GUIDANCE AND PROCEDURES MANUAL

APRIL 2014

PAYMENT OF EXPENSES
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PAYMENT OF EXPENSES - SUMMARY

1. The University of Birmingham has developed a Policy together with procedural guidance relating to the reimbursement of expenses necessarily incurred in the performance of duties on behalf of the University. The policy complies with the requirements of H.M.R.C. (Her Majesty’s Revenue and Customs – formerly Inland Revenue) on payment of expenses and benefits in kind. (Paragraph 1.1)

2. For the benefit of staff and to comply with the principles of best practice, the University has appointed preferred travel agents in line with E.U. tendering procedures. The appointed agencies will handle business travel and accommodation needs and these should be used as set out in paragraph 2.2 and Appendix 3.

3. Claimants are required to complete the University’s expenses claim form giving details of expenses incurred, including mileage, on University business and attach original receipts as required. Claims must be submitted for payment within 3 months of the date the expenses were incurred. (Section 3)

4. Current maximum rates (as at 1st April 2014) for the main items of reimbursement are given below. All figures include VAT: (Section 3)

   Overnight Accommodation (London and Overseas) £150.00 per night
   Overnight Accommodation (Elsewhere in UK) £100.00 per night

   Mileage Allowances:
   For journeys totalling less than 10000 miles in any one year 40p per mile
   For journeys in excess of 10000 miles in any one year 25p per mile

   The University’s expenses policy and reimbursement rates apply not only to its employees, but also, where appropriate, to those with honorary appointments, joint appointments, contractors and visitors, and candidates for interview.

   Further information on rates can be found on the Payroll Division’s website www.Finance.bham.ac.uk/payroll.shtml

5. The expenses system cannot be used as a means of purchasing equipment or other items for the University and the same restrictions apply to the use of a University Corporate Card. Such requirements are provided through the normal purchasing procedures. (See paragraph 2.2)

6. Included in the Policy are specific requirements relating to staff incurring expenses whilst abroad, including the tax implications of attending overseas conferences. (Section 4)

7. Business entertainment and hospitality should follow the guidelines described in Section 5

8. Staff 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.

9. Any attempt to submit false claims will be treated as a serious disciplinary offence
1. **Introduction**

This document provides staff with detailed guidance on the University’s procedures on the reimbursement of expenses necessarily incurred in the performance of duties and forms part of the University’s Financial Regulations. It is designed to assist staff in identifying what the University will reimburse and to guide staff through the claims process. It also explains the obligations on staff to obtain value for money in incurring expenditure on behalf of the University. The guidance applies equally to the use of a University Corporate Card.

By following this guidance and the procedures for making claims, any delays caused by queries as a result of incorrect completion or missing information, will be avoided.

The policy has also been designed to ensure that H.M.R.C. (Income Tax) requirements have been met (see 1.1 below). Again, by following the guidance and procedures, no tax liability should arise from the reimbursement of expenses, necessarily incurred on the business of the University.

This policy applies to all staff employed by the University irrespective of the source of funding.

1.1 **H.M.R.C. Requirements**

The University has reached agreement with H.M.R.C. on various issues, including the maximum rates of travel and subsistence which can be paid free from tax liability. As a result, staff do not need to report expenses and/or benefits received in the course of their duties, to H.M.R.C. at the end of each tax year.

It is essential, however, that to maintain this agreement with H.M.R.C., staff must comply strictly with the requirements of this policy and follow the procedures laid down. H.M.R.C. auditors can visit the University at any time and any breaches detected could result in the dispensation being withdrawn and large penalties being imposed. It is therefore in all our interests to follow these guidelines.

Budget Centres should note that where any tax and/or penalties are imposed resulting from breaches of these guidelines, these will be charged to the relevant budget centre.

1.2 **Items not covered by this policy**

In the event that an expense is incurred which is not included in this manual, the matter must be referred in the first instance to the Budget Centre administrator who should refer to the Head of Payroll and Pensions, unless previous guidance has been issued to cover this circumstance.
1.3 **Responsibility for these Procedures**

Responsibility for updating and administering this policy and procedures rests with the Finance Office. A detailed list of contacts in relation to expense claims can be found at Appendix 1.

Current rates can be found on the following University website: [http://www.finance.bham.ac.uk/payroll/expenses.shtml](http://www.finance.bham.ac.uk/payroll/expenses.shtml)

In order to ensure a consist approach to expense reimbursement discussions with H.M.R.C. concerning the University's policies on expenses and benefits must only be undertaken by staff of the Finance Office.

1.4 **Complaints and Escalation Procedure**

In the event of an employee having a complaint about the application of this policy, the first point of contact should be the Budget Centre Administrator or Head of Budget Centre as appropriate. Thereafter, the employee should contact the Head of Payroll and Pensions who will deal with the complaint. If the employee remains dissatisfied, the next step is to contact the Assistant Director of Finance – Payroll, Pensions and Systems
2. **Policy and General Claims Procedure**

2.1 **Policy Overview**

It is the policy of the University that employees are reimbursed the actual cost of expenses *necessarily* incurred in the performance of the duties of their employment.

Employees are expected to seek value for money in incurring expenditure on the University’s behalf and to minimise costs without impairing the efficiency of the University.

It is the employee’s responsibility to seek the necessary approval before committing the University to meeting expenditure, and to ensure there are sufficient funds available to support the business activity.

The three key principles apply equally to staff usage of the University’s Corporate Card.

2.2.1 **Summary of claim procedures**

- Expenses incurred on behalf of the University are to be recorded in detail on the expense claim. When completing claims, as much information as possible should be given to avoid queries being raised and claims delayed. This is particularly important where claims are more complex, or unusual conditions or circumstances apply.
- Staff claims must include a valid payroll number (see 2.5).
- Mileage claims should state start, intermediate and end destinations either by UK postcode or town. Please give an explanation if diversions or other circumstances result in higher than anticipated mileage being travelled.
- Reasons for the journey and/or expense must be stated.
- Claims must be made within three months of the expense being incurred.
- Receipts, with the exception of claims for mileage allowances, must support all claims.
- Claims for reasonable service charges up to a maximum of 10% of the value will only be reimbursed if shown on the receipt. The total must be within the maximum allowance. The University policy is not to reimburse tips as they are not seen as a legitimate expense by the tax authorities.
- Where business entertainment or hospitality is provided, the names and Organisations of the attendees must be given together with the business reason for the event.
- The Expenses process should only be used for travel, subsistence or other related incidental expenses. Goods and services should be ordered using the normal University purchasing process and may not be reimbursed through expenses except for minor items required in emergencies.
- Expenses incurred by external individuals who claim a fee for tasks performed will be paid through the non-staff expenses system. Travel to the University will be taxed; business journeys will not be taxed.
- For expenses incurred in foreign currencies, supporting documentation of the exchange rate must be attached to the printed claim form and in the absence of such evidence the current rate of exchange at the time the expense was incurred will be used. (see 2.11)
• Small items of budget centre expenditure may, exceptionally, be claimed through the expenses system where no other means of purchase is available.
• The Proactis Expenses process is detailed at Appendix 6 and this process is to be utilised for all staff expense claims from 1st August 2014, at which point the current Staff Expense Claim – Form Fin 7S will be withdrawn.

2.3 Authorisation of Expense Claims
The governance principle to be applied to the certification of claims is that they should not be signed off by someone more junior than the claimant.

Claims must therefore be authorised by Heads of Budget Centre or nominated officers with delegated authority. In the case of Heads of College claims should be authorised by the PVC Resources and for Heads of Corporate Services the Registrar and Secretary is the appropriate authorising officer.

The certifying officer confirms that:

• The expenses were necessarily incurred in the performance of duties
• The expenses claimed are not payable from another source
• There is sufficient money in the budget to meet the costs involved
• Due consideration has been given to achieving value for money

Under no circumstances will self-authorised claims, or those authorised by a close relative or partner be paid. In these circumstances alternative authorisation must be obtained.

Any attempt to submit false claims will be treated as a serious disciplinary offence.

2.4 Evidence of Expenditure

With the exception of mileage, reimbursement will normally only be made where claims are supported by original valid receipts. Credit Card transaction slips are not accepted as receipts. This is a requirement under the University’s dispensation with H.M.R.C.

Where expense claims are partially supported by receipts, only those items for which valid receipts are provided will normally be reimbursed through the expenses system. Receipts should be attached to a printed copy of the Proactis Claim and submitted to the Payroll Office in an envelope after authorisation. The envelope should clearly show the claim reference number in the top left hand corner.

Where receipts cannot be produced and the Head of Budget Centre authorises payment of an expense without a receipt, reimbursement may be subject to income tax in accordance with H.M.R.C. requirements.
The University accepts, however, that it may not always be possible to obtain receipts for certain expenses - e.g. underground travel or using parking meters. Providing full details of the journey are given and the reason for the journey is specified, reimbursement will be made.

Receipts must be provided at the point of claiming and no adjustments can be made to claims once they have been settled. In the event that a claimant finds a previously missing receipt, a new expense form must be submitted before reimbursement can be made against that receipt.

Where an employee is part of a ‘group’ where only one receipt is available but individual claims are submitted, a copy of the original receipt should be obtained. Where this is not possible, the Head of Budget Centre has discretion to approve reimbursement which may be subject to deduction of income tax.

2.5 Payroll Numbers
The payroll number is a unique individual identifier within the payroll system which holds employee information to ensure payments are made to the correct employees and staff expense claims submitted through Proactis utilise the payroll number as a key identifier for posting the claim to Payroll for payment.

2.6 Timely Submission
All expense claims must be submitted within 3 months of the expense being incurred. Claims older than 3 months will not be paid unless exceptional circumstances apply. The claim, together with an explanation for the delay, should be submitted to the Head of Payroll and Pensions who will consider each case on its merits. This process could take several weeks to complete and it must not be assumed that payment will be approved. In circumstances where payment is not approved, the employee will be notified and given the reason for non-approval.

2.7 Frequency of Payment
Staff and non-staff Expense Claims are processed in separate weekly expenses payrolls such that claimants should not have to wait extended periods for reimbursement. There is a facility for the payment of expenses out of cycle but this will only be available in exceptional circumstances and will have to be agreed by the Head of Payroll and Pensions or the Deputy Payroll Manager.

2.8 Method of Payment
Claims will be processed through the University’s payroll system and normally be reimbursed by BACS, consequently, for non staff claims, the claimant’s bank details must appear on their initial claim.

Where payment is to be made to an overseas bank account it is essential that the following information is provided:

- Bic No./Swift Code
- Account Number
• Account Name
• Full name and postal address of the bank
• Full name & postal address of the claimant

2.9 University Credit Card Payment Schemes

The University operates two Credit Card Payment schemes through the Royal Bank of Scotland's NatWest subsidiary. The two types of cards are

i) Purchasing Cards for use by budget centre administrative staff for low value purchases
ii) Corporate Cards for use by staff who incur a high level of expenses on University business

2.10 Use of Personal Credit Cards

Where a claimant has incurred significant expense on a personal credit card it is strongly recommended that the expense claim form be submitted as soon as possible. The University will not reimburse interest or other charges imposed as a result of a delay in submitting the expense claims for payment.

2.11 Exchange Rates

Evidence of the exchange rate applicable to any given claim must be supplied with the claim. If evidence of the exchange rate is not submitted the University will apply the rate that prevailed on the day the expense claim form is processed as determined by its bankers (currently Lloyds plc), and as shown on the Finance Office web site. The Proactis system allows claims to be made in foreign currencies but will only support one currency per claim.

2.12 Use of the University Selected Travel Agencies

The University has appointed Key Travel as its online travel booking provider for the organisation and purchase of business travel. Staff should use Key Travel, who provide both an on line service and a customised booking service, for air and rail travel and associated activities such as car hire when abroad on University business.

2.13 Travel Insurance

The University does not provide insurance for business travel within the United Kingdom.

Staff that use their own vehicles for business purposes have a responsibility to ensure they have appropriate insurance cover for use of the vehicle whilst on University business. Staff will be required to certify that they hold appropriate insurance for business use each time they make a claim for mileage reimbursement. The consequences of using a private vehicle on University business without appropriate insurance is the personal responsibility of the employee.
Staff travelling on University business outside the United Kingdom must apply for travel insurance cover in advance of undertaking the travel. Full details are provided on the Travel Insurance web site the link for which is: http://www.travel.bham.ac.uk/

A decision to travel without confirming that appropriate insurance is in place is the personal responsibility of the traveller.
3. **Travel & Subsistence Payments (UK)**

3.1 **Daily Subsistence**

Employees who are required to travel on the business of the University are entitled to claim the additional cost of meals taken whilst working away from their normal place of work. Only the cost of meals taken in the course of business journeys as defined under *Definition of Business Travel* (Appendix 2) will be met by the University.

Employees may claim for receipted costs of food and drink taken en route or whilst away from the University up to the maximum subsistence limits which are shown on the Payroll web site. The cost of alcohol drinks will not normally be reimbursed for meetings involving internal colleagues only but reimbursement will be considered when external colleagues are involved.

http://www.finance.bham.ac.uk/payroll/expenses.shtml

In addition to the above, employees may claim for non-alcoholic beverages during the day but the cost of additional snacks will not be reimbursed.

Subsistence allowances cannot be claimed for food purchased for consumption at home.

Details of expenditure limits for Business Entertaining are given in Section 5.

3.1.1 **Hotel Accommodation**

Overnight accommodation costs may be reimbursed in circumstances where the University considers it is not practical to expect employees to return home. The rates of reimbursement are inclusive of the cost of breakfast and VAT, but exclusive of the cost of evening meals (see 3.1). The current overnight accommodation rates are shown on the Payroll web site.

http://www.finance.bham.ac.uk/payroll/expenses.shtml

Accommodation in the UK and abroad should where possible be booked via the University’s on line travel booking providers, Key Travel, and not claimed via expenses. However, it is recognised that there will be occasions when accommodation needs to be arranged at short notice. In these circumstances, claims for reimbursement will be accepted providing they are within the approved limits.

The University accepts that sometimes staff may wish to dine in the hotel in which they are staying rather than go out to eat. In these circumstances only, and where the cost of a meal in the hotel exceeds the current subsistence level, the University is prepared, exceptionally, to reimburse claims up to a maximum of £30 including VAT and service charge. Staff should note this is a concession available only in the circumstances described above. In all other circumstances, the maximum subsistence rates as referred to in 3.1 above apply. Receipts must confirm that the meal was taken in the hotel, and the claim form should be annotated accordingly.
3.1.2 Personal Incidental Expenses

Whilst staying in hotels employees may often incur minor items of personal incidental expenditure such as laundry, newspapers and personal telephone calls. A maximum of £5 per overnight absence in the UK and £10 abroad is provided for by HMRC but this will only be reimbursed by the University in exceptional circumstances and must be agreed in advance by the Assistant Director of Finance (PPS Division) or the Head of Payroll and Pensions. A Register of such exceptions will be maintained for control purposes.

The University will reimburse itemised business calls subject to receipt of details of the persons and organisations called.

3.1.3 University Accommodation

There may be a requirement for certain members of University staff involved with particular projects to work late. If they choose to stay overnight on campus, accommodation costs will not be refunded.

In circumstances where a Head of Budget Centre requires that an employee stay at the University overnight for a specific business purpose and agrees in advance that accommodation be provided at no cost to the employee, the charge should be administered as an internal charge to the budget centre at the appropriate rate.

3.1.4 Staying with Friends/Relatives

When an employee spends a night away from home whilst on business, they may choose to stay with a friend or relative instead of staying in a hotel. The employee may incur the cost of an evening meal up to £25 per night to recompense the friend or relative for the cost of hospitality provided.

3.2 Travelling Expenses

Employees may claim the costs of necessary business travel only for themselves (see Definition of Business Travel - Appendix 2), employees should arrange journeys using the University’s on line Travel Booking provider, Key Travel.

3.2.1 Business and other Mileage

Where no suitable public transport is available and employees use private vehicles on University business, the maximum reimbursement will be at the rates shown on the Payroll website. http://www.finance.bham.ac.uk/payroll/expenses.shtml

All claims for reimbursement of mileage must specify details of the journey undertaken, including the start and finish points of each journey, and any places
visited on the way. UK post codes should be provided where these are known. The dates of travel and reasons for journeys must also be given.

If the employee travels direct from home to a business meeting the mileage should be the lower of:

a) the mileage actually incurred
b) the mileage which would have been incurred if the journey had started and finished at the normal place of work.

Where unusual circumstances occur (e.g. road closures, diversions etc. resulting in higher than expected mileage being incurred) additional information or explanation should be given. This will avoid claims being queried and payment delayed.

3.2.2 Air & Rail Fares

Travellers should use the most economical class of travel. Tickets should be purchased through the University’s approved online travel booking provider, Key Travel. Booking in this way should ensure that the most cost effective travel arrangements can be made. Air travel must be by economy class for journeys of fewer than 4 hours and for journeys of over 4 hours the cost of a premium economy ticket is normally the maximum allowable. Staff may be permitted to travel business class provided they have prior authority from their Head of College or Corporate Service or their delegated deputy. Consideration should also be given to travelling premium economy and claiming the cost of a night’s hotel accommodation to enable travel a day earlier if schedules allow.

3.2.3 Other Travel Related Expenses – Parking, Tolls, Bus, Underground etc

Parking costs incurred in the course of travelling away from home or the normal place of work in the performance of duties may be claimed.

The University will not reimburse the cost of parking at or near the normal place of work. Fines for motoring offences including (but not limited to) speeding and parking will not be reimbursed in any circumstances.

Receipts for parking should be submitted where possible although the University accepts that it is not always possible to obtain receipts for meter parking. In these circumstances employees should state that a parking meter was used and the amount will be reimbursed without receipt.

Road tolls, city congestion charges, bus and underground costs for business related journeys may also be claimed.

The University accepts, however, that it may not always be possible to obtain receipts for travel by underground. Providing full details of the journey are given and the reason for the journey is specified, reimbursement will be made.
3.3 Spouse’s Travel
The University will not normally meet the travel and subsistence costs relating to the spouse/partner of an employee who accompanies the employee on a business trip. Requests for costs to be met should be referred to the Assistant Director of Finance Payroll, Pensions and Systems in advance of any purchasing commitment being made. It should be noted that any costs reimbursed will be subject to Income Tax.

Where employees are accompanied at their own expense by family members, the University Appointed Travel Agents will make the arrangements and allow the marginal cost to be paid by personal credit card. However staff who wish to make their own travel and accommodation arrangements must pay for these separately.

3.4 Home to Work Travel
H.M.R.C. regards reimbursement of home to work travel expenses (whether mileage, taxis or public transport) as taxable payments. The University does not reimburse the cost of normal travel between an employee’s home and their place of work other than in exceptional circumstances.

3.5 Travel Advances

3.5.1 Requests for Advances
In cases where financial hardship is demonstrated, or considerable expenditure on foreign travel is anticipated, an advance of expenses may be considered where no other payment method is available.

The claimant is required to apply for the advance not less than 10 working days before the money is required and declare the period for which the advance is required, normally terminating with the final day of the journey concerned.

An advance will not be issued if the member of staff already has an advance outstanding from a previous trip. Advances must not be carried over from one trip to the next.

3.5.2 Final Claim Form
As soon as the actual final costs are known, and at the latest 10 working days from the completion of the official journey, the member of staff must complete the usual staff expenses form and, once authorised, forward it to the Payroll Division together with such receipts as are necessary to substantiate the claim. Failure to submit the claim in a timely fashion will result in the value of the advance being deducted from the claimant’s pay.
Persistent delay in completing final claim forms is a serious matter and may result in disciplinary action. If some of the advance remains unused, a cheque for the excess must accompany the claim form.

### 3.6 Car Hire

For road journeys exceeding 70 business miles per day staff should consider using a hired vehicle rather than a private one. Petrol purchased may be reclaimed by completing an expenses form and producing an original receipt. It should be noted that credit card receipts are not acceptable – a receipt should be requested showing details of the purchase.

The University’s Transport Services Section are responsible for the ordering of Hire Vehicles on the University’s behalf and all car and van hire requirements must be met through Transport Services. Further details can be found under the support services section of the following web site:

[http://www.has.bham.ac.uk/support/transportservices/index.shtml](http://www.has.bham.ac.uk/support/transportservices/index.shtml)

Please note, the University will not meet expenditure incurred where the hire period exceeds the scope of the business purpose i.e. a vehicle required for Friday (business) use, cannot be retained for personal use over the weekend period, pending collection by the vehicle hire company. Any such instances would be a misuse of University funds, would not be covered by insurance and would attract a personal tax liability.

### 3.7 Use of Taxis

Where no other form of transport is available or suitable, short journeys by taxi will be reimbursed subject to the provision of receipts. It is not, however, considered appropriate for taxis to be used for long journeys when alternative methods of travel should be used.

Taxis should not be used for the journey from home to work and if staff should use taxis for this purpose any claim for reimbursement of the expenditure will be subject to detailed examination. Such claims, if allowed, will be taxed but in most circumstances the claims will be disallowed.

Staff should be aware that the booking of taxis through established accounts with approved suppliers is monitored to ensure that taxis are not being used for unapproved purposes.
4. Travel & Subsistence Payments (Overseas)

4.1 Per Diem Allowances
Tax legislation rules that for a 24-hour absence on the employer’s behalf abroad, an employee can claim up to a limit of £10.00 per day un-receipted for personal incidental expenditure. This will only be reimbursed by the University in exceptional circumstances and must be agreed in advance by the Assistant Director of Finance (PPS Division) or the Head of Payroll and Pensions. A Register of such exceptions will be maintained for control purposes.

Whilst overseas the employer will meet the cost of breakfast, lunch and dinner and all costs will be reimbursed upon production of receipts.

4.2 Receipts
Members of staff are expected to exercise reasonable restraint in incurring expenses when on overseas business on behalf of the University, and to provide as full as is possible set of documentary evidence of the expenditure in the form of receipts. Provided these expectations are met, full reimbursement of expenditure necessarily incurred on the University’s behalf will usually be made.

4.3 Fly America Act
Where overseas travel is funded by a US Government grant, due account must be taken of the ‘Fly America Act’. This Act requires that US flag air carriers or non-US carriers who have leased space to US flag air carriers, be used for foreign travel, either from the USA to a foreign country, or between foreign countries.
5. **Entertainment/Hospitality**

5.1 **Business Entertainment - Including the Entertainment of Students**

Our dispensation states that reimbursement can be made without the deduction of tax for the “Costs of providing meals and drinks for visiting academics and others, where the number of hosts does not materially exceed the number of visitors.”

This is a complex area and one where particular care is now needed. Entertaining visitors to the University and meeting the costs for academics and associates at conferences, seminars and other meetings away from the University, is allowable provided the dispensation is observed. In instances where the number of University academics involved is greater than the number of visitors, the Inland Revenue would expect that there is an approved work purpose to justify the number of University staff involved and the burden of proof upon the University is onerous.

Business entertainment that takes place on campus must be delivered by using the University Catering Services or the conference centres and be charged to the appropriate cost code. Entertainment expenses on campus should not be funded by individuals and claimed through expenses other than on an exceptional basis.

All claims must list each visitor’s name, organisation and the names of University staff present, together with the business reason for the entertainment. An original receipt must be provided for the total cost, including tips.

5.2 **Staff Entertainment - Meetings**

Staff entertainment, including meals and/or refreshments provided by the University for specific business purposes should take place on campus using University catering services, retail services or conference centres and charged to the appropriate cost code. Only in exceptional circumstances should external catering suppliers be used to provide onsite catering services.

Staff entertainment that takes place away from the University campus either within or outside office hours should be paid for by the individuals concerned. Exceptionally, where the Head of Budget Centre on behalf of the University agrees to meet all or part of the cost of such entertainment, a tax liability will arise. The payroll division must be informed of such events where the University meets all or part of the cost, together with the names of all those attending and the total cost.

For ‘away days’ and other staff business meetings taking place off-campus, an itinerary or agenda must be forwarded to the payroll division to assess whether a tax liability exists.

5.3 **Staff Entertaining – Annual Functions**

There is provision in legislation for employers to provide their staff with an invitation to an annual entertaining event that is not subject to income tax. This is
usually a Christmas party or similar event. The University’s policy is that this should be a personal expense with a contribution from the University (including use of BDX accounts) of no more than £20 per head.

HMRC Guidance allows for more than one event but to ensure an event falls within the criteria to satisfy tax compliance it must be open to all staff within the budget centre and regular in nature (i.e. an annual event).

Any Christmas lunches or similar events organised at lower than budget centre level should be paid for by those attending. If, in exceptional circumstances, budget centre funds are used to meet the cost, a tax and national insurance liability will arise, in which case the Payroll Manager should be notified.
6. **Other Expenses**

6.1 **Home Working**
Where staff perform duties at home no contribution will be made towards any additional costs or expenses incurred, including heating, lighting, cleaning, etc.

Business telephone calls made from home will, however, be reimbursed, in accordance with the provisions of paragraph 6.2.

6.2 **Home and Personal Mobile Telephone Costs**
Employees who have an explicit contractual required to make business calls using their home or personal mobile telephone should claim reimbursement of such calls using the prescribed University expense claim procedure and an itemised telephone bill should be submitted with each claim. The University will not bear the cost of any part of rental of a home or personal mobile telephone. The only exception to the above are members of staff who are on standby for an emergency call out.

The University has a Framework Agreement with EE (Everything Everywhere) for the supply of mobile phones. The University will issue mobile phones to members of staff where it considers such provision is necessary to fulfil the requirements of their contracts. HAS Support Services Telecommunications section is responsible for making the arrangements for the acquisition of mobile phones and Budget Centres can find more detail at

https://intranet.birmingham.ac.uk/it/teams/infrastructure/networks/telecoms/Mobile.aspx

Costs will be charged to the employing Budget Centre. The mobile phones are provided for business use and any private calls must be paid for.

6.3 **Modems, Broadband and Internet Connections**
Employees who have an explicit contractual requirement to access the internet for work purposes using their home computer or laptop may claim reimbursement of call costs only. The University will not bear the cost of any part of the subscription to an ISP.

Private costs must be deducted from the total amount of each bill submitted in support of a claim and only the net amounts, representing business usage (and any associated VAT charged), should be included on the Expense Claim Form.

Where it is a requirement of an individual's role to access e-mail or internet services from points outside the University then the budget centre should consider contracting directly with the Internet Service Provider (i.e. on behalf of the University rather than through the individual). In such cases the set-up, rental and any call charges may be borne directly by the funding budget centre, although to satisfy H.M.R.C. rules, the following conditions must always apply:
It must be possible to demonstrate that more than 90% of usage made of the supplied service is wholly and exclusively for University business purposes and that less than 10% is private use.

The contract must be between the service provider and the University (to which all bills must be addressed);

The individual receiving the service must have an explicit contractual requirement to access the internet.

Where this arrangement is put in place and all conditions met there should be no tax liability

6.4 Books & Publications

The University will provide books & publications which are necessary for the performance of the employee's duties.

All subscriptions to academic and other journals must be arranged through normal University purchasing procedures – including subscriptions provided for by grant funding.

Subscriptions and books should not be paid for by an individual and claimed on the expense claim form. These claims will not be reimbursed, except in exceptional circumstances which have been approved in advance by the Head of Budget Centre.

Employees should be aware that where reimbursement of the cost is made by the University, they are acknowledging that ownership transfers to the University and the publication must be made available to others as required and remain with the University upon termination of employment.

6.5 Professional Subscriptions

The University will not normally pay the cost of annual subscriptions to external professional bodies except where it can be shown that membership results in a net saving in costs e.g. by giving free or reduced subscriptions to professional journals. Payments would then be processed via the Accounts Payable procedure on receipt of an invoice. It must be certified that the journals or other publications and all membership benefits accrue to the University and not an individual member of staff.

Personal subscriptions to professional bodies may qualify for tax relief if they fall within the Inland Revenue definition of approved bodies. The names of these approved bodies are found in what is known as “List 3” and this can be found at www.hmrc.gov.uk/list3/index.htm

6.6 External Courses & Conference

Employees may need to attend relevant external courses and conferences in order to perform their duties effectively. Any such courses must be approved in
advance by the employee’s Head of Budget Centre for reimbursement of expenses to be considered.

H.M.R.C. has defined the circumstances in which expenses incurred during foreign trips to attend conferences etc. can be reimbursed tax-free. These include the following conditions:

- The employee must be able to demonstrate that attendance is necessary in order to carry out the duties of the employment. A token business element is insufficient.
- An itinerary (full agenda and delegate list) must be made available showing the precise activities involved.
- There must be a business requirement to attend – in addition to any personal educational benefit gained.
- Trips with a non-business element can be apportioned but only expenses necessarily incurred are deductible.
- Where the itinerary consists largely of social occasions, reimbursement of expenses is subject to PAYE.

6.7 Uniforms

The University will only issue uniforms where a specific operational need exists and these must be marked with a University logo which should appear on each item of clothing. The logo must be visible and unable to be removed from the item of clothing.

All uniforms should be purchased via the central purchasing system. Under no circumstances will clothing items be reimbursed as part of the expense claim process.

6.8 Eye Tests for VDU Operators

Where staff are required to operate VDU equipment and for these purposes undergo an examination by an optician, the University may contribute to the cost of the eye test up to a prescribed limit.

Full details are available on the Health and Safety web site under the heading Display Screen Equipment Use. The guidance document can be found at

http://www.hsu.bham.ac.uk/univ/hspolicy/7dse.pdf

6.9 Gifts to Third Parties Overseas

Small token gifts up to the value of £30 given to third parties overseas may be purchased and, where paid for by the member of staff, reclaimed through the expenses system.
6.10 Gifts to Third Parties in the UK
Gifts to third parties within the UK should normally be “badged” gifts available either from some budget centres, or from retail outlets on campus. Payment should be by purchasing card or internal recharge.

6.11 Gifts to Employees
Gifts to staff for reasons such as a thank you, illness, a birth or marriage, success in exams or leaving and retirement should be funded by staff collections and not by the University. Such gifts are considered to be personal contributions from colleagues and as such cannot be reimbursed.
7. **Proactis Expense Claim Process**

7.1 **Proactis Overview**

From the 1st August 2014 all staff expense claims will be processed through Proactis. Heads of College and Heads of Corporate Services will need to identify whether staff will submit their own claims for authorisation or will delegate claims submission to specific staff within the College or Corporate Service. Proactis Expense claims will need to go through an authorisation process and the relevant authority for each staff member will also need to be identified.

7.2 **Creating a claim**

The claimant or delegate begins by logging in to Proactis at:

https://www.proactis.bham.ac.uk/Secure/PROACTISLogon.asp

Having logged in then go to the Expense tab; here you can create a new expense, copy a previous expense, cancel, edit or view an expense claim. To create a new expense claim click on Create an expense claim. All expense claims must have a Claim Title or they cannot be processed. Your details will automatically appear in the Claimant Details, if you are putting the claim on for someone else then you need to change these details.

7.3 **Adding claim lines**

You should now add the claim lines. There are a list of items you can add to a claim, simply tick all the boxes that apply then click on “Add Multiple Expense Items” at the bottom of the screen. Each item line will now open for you to add the detail such as the total cost and the account code to charge the expense to. Should you wish to split the expense between different account codes then click on “Add a new nominal”. Once you have added the detail click on “Store Claim Line”. Now open the remaining expense lines by clicking on the description and add the value and the account code to be charged.

7.4 **Submitting the claim**

Once all lines are complete you can submit the claim form. You will get a confirmation message letting you know that your claim has been submitted and has gone for authorisation.

7.5 **Authorising the claim**

The designated authoriser for each claim will receive e-mail notifications on a scheduled basis identifying any claims that require authorisation. The e-mail will provide a link to Proactis and upon clicking the link the authoriser is taken to the Proactis log on page. Having logged in to Proactis the expense claims requiring authorisation are listed and can be reviewed and authorised on an individual basis.
7.6 Payroll Processing

Once authorised expense claims are posted to a holding table in the Alta HR payroll. The claims are validated for tax purposes and any taxable items are posted for payment in the next monthly payroll. All non taxable items are posted to the staff weekly expenses payroll and paid in the next payroll run. Staff will receive e-mail notification to their work e-mail address that payment has been made to their bank account.
### Appendix 1

## Expenses Team Contact List

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Telephone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caroline Williamson</td>
<td>Head of Payroll and Pensions</td>
<td>0121 414 3088 Internal 43088</td>
<td><a href="mailto:C.M.Williamson@bham.ac.uk">C.M.Williamson@bham.ac.uk</a></td>
</tr>
<tr>
<td>Geeta High</td>
<td>Deputy Payroll Manager</td>
<td>0121 414 3090 Internal: 43090</td>
<td><a href="mailto:G.High@bham.ac.uk">G.High@bham.ac.uk</a></td>
</tr>
<tr>
<td>Alison Cornfield</td>
<td>Fees and Expenses Supervisor</td>
<td>0121 414 6092 Internal 46092</td>
<td><a href="mailto:a.cornfield@bham.ac.uk">a.cornfield@bham.ac.uk</a></td>
</tr>
</tbody>
</table>
Appendix 2

Definition of Business Travel

H.M.R.C. defines business travel as

“Journeys which employees have to make in the performance of duties and Journeys which employees make to or from a place they have to attend in the performance of duties – but not journeys which are ordinary commuting”

Ordinary commuting is defined as “travel from home to your normal place of work.”

In simple terms, travel from home to your normal place of work and back again is NOT business travel.

However, once you get to your normal place of work, any travelling you are required to do in order to perform your duties, is regarded as business travel.

Where, however, a business journey follows your normal “ordinary commuting” route (i.e. it does not deviate by more than 10 miles), then this is regarded as “ordinary commuting” and does not qualify as business travel.

The rules can be complex in some circumstances, so if you have any doubt about whether a journey qualifies as business mileage, please contact one of the expenses team (see Appendix 1)
Appendix 3

Approved On Line Travel Booking Provider

Travel can be booked through Key Travel’s online booking system and electronic payment method. Travel bookers will now be able to book air travel, hotels and rail via the Web Portal: www.keytravel.com

Arrangements can also be made through the Customer Service Team for more complex travel bookings. Use of the key Travel system obviates the need for Purchase Orders and Purchasing Card activities.

Travel bookers will still be able to email or speak with a travel adviser at Key Travel if they have a requirement for multi destination trips, Key Travel provide a 24 hour help line 0845 1220102 or 0207 8439602 should the booker or the traveller have any queries.
Appendix 4

The University’s Credit Card Payment Schemes

The University operate two MasterCard credit cards schemes through the Royal Bank of Scotland.

Purchasing Card

This card is issued to budget centres on request and is used as a payment method for low value/high volume goods and services. The Purchasing Card is subject to certain controls including an individual transaction limit. Further details are available from the Purchasing Card Administrator in the Procurement Office.

Geoff Williams  
Procurement Adviser  
Email: G.N.Williams@bham.ac.uk  
Tel: 0121 414 5947

Corporate Credit Card

This card is issued to a limited number of employees where considerable and frequent expenditure on such things as travel, accommodation and hospitality both in the UK and overseas is incurred. The card has individual credit limits set for each card holder, and these are determined by the University’s master Corporate Card holder. Issue of the Corporate Credit Card is subject to specific approval and is only considered where it has the approval of the Head of Budget Centre and there is a legitimate business case for its issue.

Further details are available from the Corporate Card Administrator in the Finance Office.

Alena Nicklin  
Corporate Card Administrator  
Tel. Number: (0121) 4158574  
Email: A.Nicklin@bham.ac.uk

All cards holders are required to comply with the Conditions of Use appropriate to each type of card.