3.3.8. Please note, credit and debit card transaction receipts are not considered valid receipts.
- 3.3.9. “Staff Expenses, the University recognises that when staff are on official University business, they may wish to have alcohol with their evening meal. This is acceptable and staff can claim up to half a bottle of wine per person. As to the cost, your Head of Department will decide what is a reasonable amount to claim.”

3.4. Authorisation for Expense Claims

The following responsibilities apply:

Claimant:

- Confirmation that the expense claim conforms to mandatory principles and any requirements established by research or external funders
- Make a declaration with each claim submitted to demonstrate:
 - o The principles have been met
 - o Full evidence is provided
 - o The claim does not contravene any funding rules
 - o It is a genuine business expense
 - o It has been completed accurately
 - o It is supported by receipts and/or documentation

Budget Holder:

- Confirmation that the expenditure is appropriate and will be met from their budget
- Approved in line with the following:
 - o The principles have been met
 - o The claim does not contravene any funding rules
 - o The costs incurred were required and correct

Head of Department

- Confirmation as the Authorised Signatory
- Confirmation of:
 - o Conforms to the mandatory principles
 - o Complies with the expenses procedure and/or any specific funding requirements
 - o Will be met by the budget available
 - o Has been coded correctly
 - o Have not been previously reimbursed
 - o Does not contravene any funding rules imposed by sponsors

3.5. Payment of Expenses

3.5.1. Expenses are normally paid weekly once the authorised claim has been received by the Finance Office.

3.6. Advance Expense Requests

3.6.1. If funds are required in advance by an employee a request can be made via the Advance Expenses Request Form.

3.6.2. An expense claim form with full details of actual expenditure incurred, together with supporting documentation, must be submitted within one month of return. Under no circumstances will a second advance be approved when the repayment of an earlier advance remains outstanding.

3.6.3. In the event of monies being unused a refund must be made to the Finance Department within one month of return.

3.6.4. When a person requests an advance, it is held on account until the person submits their receipts. When the receipts are submitted then the amount is charged to the normal expenditure codes.

- 3.6.5. Any advance which remains outstanding following a period of one month will form part of the monthly financial reporting documents reported to University Exec.
- 3.6.6. Where a member of staff wants an overseas currency (e.g. USD) then they can request the amount as an Advance in accordance with the above. Once the trip is completed if there is any surplus currency, this should be returned to the Payments Office.

3.7. Ethical Conduct

- 3.7.1. Staff should always seek to uphold and enhance the standing of the University and should never use their authority or office for personal gain, by always maintaining high standards of ethical behaviour, fostering high standards of professional competence, optimizing the use of resources which they influence and for which they are responsible to provide the maximum benefit to the University & complying both with the letter and the spirit of the law of the UK and contractual obligations. Staff must respect the confidentiality of information received in the course of employment. Similarly, information given out should be true and not intended to mislead.
- 3.7.2. A close and co-operative relationship with a supplier is often mutually beneficial. Staff must, however, maintain impartiality and not compromise fair competition.
- 3.7.3. Staff are reminded of the duty to disclose personal interests:
- Employees becoming aware of any personal financial or other beneficial interest in a transaction or financial arrangement of the University shall immediately disclose the fact and nature of the interest to the Director of Finance and Corporate Services.
 - Employees shall declare any interest in business which may supply or trade with the University and any other matter which might reasonably be thought by others to influence their actions or decisions as employees.
 - A member of staff who is in doubt whether a declarable interest exists should consult the Deputy Director of Finance.

3.8. Overnight Accommodation

- 3.8.1. The authoriser should check that:
- it was necessary for the employee to stay overnight given the distance travelled and the time that the journey commenced or finished.
 - the standard of accommodation chosen was reasonable in relation to business needs and the employee's circumstances.
- 3.8.2. The guideline rates will be provided through the university's web page and will be reviewed from time to time by the University Executive Group.

3.9. Personal Incidental Expenses

- 3.9.1. If an employee is required to stay away overnight on business for tax purposes personal incidental expenses can be claimed up to £5 per night on average in the UK and £10 per night on average overseas. These expenses include private telephone calls, laundry, newspapers etc. This allowance is the maximum permitted by HMRC and if, for example, an employee is away for 4 nights and claims £21 (as opposed to £20), then they may need to be reported via P11D and it should be noted that the whole payment becomes taxable not just the excess.

3.10. Meals (other than entertaining)

3.10.1. If an employee is away from their permanent workplace on a business journey, the HMRC guideline rates will be published on the university web pages and will be reviewed periodically by the Executive.

3.11. Entertaining / Hospitality

3.11.1. General

This section of the manual sets out the University's policy in relation to entertaining expenses incurred in the course of your duty as an employee of the University.

In addition, employees should be aware of the tax consequences before incurring any entertaining expenses. Inappropriate entertaining costs may lead to a tax charge on the University or the employee personally (via the P11D form returned annually to HMRC). Any member of staff concerned with whether they have a benefit which is taxable to contact the Finance Department Tax Team for further guidance tax@aber.ac.uk.

3.11.2. Business entertaining

Whilst modest hospitality is an accepted courtesy of a business relationship, the University should avoid a situation whereby giving/accepting the hospitality may be deemed to have influenced a business decision or lead to allegations of a conflict of interest.

Invitations to/from modest corporate entertainment events may be accepted if there is clear benefit to the University.

Entertaining expenses can only be described as "business" entertaining if they have genuinely been incurred wholly for the furtherance of the University
HMRC guidelines for entertainment are strict, all business entertainment must be necessary for the needs of the University in order for reimbursement to be made, examples include:

- Maintenance of an existing business connection
- The discussion of a new business or for a specific business project
- Where a member of staff takes a 'customer' out for a meal, where the customer is:
 - o A sponsor
 - o An external advisor
 - o An external student

It is viewed by HMRC that a staff-to-client ratio of no more than 1:3 should exist for HMRC to view this as genuine business entertaining

In accordance with the above, necessary business entertaining costs must be supported by proof of payment, i.e. invoices or VAT receipts.

The following information must be shown on the expense claim form or invoice or purchase card reimbursement form if applicable to differentiate business entertaining from staff entertaining (see below):

- The name(s) of the attendees (including employees present – typically, this should be no more than 1 employee to every customer/Client including visiting guest speakers unless with specific prior approval from the Finance Department)
- The organisation which they represent; and
- The purpose of the entertaining

"Staff Expenses, the University recognises that when staff are on official University business, they may wish to have alcohol with their evening meal. This is acceptable and staff can claim up to half a bottle of wine per person. As to the cost, your Head of Department will decide what is a reasonable amount to claim."

The cost of entertainment should be kept at a reasonable level consistent with the purpose of the entertainment. Costs more than 50% higher than the normal University Subsistence rates will not normally be paid unless the Deputy Director of Finance gives specific approval.

No tax or National Insurance liability will arise for the employee and the University in respect of entertaining expenses by adherence to these rules.

3.11.3. Staff entertaining

Entertainment for University staff (i.e. not involving third parties) must not be charged to the University and is not reimbursable in whole or in part unless prior approval is given by a Pro Vice Chancellor or the Vice Chancellor.

Where a department arranges an Away-day or similar to discuss departmental business/plans, reasonable expenditure for refreshments is allowed. When the claim for reimbursement or a supplier invoice is submitted, it must be accompanied by an agenda and a full list of delegates, and wherever possible notes of the meetings or reports about sessions. Similarly, legitimate "working lunches" are acceptable provided that claims can be supported by agendas and either meeting notes or reports from sessions.

3.12. Permanent Workplace

3.12.1. All University employees have a permanent workplace. Broadly, this will be where an employee works regularly.

3.12.2. No University staff are home based unless this has been specifically agreed in writing. Therefore, expenses should only be claimed from home in the circumstances set out under 3.17. Please refer to the Working from Home policy ([link**](#))

3.13. Detached duty/secondment

3.13.1. If an employee works away from his or her permanent workplace for a period which is not expected to and does not exceed 24 months, he or she can claim for travel and subsistence expenses.

3.13.2. If it is known that the secondment will last for more than 24 months all of the expenses will be liable to tax and National Insurance and need to be paid through the payroll.

3.13.3. If the secondment unexpectedly lasts for more than 24 months, the expenses will become taxable from the date that it is known that the secondment will exceed 24 months.

3.13.4. If the secondment is for the whole or the majority of the period of the employment, the expenses will also be liable to tax and National Insurance, for example, if an employee resigns part way through the secondment.

3.14. Business Mileage and Calculation of Allowance

3.14.1. The basic principle to be applied when calculating mileage is that a staff member should not gain or lose by using their vehicle for official business. If they incur additional mileage they should be compensated for that but if they travel less than they would normally travel then they should not be able to charge for that mileage.

3.14.2. The concept of "normal place of work" is important here. For some staff it will be their home address but for the vast majority it will be Aberystwyth.

3.14.3. When travelling by private vehicle on official business mileage for all journeys will be paid for the shortest possible route only.

- 3.14.4. When travelling from normal place of work to a place(s) away from normal place of work by private vehicle on official business the mileage incurred is reimbursed in full at the standard rates.
- 3.14.5. When travelling from home to a place(s) other than normal place of work and return home by private vehicle on official business standard rates are payable for the mileage incurred less the distance of travel normally incurred in travelling to normal place of work and return home.
- 3.14.6. When travelling from home to a place(s) other than normal place of work and return to normal place of work (or vice versa) by private vehicle on official business standard rates are payable for the mileage incurred less the distance of travel normally incurred in travelling to normal place of work.
- 3.14.7. Claims should be submitted within 3 months of the completion of the journey. Any claims submitted outside this limit will be disallowed.
- 3.14.8. For further information please refer to the University's staff travel procedure <https://www.aber.ac.uk/en/media/departmental/estates/travelandfleet/STAFF-TRAVEL-PROCEDURE-2022-Update.pdf>
- 3.14.9. Employees should provide sufficient detail against a claim i.e. the starting point, all destinations, the finishing point and the purpose of each journey, so that compliance with these rules can be checked by both the authoriser and the payment processor.
- 3.14.10. Claims with rounding of mileage, for example to the nearest five/ten miles, should be rejected.
- 3.14.11. However, provided there is a valid business reason, business mileage does not need to be restricted to the shortest route. For example, a claim can be made for a longer but faster route.

3.15. University Telephones

- 3.15.1. It is recognised that there will be occasions when employees need to make short, personal calls on University telephones, and similar devices in order to deal with occasional and urgent domestic crises. Equally, it is legitimate to receive personal calls about domestic crises and arrangements, and occasional, short, non-urgent calls can be received providing they do not interfere adversely with work requirements.
- 3.15.2. The procurement of mobile phones should utilise supplier agreements accessible through Information Services and in accordance with any prevailing University Mobile Phone Policy (See Information Services website <http://www.aber.ac.uk/en/is/email/mobiles/>).

3.16. Use of University Assets

- 3.16.1. If the University provides assets or equipment to an employee for private use the following information must be supplied to the Tax Team in the finance dept
- Name of employee;
 - Description of asset and
 - Value period of use
- 3.16.2. The period of assessment is 6 April to 5 April. Computer equipment loaned to employees where the total value of the loan is less than £5000 in the tax year is currently exempt. For more information on this contact the Payroll Manager.

3.16.3. In such circumstances the user will be liable for any loss or damage and all such equipment must be covered by the individual's home contents insurance policy.

3.17. Use of University Assets

3.17.1. Employees are required to make own arrangement for car parking at their place of work. Parking permits can be purchased from Campus Services using the following link <http://www.aber.ac.uk/en/parking/staff/>

3.18. Education Courses and Conferences / CPD

3.18.1. The University may reimburse any training courses which are designed to impart, instil, improve or reinforce any knowledge, skills or personal qualities which better qualify the employee for the job he or she does for the University.

3.18.2. Any part of the expenditure included in the following categories will not be reimbursed.

- entertainment or recreation unconnected with the training;
- to reward the employee for performing his or her duties;
- as an employment inducement unconnected with the training

3.19. Personal Subscriptions

3.19.1. In general, personal subscriptions to professional bodies and academic/learned societies are a personal liability and should not be charged to University funds.

3.19.2. Subscriptions to professional bodies, academic associations and societies may be charged to the University in two circumstances:

- Where the Head of Department has deemed that individual is a membership is necessary for the purposes of course accreditation or research functionality. The Senior Budget Manager must authorise such a payment request.
- Where membership is corporate or where the individual is a member because they are representing the University in their role. Examples of this are Universities, IK, HE Liaison Officers Association, HE associations of heads of academic or professional services department.

EYE TEST AND SPECTACLES CLAIM

Please refer to the University's HR website, Eye Test and Spectacles for DSE Users