Policy on Reimbursement of Expenses for Lay Members of Council and Associated Committees

Introduction

The University of Birmingham ("the University") recognises that lay members of Council and associated Committees ("Council") give freely of their time in supporting the University. The University has determined, that in recognition of such support, it will defray reasonable expenses incurred by lay members. The Guidance Notes that follow provide detail on "reasonable expenses" and the procedures that lay members should adopt.

Background

The Income and Corporation Tax Act states that directors’ expenses are normally taxable. However lay members of Council satisfy the requirements for "excluded directors" and as such are exempt from tax on expenses incurred wholly, necessarily and exclusively on the University’s behalf.

The University has negotiated a dispensation with the Inland Revenue for its employees such that a range of expenses can be reimbursed without deduction of tax, conditional upon receipts being provided. The dispensation also impacts upon the requirements for individuals to maintain records and provide details to the Inland Revenue under the Self-Assessment Tax Regulations. Lay members are expected to comply with the same requirements as are placed upon staff of the University and thus provide receipts to support their claims for expenses. Lay members are reminded of their obligation to ensure that value for money is achieved in all cases where expenditure is incurred on behalf of the University.

Submission of Claims

Lay members should submit their claims for expenses on a regular basis to the Registrar and Secretary for approval on the designated forms (available from Colette McDonough, the Assistant Secretary, in the Registrar and Secretary’s Office). All claims for expenses will be reimbursed through the University Payroll and paid direct to the claimant’s bank account.

Eligible Expenditure

1. Travel

   Travel costs will be reimbursed provided that the journey is undertaken wholly, exclusively and necessarily in the performance of University activities. Mileage will be reimbursed in accordance with the University approved rates, currently 40p per mile, shown at:
   
   https://intranet.birmingham.ac.uk/finance/payroll/Expenses.aspx
2 Accommodation and Associated Costs

Approval should be sought in advance from the Office of the Registrar and Secretary before costs are incurred on accommodation. The actual costs of accommodation and subsistence will be reimbursed, where a receipt is provided. Service charges specifically included in bills will be reimbursed without deduction of tax from the claimant but the costs of any gratuity or tip will be taxable against the claimant.

The inclusion of individuals not formally associated with the University on accommodation invoices will lead to a taxable benefit arising, unless it can be clearly shown that the relevant University authority had agreed the reimbursement of such costs in advance.

3 Telephone Costs

The cost of business calls can be reimbursed. Itemised bills are now available in most instances to support claims for reimbursement of business telephone calls and they should always be provided to substantiate the claim. Rental costs will not normally be met and where they are, they will be taxable.

4 Entertaining

Reimbursement can be made without deduction of tax for the costs of providing meals and drinks to visitors, where the lay member has been asked to act on the University’s behalf or where it would be custom and practice for them to do so. This is a complex area and one where particular care is now needed. Advice is available from the Assistant Director of Finance responsible, Tim Fuery, whose details are shown below. Entertaining visitors to the University and meeting the costs for them at conferences, seminars and other meetings away from the University is allowable, provided it can be shown to be for relevant to the individual’s role with the University.

5 Other Expenditure

Miscellaneous expenditure such as stationery, photocopying and postage costs may also be claimed, where appropriate, provided that receipts accompany the claim.

Further more detailed guidance on the University’s Expense Policy and Procedures is available at:


Queries relating to the above should be addressed to

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