



ASSOCIATION OF ENGLISH CATHEDRALS

**POLICY ON REIMBURSEMENT OF OFFICIAL
EXPENSES**

Approved by the AEC Executive Committee on 29 January 2020

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This policy applies to all staff employed by the Association of English Cathedrals (AEC), AEC Executive members, members of AEC project boards, Peer Review and Support Panel volunteers, and other volunteers.

All allowances for the current tax year commencing 6 April are available in Appendix 1.

1. OVERVIEW AND OBJECTIVES

This policy document establishes procedures that must be followed to enable authorised and controlled reimbursement to take place for individuals incurring travel, accommodation, subsistence, entertainment and related expenses while on AEC business.

The AEC will reimburse all reasonable business expenditure incurred by staff, Executive members and others engaged on AEC business, providing it complies with this policy and, where appropriate, has been approved by the appropriate person. The appropriate person is the Project Manager for project volunteers, Executive Director for AEC staff and other volunteers, and Chair for the Executive Director and Executive members.

The objectives of the policy are to:

- ensure that the AEC and individuals comply with tax and legal obligations
- provide regular and timely reimbursements to individuals
- control costs
- ensure proper authorisation of expenditure
- reduce the risk of fraud.

2. TAX AND LEGAL REQUIREMENTS

The principal area of law relates to Income Tax. A taxpayer may be entitled to tax relief for expenses incurred **wholly, exclusively and necessarily in the performance of duties of the employment**. Expenses incurred during the normal course of business activities will be reimbursed as long as they meet the HMRC criteria.

Reimbursements of expenses outside of this may be considered to be taxable remuneration by HMRC may be subject to tax and National Insurance.

3. TYPES OF EXPENSES

Allowable Expenses

These are generally considered to meet the above criteria and are normally paid without question subject to the appropriate authorisations and limits. Examples of these types of expense may include:

- Business travel – train fares, underground fares, bus fares, air fares, taxi fares, mileage allowance, parking and congestion charges.

- Subsistence – meals and accommodation costs during any period of business travel
- Conferences & Training – Fees, travel, accommodation and subsistence on work related conferences and external training events.
- Business entertainment where it is wholly, exclusively and necessarily in the performance of duties of the employment
- Business calls
- For volunteers only, costs for care for dependents where necessary to permit involvement in an assignment.

Non-Allowable Expenses

These types of expenses are not permitted by the AEC or would be considered to be taxable remuneration by HMRC. Where, exceptionally, the claims are authorised, payment will be subject to statutory deductions of tax and National Insurance. Some examples are:

- Entertainment – not related to business
- Home telephone line rental costs unless a separate business line is installed
- Any costs related to internet connectivity at home unless a separate business line is installed
- Any traffic related fines or penalties incurred on business travel.

4. GENERAL CONSIDERATIONS

Planning ahead

As forward planning can often save money, you should think about any expenses you are planning to incur as far in advance as possible. You should ensure in advance that there is budgetary cover for your expenses and obtain prior approval from the appropriate person for any exceptional or unusual items of expenditure (such as hospitality) or unusually large single items of expenditure.

Supporting evidence

Because many of the AEC's expense allowances are in excess of the standard HMRC scale rates, receipts, invoices or similar proof of expenditure **must** be provided with the claim, as these will need to be made available for inspection in the event of an HMRC audit. Original, photographed or scanned copies are acceptable. Please note that the AEC is not registered for VAT and cannot recover any VAT.

Expense claims should not be submitted if there is no supporting documentary evidence, although small incidental expenses totalling less than £10 can be made without receipts where these are impracticable to obtain.

5. RULES SPECIFIC TO TRAVEL

Travel expenses are reimbursed only when **an additional cost** is incurred. If you hold a season ticket or equivalent that already covers part of the journey made, then only the **excess** cost of the journey can be claimed (i.e. any additional amounts you actually paid out).

Business Travel and Related Expenses

The AEC seeks to minimise and mitigate any environmental damage it may cause through its business activities. You should bear this commitment in mind when making any travel arrangements. Public transport (other than air travel) is generally far less damaging than any form of car travel and should be the preferred option. Cars (including taxis) should only be used when it is not possible to use public transport or where the cost of public transport considerably exceeds use of a car or taxi.

Business journeys and related expenses may include any of the following items:

- Rail and bus fares
- Taxi fares
- Air fares
- Ferry fares
- Car mileage - official business miles
- Car Parking
- Congestion charges
- Tunnel and Road Tolls
- Accommodation Charges
- Meals and Refreshments - during the business journey.

Rail & Bus Travel

You are expected to use your judgement when making travel arrangements. Where possible, travel should be undertaken outside peak times during periods when the cost of travel is normally cheaper. Advantage should be taken of discounted rail tickets, where available, by early booking of advance or other types of saver fares, and use should be made of railcards, where applicable, to reduce the cost of tickets.

You will be personally liable for any fines or additional fares that you may incur as the result of using an invalid or incorrect ticket.

Class of rail travel is determined as follows: Standard class should be used for all journeys other than where the cost of first class travel is cheaper than standard class or more expensive by £10 or less. If you chose to travel first class outside these parameters, then only the applicable standard class fare will be reimbursed.

Use of Oyster cards and contactless payment cards

Where you pay for business travel using a Pre-Pay Oyster card, then only the standard Oyster fare for that journey will be reimbursed. If you are travelling to more than one location during the day, then the maximum daily limit will apply. If you have registered for an online Oyster account then you can get a print out of your Journey History at [Oyster account](#). If you have not registered your card, you can obtain an Oyster User Statement detailing your journeys from any station ticket office or participating newsagent. The purchase of an Oyster card itself is not an allowable expense as it is not possible to prove it is wholly, necessarily and exclusively for business purposes.

Where you pay for business travel using a contactless payment card, then only the standard fare for that journey will be reimbursed. If you are travelling to more than one location

during the day or week, then the maximum daily or weekly limit will apply. You can register your contactless payment card on the [TfL website](#) and then get print outs of your Journey History to submit with your claim, or you can provide a copy of your bank statement showing the journeys for which you are claiming.

Air Travel

You should take advantage of any special offers or saver fares if possible. Class of flight is determined as follows: Economy class should be used for all domestic and international flights unless the upgrade is free.

Car Travel

If public transport cannot be used for a business trip, because of remoteness of destination, numbers of destinations or because you are transporting heavy objects, you may use your own car.

It is your responsibility to ensure that any privately-owned vehicle used by you on official business complies with all the requirements for use on the public roads including having insurance, current road tax and, where necessary, a current MoT Certificate. You must also hold a current Driving Licence entitling you to drive the vehicle. The cost of maintaining your vehicle in roadworthy condition, including if appropriate the cost of insurance for business use, will be your personal responsibility; likewise, any fines arising from traffic offences or parking fines incurred whilst using your car on business. Most insurance companies regard volunteering as falling within social, domestic and pleasure cover.

Where you choose to use your car for a journey that could be undertaken on public transport, you can only claim reimbursement up to amount that it would have cost you to use public transport.

Mileage Allowances

A mileage allowance may be claimed if you use your personal car for business travel. The AEC has adopted the mileage allowances set annually by HMRC which ensures the rates are reasonable and not deemed to be a taxable benefit in kind.

Claims should only be for the distance actually travelled on official business and should not include any private mileage. If you make a short detour from your business route (for example, to visit a relative) then this may still qualify as part of the business journey as long as the detour is not significant. If the detour is significant then you may not claim reimbursement for this part of the journey.

Details of the current mileage rates can be found in Appendix I.

Congestion Zone and ULEZ charges

Charges will be an allowable expense where the use of a car for business within a congestion and ultra-low emissions zone is unavoidable. If a claim is made, the reason for incurring the charge should be included on the expenses claim form.

The responsibility for paying the congestion or ULEZ charge lies with the driver of the car. You will be personally liable for any penalty charge imposed due to non-payment.

Parking charges & tolls

Where it is not practicable to provide receipts for parking charges, for example when using a parking meter, and tolls, the AEC will reimburse un-receipted parking claims up to a maximum of £10 per day.

Toll fees will be reimbursed at the standard rate for the relevant road, tunnel or bridge.

Taxi Fares

You can be reimbursed for the use of a taxi whilst on AEC business if any of the following circumstances apply:

- When no other method of public transport is available – e.g. when travelling late at night and public transport has stopped
- When carrying heavy official papers, baggage or equipment required for the performance of your duties
- For reasons of personal safety – e.g. where the availability or reliability of services late at night means that a journey using public transport would take much longer than a normal journey between home and work
- If you are unable to use public transport because of a temporary or permanent disability
- If it is essential to ensure a journey connection or arrival time
- If it is more cost effective when travelling in a group.

6. RULES FOR OTHER EXPENSES

Subsistence

The AEC has authorised limits for subsistence whilst on business although you may additionally claim for incidental expenditure on refreshments such as water, tea, coffee etc. per day. For information on current rates please see Appendix I.

Receipts should be provided for all subsistence claims.

You will be reimbursed for the **actual** expenditure incurred up to the allowance currently in place although individuals should deduct from their claim any costs that they would normally incur during a working day e.g. their normal lunch costs. The allowances include provision for any gratuities paid, provided they are included in the receipt and are not excessive.

Accommodation

You are expected to exercise your judgement in booking overnight accommodation to ensure that the level of expenditure is not excessive, and you would normally be expected to stay at a hotel such as a Premier Inn, Ibis, Holiday Inn Express or similar. You should take advantage of any special offers that are available - for example 2 nights accommodation for the price of 1 if staying longer than 1 night, or inclusive meals.

The AEC has a business account with Premier Inn, so any accommodation bookings with Premier Inn should be made in consultation with Moira Dean (moira.dean@englishcathedrals.co.uk).

The Royal Foundation of St Katharine in Limehouse offers reasonably priced bed and breakfast accommodation in London, especially for clergy who get a substantial discount. This can be booked and paid for by the AEC using its account. Arrangements should be made through Sarah King (sarah.king@englishcathedrals.co.uk) or Moira Dean.

Those travelling overseas should seek accommodation of an equivalent UK standard although it is recognised that costs may vary from the standard subsistence rates according to local economic circumstances.

Staff Training

Where you have incurred expenses in the course of an approved staff training event or away day they may be claimed in accordance with this policy. Where payment has been made using an individual's credit card, then card receipts or a copy of the statement must be attached to the expenses claim.

Entertainment

The cost of official entertaining must be appropriate. Occasional meals with professional advisers, agents and other business contacts are acceptable. You are expected to exercise your judgement in the choice of restaurant and the level of expenditure incurred. Any other entertainment expenditure, for example the purchase of tickets for sporting or cultural events, is not allowable.

Corporate Credit Cards

The AEC does not issue any corporate credit cards.

Other sundry items

Any sundry items should be claimed on an expense claim and the receipts attached.

7. PROCEDURES FOR CLAIMING EXPENSES

Claims should be made on the relevant Expense Claim Form which is available from your Project Manager or the Executive Director.

The claim should state the following:

- The reason for the expense being incurred - meeting, training event etc.
- Details of the expense - travel costs, hotel accommodation, meals etc.
- The cost incurred.

All expense claims must be supported by receipts for expenditure incurred. Claims can be made electronically by emailing the appropriate person the form along with scans or photographs of the documentation, or by mailing or handing the form and original documentation to the appropriate person or the Executive Director.

The AEC reserves the right to refuse reimbursement of any un-receipted or unreasonable costs. As the AEC understands that individuals may incur small costs for which receipts may not be available – e.g. refreshments, bridge tolls etc. – amounts up to the daily maximum levels for such expenditure shown in Appendix I will be applied for claims in respect of this expenditure providing they are itemised on the expenses claim form.

Claims from Executive members and volunteers ideally should be submitted as soon as possible after the meeting or event giving rise to the claim. Staff should submit claims within a reasonable period after the expenses are incurred.

Appendix I

Subsistence Rates & Limits

Please note, you can only claim for actual costs incurred up to the limits shown below.

Subsistence (when travelling on AEC business)	Limits (up to and including)
Breakfast: If journey started before normal daily departure time and no later than 6.30am: If staying in a hotel with an additional charge for breakfast:	£7.50 £9.50
Lunch: (additional cost over and above normal lunch costs)	£6.00
Dinner: If staying away from home or not returning home before 10pm	£20.00
Incidental Subsistence Expenses: In addition to the subsistence allowances referred to above you may additionally claim for incidental expenditure on refreshments such as tea, coffee, water etc.	£5.00 per day
Overnight Accommodation including breakfast Inner London: Provincial cities and elsewhere:	£139.00 per night £116.00 per night

Mileage Rates

The tax-free rates for cars and cycles set by HMRC are as follows:

	On the first 10,000 miles in the tax year	On each additional mile over 10,000 miles
Cars and vans	45p per mile	25p per mile
Motor cycles	24p per mile	24p per mile
Bicycles	20p per mile	20p per mile

These figures represent the maximum amount which can be paid to employees, Executive members and volunteers (including clergy) for work related mileage in their own vehicles, where public transport is not a viable option, without any tax or national insurance liability being incurred.

Passengers

To encourage car sharing, the AEC will pay you an additional amount of 5 pence per mile for each colleague that travels with you in your car on a work-related journey.

Unreceipted travel costs

Where it is not practicable to provide receipts (e.g. for tolls and parking charges) claims of up to £10 per day can be claimed providing they are itemised on the expenses claim form.