

# TRAVEL, SUBSISTENCE AND OTHER EXPENSES POLICY



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## 1. Introduction

- 1.1 This revised policy is effective from **1 January 2012** and applies to all employees of the Royal Air Force Museum and its trading company, Royal Air Force Museum Enterprises Ltd (collectively referred to in this document as the “Museum”). The main objectives of this policy are to:
- i. Add clarity to the Museum’s policy and procedures;
  - ii. Provide levels of recompense to staff that reflect actual sums paid out;
  - iii. Ensure that claims comply with conditions set by the Inland Revenue;
  - iv. Reflect comments from auditors.
- 1.2 Where appropriate, separate written instructions will apply at a local level for non-employees or to cover any variations from this policy.
- 1.3 The Museum will not attempt to set down a detailed instruction for every possible situation. However, this document sets out the policy and procedures for the most common situations and the underlying principles. It is the responsibility of individual staff members and Line Managers to ensure that guidance is obtained and given in any non-standard situations. This also applies before any commitment to expenditure is made on behalf of the Museum.
- 1.4 Line Managers are responsible for:
- i. Ensuring that this policy and procedures are communicated to and implemented by their staff;
  - ii. For approving travel plans in advance in response to business needs and for confirming that subsequent claims represent a valid business expense.
  - iii. Pre-authorising expenditure for goods and services normally dealt with through the Sage Accounting system;
  - iv. Thoroughly checking and countersigning claims from their staff. Line Managers must not authorise forms that are not completed correctly, and are responsible for checking that the claim is reasonable and that the arithmetic is accurate;
  - v. Clearly indicating whether the claim is against either the Royal Air Force Museum or Royal Air Force Museum Enterprises Ltd.

- 1.5 In any cases of doubt, clarification must be sought from the Chief Financial Officer or the Personnel Department in respect of this policy and procedures, as necessary.
- 1.6 All claims must be supported by itemised (VAT) receipts, where appropriate. Payment cannot be made without receipts without the approval of the Chief Financial Officer.
- 1.7 Individual members of staff have a personal responsibility for declaring to the Inland Revenue details of any 'benefits in kind' received in the course of employment with the Museum.
- 1.8 All claims must fully explain the circumstances giving rise to the claim in a form that can be independently audited at a future date without reference to either the claimant or the Line Manager, e.g., travel and subsistence claims must fully detail the purpose and justification for the journey resulting in the claim.
- 1.9 The Accounts Department will aim to reimburse expenses as soon as possible after receipt of the properly approved and countersigned claim.
- 1.10 The Museum operates a Hospitality Register in which staff must record all offers (whether accepted or declined) of hospitality as defined in separate instructions.

## **2. Travel Claims**

- 2.1 Staff travelling on authorised Museum business may elect to use their own private transport or public transport. (See paragraph 2.3 regarding the level of insurance cover required for such use.) Except at Stafford, each site also has some form of Museum- owned transport, which subject to suitability and availability, should be used for business purposes in preference to private transport. Local instructions exist for such transport, which must not be used for private purposes.
- 2.2 If private (i.e. personally owned) transport is used, the Inland Revenue Approved Mileage Rates, (Fixed Profit Car Scheme rates) will apply – Appendix 1. From time to time, the Museum will advise employees who use private vehicles for Museum business of any changes in the Inland Revenue Approved Mileage Rates.
- 2.3 The Museum requires staff who use their own private transport for Museum purposes to have comprehensive insurance cover. Evidence

of such cover may be required before mileage claims are paid. Staff also need to be aware of the exact terms of the cover of their private vehicle insurance before using the vehicles on Museum business. Particular care needs to be taken to ensure that the receiving of payment for business travel is permitted and that the policy covers all such journeys. If insurance companies charge additional premiums to provide the minimum level of cover to allow the use of private vehicles on Museum business, and it is demonstrated that it is cost effective for the Museum to meet such costs, then reasonable claims for such charges will be considered on a case-by-case basis.

- 2.4 Employees with cars with engines over 2000 cc may be able to claim additional personal tax relief, where appropriate, from the Inland Revenue where the Museum's reimbursement for such vehicles is less than the current Inland Revenue rates.
- 2.5 Employees may not claim for journeys between home and their normal work place (or vice versa) as such journeys are regarded as private by the Inland Revenue.
- 2.6 Fuel Receipts - Where business mileage is payable it is not normally possible to reclaim any associated VAT costs unless there is a valid VAT receipt for any fuel purchased on or immediately before the date(s) of travel. Similarly, if fuel is purchased for a Museum vehicle, VAT may only be reclaimed if a full VAT receipt is provided – garages often ask and purchasers may always request that a VAT invoice or receipt be provided.
- 2.7 Class & Mode of Travel - All staff will normally travel standard class (rail travel) and economy class (air travel). Where it is proposed to use any higher class of transport the Chief Financial Officer must be consulted before any booking is made.
- 2.8 The Motorcycle User and Bicycle Mileage – Rates are detailed in Appendix 1.
- 2.9 Official Passengers & Equipment - No special allowances are payable.
- 2.10 Public Transport Fares - Claims for public transport fares, etc. should be supported by valid receipts, i.e. train/bus/tube tickets. In the case of London Underground, where the ticket is unavailable, this should be stated on the claim form. Where an Oyster card is used, evidence should be supplied to show that the particular journey subject of the

claim was for Museum business. 'Top-up' claims will not be met by the Museum.

- 2.11 London Congestion & Toll Road Charges – Claims will only be reimbursed on production of receipts.
- 2.12 Parking Fees - Claims for reasonable parking fees incurred on authorised Museum business will be reimbursed in full when evidence of expenditure is produced. Where an employee has been obliged to use a parking meter and a receipt is not available, details of the parking expenses and length of stay will be acceptable as evidence of expenditure. In all other cases, a receipt must be provided.
- 2.13 Parking Fines & Penalties - The Museum will not reimburse employees for parking fines, excess parking charges, London Congestion Charge penalties, etc. incurred whilst on Museum business.
- 2.14 Car Hire - All self-drive car hire should be used exceptionally and must be approved by the appropriate Museum Director. The circumstance in which this might occur is where an employee who does not normally drive on official business is required to undertake a journey that would be difficult, longer, or more expensive than by public transport. The cars hired should normally be in Group B.
- 2.15 Taxis - The use of taxis will not normally be reimbursed for business journeys unless exceptional circumstances exist, i.e. cases of urgency when it would not be feasible to take a connecting journey via public transport or in other circumstances where it is inappropriate (for example, when carrying heavy documents). If travel by taxi is required, advance permission must be obtained from a Museum Director.
- 2.16 Spouse, Partners & Children - If a member of staff is accompanied by a spouse or partner who is not involved in official business, he/she must bear the cost of his/her spouse/partner. Any additional expenses cannot be reimbursed from public funds. It is not permitted to downgrade the travel or accommodation booked in order to fund travel costs for a companion. If there is an exceptional reason for a member of staff to be so accompanied, prior approval of the Chief Financial Officer must be obtained. Spouses and partners not engaged or employed by the Museum are not covered by Museum travel insurance, although they can be included at an additional premium which will have to be paid by the member of staff. This should be arranged through the Accounts Department.



### 3. Subsistence - UK

- 3.1 Subsistence expenses will be reimbursed to staff who are prevented, by performing the Museum's business away from their normal place of work, from taking a meal that they would normally take at their place of work (lunch) or home (breakfast or evening meal). The Museum's policy is to reimburse staff for extra expenses incurred in necessarily working away from their normal place of work on business. To qualify for reimbursement, expenses claimed must:
- a. Be reasonable in nature and value (i.e. not excessive in terms of quantity and cost). The Inland Revenue allows the reimbursement of, or payment by the Museum of "necessary subsistence costs" provided these are not unduly lavish;
  - b. Constitute expenditure which would not have been otherwise incurred.
- 3.2 In order to qualify for subsistence rates, staff must be at least 5 miles away from their normal place of work/home and have purchased a meal or meals.
- 3.3 As an aid to determining the reasonableness of such claims, indicative subsistence rates are listed in Appendix 1. Wherever possible, claims will be reimbursed for the actual receipted expenditure incurred rather than through payment of a fixed rate. These are indicative levels and not allowances. For example, a member of staff who is away on authorised business for 12 hours and incurs costs, supported by an itemised receipt of £6.00, will be entitled to claim only that sum. Claims in excess of the limits will be allowable only in exceptional circumstances where it can be shown that alternative cheaper eating places and/or meals were not available.
- 3.4 All claims must explain how and why the cost of the meal(s) is incurred as well as the reason the journey was necessary. In accordance with the Museum policy of paying actual expenditure incurred, fully itemised food and non-alcoholic drink receipts must be submitted.
- 3.5 Breakfast - When it is necessary for staff to make an early morning start from home, that is, any time before 6.00 a.m. and incurs a cost of breakfast taken away from his/her home. A claim of up to £6.00 may be made provided the total period of time that the employee is away from his/her normal place of work exceeds 5 hours. The business journey must be greater than 5 miles from the employee's permanent workplace. Itemised receipts must be submitted and the decision

regarding eligibility will rest with the Line Manager. This rate also applies if a member of staff has made a previous overnight stay and breakfast was not included in the accommodation rate. If staff regularly leave for work before 6.00 a.m. because, for example, he/she works an early shift, he/she would not be entitled to claim the breakfast rate.

- 3.6 Lunch - The receipted cost of lunch may be reimbursed when a member of staff is away from his/her normal place of work on Museum business for a period in excess of 5 hours between 12:00 noon and 2.00 p.m., and has incurred a cost of a meal. The business journey must be greater than 5 miles from the employee's permanent workplace. Lunch may be a hot or cold meal of two courses and may include a non-alcoholic drink. A fully receipted claim of up to £7.00 may be made.
- 3.7 Evening Meal (overnight) - The receipted cost of an evening meal may be reimbursed when a member of staff is staying overnight having worked his/her normal, or is absent from his/her normal place of work for a period in excess of 5 hours ending after 8.00 p.m. The business journey must be greater than 5 miles from the employee's normal workplace. The evening meal may be a hot or cold meal of three courses. A non-alcoholic drink may be claimed with dinner. A fully receipted claim of up to £20.00 (Provincial and London) may be made.
- 3.8 Where staff purchase refreshments, groceries, etc. as an alternative to a canteen or restaurant based lunch/dinner, the daily total must not exceed the indicative rates at Appendix 1.
- 3.9 Gratuities and tips may not be claimed.

#### **4. Overnight Travel & Subsistence - UK**

- 4.1 Overnight stays must be pre-authorized by the appropriate Museum Director.
- 4.2 Overnight hotel accommodation may be used in the following circumstances:
  - a. Where Museum business is being conducted at a location away from the member of staff's normal place of work for more than one day and it would not be practicable or cost effective to return home overnight; or
  - b. It would not be practical to travel on the same day to and from any location where Museum business is conducted, e.g. where the

business journey would have to commence very early (before 6.00 a.m.) or end late (after 8.00 p.m.).

- 4.3 All staff will pre-arrange overnight accommodation through the Personnel Department. This will ensure that appropriate accommodation is arranged at preferential rates available to the Museum. Overnight accommodation will normally be provided in a three star, or equivalent, hotel according to price and availability.
- 4.4 Wherever possible, the booking will be arranged to include the cost of a breakfast and evening meal. A faxed confirmation of the hotel and its charges will be provided to the member of staff as part of the booking process and this will indicate how payment is to be made. (See paragraph 4.9).
- 4.5 In exceptional cases when pre-booking of accommodation by the Personnel Department has not been possible, the subsistence rates for overnight travel detailed in Appendix 1 provide an aid to determining the reasonableness of the claims.
- 4.6 If the cost of accommodation and meals is justifiably above these rates, the claim for reimbursement will be based on reasonable actual receipted expenditure.
- 4.7 Staff may claim the cost of personal local telephone calls as long as these are reasonable. Staff using their own mobile phone for business calls should claim reimbursement in the same way as for calls from landlines, by claiming for the cost of such calls plus VAT through expense claims. The itemised bill must be attached to the claim, highlighting the calls subject of the claim. The Museum will meet the cost of business calls from a call box or hotel room, provided details of the call, including the length and to whom, are included on the claim. Note that where individuals have mobile contracts with 'free' minutes, which are used for business calls these will not be reimbursed. This follows HMRC guidance. As a guide, up to £2.00 per day for calls to any mobile network within the UK and standard UK landlines is permissible.
- 4.8 The Museum will also meet the cost of a daily newspaper, but not any claims for alcoholic drinks. **Any invoice or receipt showing that the expenditure was incurred as a "Bar" item will not be re-paid unless the claimant produces an itemised receipt showing allowable non-alcoholic items.** No other incidental expenses will be



reimbursed, e.g. non-meal room service, in-room movies, minibar, laundry, etc.

- 4.9 On checking out of the hotel, staff will normally be required to settle their own bill(s) direct with the hotel. In every case, all bills/invoices must be scrutinised and checked for agreement with the previously confirmed hotel charges (paragraph 4.4), including all extra meals etc. as allowed within Museum policy. Staff should not claim for any expenditure that falls outside the scope of this instruction.
- 4.10 Staff are required to submit itemised (VAT) receipts for each of the elements of expenditure with their claim form. Claims will not be authorised unless supporting receipts are provided. (Credit card slips alone will not be accepted).
- 4.11 On occasions, staff will attend conferences where the organisers will nominate a specific hotel(s). The reimbursement for the accommodation will be based on actuals and authorisation to use the hotel(s) will be pre-authorised by the Line Manager if they exceed a three star equivalent.
- 4.12 If, whilst on business, staff wish to take advantage of accommodation and meals offered by friends or a family member as an alternative to accommodation pre-booked by the Museum then this must be pre-authorised with the Line Manager. Reasonable reimbursement of actual expenditure incurred, supported by itemised receipts, will be made by the Museum.

## **5. Overseas Travel & Subsistence**

- 5.1 All foreign/overseas travel must be pre-authorised by the Chief Financial Officer, in the case of the Chief Executive Officer, by the Chairman of Trustees.
- 5.2 For budgeting purposes, maximum notice of such trips should be given to the Finance Manager.
- 5.3 Claims for accommodation, food and non-alcoholic drinks will be based on reasonable receipted actual expenditure. As an aid to planning, budgeting and determining the reasonableness of expenses likely to be incurred on overseas visits, indicative overseas subsistence rates are available from the Personnel Department.

- 5.4 Staff may claim the cost of personal overseas telephone calls as long as these are reasonable. As a guide up to £5.00 per day for international calls to any mobile network in the UK and standard UK landlines is permissible. The Museum will meet the cost of business calls from a call box or hotel room, provided details of the call, including the length and to whom, are included on the claim.

## **6. Business Hospitality**

- 6.1 There is a presumption against business hospitality off-site (London, Cosford and Stafford). All expenditure for the entertainment of business clients must be pre-authorised by the appropriate Museum Director.
- 6.2 The ratio will be one member of staff (host) to one guest, although additional staff may be included if pre-authorised. A 'guest' may not be an employee of the Museum.
- 6.3 The Museum will reimburse the member of staff for the costs of such meals or refreshments. All claims must be supported by itemised receipts, full explanation for the expenditure, names of guest(s) and the benefits to the Museum.

## **7. Submission of Travel, Subsistence and Expenses Claims**

- 7.1 The Museum's [Travel, Subsistence & Expenses Claim Form](#) has been designed to cover the most common forms of expenditure that staff incur on Museum business. All claims must be capable of withstanding internal and external audit without subsequent referral to the claimant or the Line Manager. Therefore, full written details of the nature and justification of the expenditure are essential and the responsibility of the claimant. Checking of such detail by Line Managers is a key part of the countersigning procedure.
- 7.2 For standardisation and ease of use, a claim form has been set-up on the IT network. This form, which amongst other features contains an embedded formula for mileage claims, is to be used for all such claims. A separate claim form, which must be used for re-claiming other expenditure necessarily spent on purchases unrelated to travel and subsistence items, is available from the Accounts Department.
- 7.3 Claimants are personally responsible for submission of accurate claims with itemised receipts through their Line Manager to the Accounts Department.

- 7.4 Claimants are responsible for retaining their personal copy of claim forms and details of the cumulative mileage incurred during each financial year to support any tax claim they submit to the Inland Revenue.

## **8. Other Expenses**

- 8.1 On occasions, members of staff are obliged to purchase an item or a service for the benefit of the Museum. The presumption is that all such purchases will be made through the Museum's normal Sage Accounting system. Therefore, in all cases where a member of staff makes such a purchase the claim must clearly show the reason for the purchase and why it was not possible to use the Museum's normal procurement system. Where such claims do not relate to travel or subsistence, a 'miscellaneous expense' claim form should be used.

## **9. Audit of Claims**

- 9.1 To ensure ease of audit, the following rules apply to submission of travel and subsistence and general expenses claims:
- i. All claims must be scrutinised and countersigned by Line Managers, Museum Directors, or the Chief Executive Officer, as appropriate (see 1.4 ii/iv);
  - ii. Claims in respect of out-of-pocket expenses for the purchase of items or services for Museum purposes must be submitted with supporting itemised (VAT) receipts, without which reimbursement will not be made;
  - iii. Advances for anticipated expenditure may be requested through the Accounts Department. Any part of the advance not spent must be returned to the Accounts Department.
  - iv. All travel and subsistence claims must contain sufficient detail to show both the justification and the nature of the journey and expenses incurred.
  - v. All claims should be submitted as soon as possible after incurring the expenses, but in any case within one month;
  - vi. Claims for travel and subsistence should include all items incurred since the last such claim;
  - vii. In the case of items or services purchased for Museum purposes, the claim must list:-
    - a. Exactly what was bought;
    - b. Evidence of value for money;
    - c. Why a local purchase was necessary;

d. Budget Code to which the purchase is to be allocated, and

be processed in accordance with the normal procedures for obtaining goods and services.

9.2 Whilst claims and payments will be subject to external and internal audits, claimants and Line Managers are responsible for ensuring accuracy and compliance with policies and procedures.

**10. Misuse of Travel, Subsistence & Other Expenses Policy & Procedures**

10.1 The Museum will regard contraventions of this policy and procedures very seriously, and will investigate any apparent misuse.

10.2 Such misuse, depending on the circumstances, may be treated as theft, and could lead to dismissal or prosecution where it also amounts to gross misconduct under the Museum's Disciplinary and Dismissal Procedure.

UNDER REVIEW

EFFECTIVE 1 JANUARY 2012

1. **PRIVATE VEHICLE - FIXED PROFIT CAR SCHEME RATES**

Vehicle mileage rates are those Inland Revenue approved rates that are prevailing at that time, and are tax-free. The latest published rates are:

<b>BUSINESS MILEAGE:</b>	<b>ALL ENGINE SIZES:</b>
First 10,000 Business Miles:	£0.45
Each Business Mile over 10,000:	£0.25

2. **MOTORCYCLE USER RATE (ANY MILEAGE)** – 24p per mile.

3. **BICYCLE MILEAGE RATE (ANY MILEAGE)** – 20p per mile.

4. **SUBSISTENCE RATES**

The maximum rates allowed for meals are:

**Meals:**

<b>Breakfast</b>	Up to £6.00
<b>Lunch</b>	Up to £7.00
<b>Evening Meal</b>	Up to £20.00

**Accommodation:**

<b>Greater London</b>	Up to £100 per night (including breakfast)
<b>Rest of UK</b>	Up to £80 per night (including breakfast)
<b>Overseas</b>	Equivalent to UK 3 Star standard

**Note: Subsistence payment is not an allowance, but a reimbursement of expenses within a set ceiling. Wherever possible, lower costs should be incurred and claimed. All claims should be supported by itemised (VAT) receipts. Payment cannot be made without receipts.**

***These rates are subject to review and change by general notice.***



Monitoring:

Responsibility for the review and development of this policy lies with the Personnel Manager. Day to day operation, the implementation and monitoring of this policy is the responsibility of Line Managers who should ensure that it is adhered to.

UNDER REVIEW