



CORPORATE POLICY AND PROCEDURES FRAMEWORK

Business Expenses for the Senior Executive Team Policy and Procedures

1.0 Purpose

These policy and procedures provides openness and transparency by detailing the College Policy and Procedure by which members of the Senior Executive Team can reclaim business expenses.

2.0 Policy Statement

Jewel & Esk College will ensure that business expenses incurred by the Senior Executive Team, in the execution of their duties, are appropriate and are vouched, authorised and timeously refunded.

3.0 Scope

- 3.1 Business expenses necessarily incurred in the performance of the duties of employment, by the Senior Executive Team.
- 3.2 This policy should be read in conjunction with the College Equality and Diversity Policy and Procedures and its Disability, Race and Gender Equality Schemes.

4.0 Responsibilities

The following people have responsibilities under this policy:

- 4.1 The Director of Finance is responsible for the operation and management of this policy.
- 4.2 The Chair of the Board of Governors and the Secretary to the Board of Governors are responsible for authorising the expenses claimed by the Principal and Chief Executive.
- 4.3 The Secretary to the Board of Governors is responsible for the maintenance and endorsement of the Principal's register of expenses.
- 4.4 The Principal and Chief Executive is responsible for authorising expenses claimed by the Depute Principal and the College Directors.

5.0 General Principles

- 5.1 Business expenses represent reasonable expenditure incurred by the Senior Executive Team in the execution of their duties. The business expenses claim form should provide accurate details for the claim and of the expenditure incurred, supported by receipts and/or vouchers where appropriate. A clear distinction should be made between personal and business expenditure. Any personal expenditure should be immediately refunded to the College, by “cheque” or cash payment, and submitted with the claim form. All expenditure claimed must be incurred wholly, exclusively and necessarily in the course of the College’s business. However it is acknowledged that people with disabilities may incur expenses associated with their disabilities. Officers should have due regard to economy when incurring business expenses.
- 5.2 Business expenses can be claimed for various activities, but will fall within the scope of the appropriate statutory references, and in particular the Income and Corporation Taxes Act 1988.
- 5.3 It is envisaged that the following list of expenses will commonly be incurred, however advice should be sought from the Finance Section for any other type of expense, preferably in advance of the expenditure being incurred.
- Travel and Subsistence, including taxis.
 - Business entertaining, including hospitality.
 - Working lunches.
 - Business telephone calls.
 - Use of office equipment at home.

6.0 Nature of Allowable Expenses, Payments and Benefits Provided

6.1 Travel and Subsistence, including Taxis

- Payment of travelling expenses incurred in travelling in the performance of the duties of the employment or travelling to a temporary workplace.
- Travelling expenses may include the cost of subsistence or overnight accommodation to the extent that it is necessary for the travel. Payments for ordinary commuting, private travel and any payments in respect of a spouse or family member should be excluded and paid for personally. The College should, whenever possible, book overnight accommodation in advance and arrange for the College to be invoiced accordingly. On the occasions when hoteliers refuse to set up a College account for invoicing purposes, the employee should personally settle the bill or book on-line and reclaim the expenditure from the College using the appropriate claim form, supported by the relevant vouchers.
- Taxis should only be used for business purposes and, whenever possible, College contract taxis should be used.
- Cash advances are permissible to cover the cost of parking tickets, train/bus fares and hotel accommodation up to a maximum of £150.

- Appropriate use of purchasing cards will be allowable, provided they are used by authorised personnel for allowable business expenses in accordance with the terms and conditions of use.

6.2 Business Entertaining, including Hospitality

(i) The actual cost of entertaining on a genuine business occasion, providing that a client, supplier or other business connection from an outside organisation is present. Examples of business occasions include:

- Lunches etc. for customers, clients, business contact or potential customers/clients at which business is discussed.
- Entertaining at open days (including exhibitions) etc. at which course information is on display for the attendees.

(ii) Business entertaining expenses **do not** cover the following:

- Entertaining personal friends or business acquaintances where there is no business obligation to entertain them.
- Entertaining colleagues and/or employees of the same organisation.
- Entertaining occasions when there is no customer, client, supplier or other business contact present.
- Additional costs relating to spouse, partner, or family accompaniment.

6.3 Working lunches

The provision of light refreshments e.g. sandwiches, soft drinks, etc. (not alcoholic drinks) for those employees attending meetings on company premises, where the meeting is unavoidably extended over the lunch break, with the lunch being in lieu of any claim to a subsistence allowance for those visiting from other parts of the organisation.

6.4 Business telephone calls

The payment or reimbursement of telephone charges in respect of business telephone calls made by office holders from either their home; personal mobile; public call box or overnight accommodation telephones.

The cost of private calls, equipment and line rental must be reported on a P11D as a 'benefit in kind'.

6.5 Use of office equipment at home

- Use of company assets or office equipment provided, including home computers and fax, by office holders or employees, provided the equipment remains the property of the College.
- For taxable purposes, this must fall within the annual exemption for the costs of computer facilities at the employee's home (currently £500).

- The taxable exemption does not apply to line rental, call charges or other amounts paid in respect of a telephone which connects the computer to another computer or to the internet.

6.6 All business expenses should be met from existing budgets. Where no budget is recognised, approval should be sought from the Director of Finance.

7.0 Procedure

- 7.1 Business expenses should be claimed using the appropriate claim form, providing details of why the expenditure was incurred and evidenced by valid VAT receipts.
- 7.2 The claim form should be authorised by the approved signatory prior to submitting the claim for reimbursement. Reimbursement will be settled by BACS or cheque.
- 7.3 Claims should be made within 3 months of expenditure being incurred.
- 7.4 The College should, preferably, book overnight accommodation and the College invoiced accordingly.
- 7.5 Claims that include personal expenditure should be settled immediately by “cheque” or cash payment, cheques should be made payable to the College, and attached to the original claim form seeking reimbursement.
- 7.6 Claims that include any “benefits in kind” must also be reported separately on a P11D form.
- 7.7 Finance staff should split claim forms into VAT and non-VAT items.
- 7.8 Advice and guidance should be sought from the Finance Department for any business expenditure due to be incurred, but not covered within this Policy.

8.0 Register of Principal’s Expenses

- 8.1 The original copies of expense claims by the Principal will be kept in the Finance Section. However a copy of each claim will be filed in the Register of Principal’s expenses which is retained by the Secretariat to the Board of Governors.
- 8.2 Wherever practicable, the Principal’s expenses will be authorised by the Chair of the Board of Governors (or in the absence of the Chair, the Vice-Chair).

9.0 Review

- 9.1 This Policy will be reviewed annually or when change affects any part of it.