

Travel and Expenses Policy Field and Office Based Employees Reimbursement of Business Expenses

Purpose

A policy and procedure so employees are reimbursed for expenditure incurred for business activities. This includes travel and meetings provided that such expenses are approved in accordance with the requirements of this policy.

Policy Statement

To ensure that employees will be reimbursed for reasonable expenses incurred on the company's behalf whilst engaged in authorised business activities. All such expenses must be wholly, exclusively and necessarily incurred. Expenses defined as "reasonable" are those which are cost effective and appropriate considering the purpose of the business activity.

Under no circumstances are employees permitted to claim expenses on behalf of another person. Where a single bill is presented for a group of colleagues e.g. in a restaurant, it is the most senior person whom would pay the bill and claim the expense and put all names on the receipt.

HMRC regulations stipulate that where Pabulum provides an employee with anything other than pay, it may count as an expense or benefit that is subject to tax and/or National Insurance, dependent upon the type of expense and the way in which it is provided. The charge may be taken either through the payroll or via P11D at tax year end. Therefore, for a business expense to be reimbursed by Pabulum it must have been incurred 'wholly, necessarily and exclusively for business purposes', be supported by a valid VAT receipt, with itemised documentation where appropriate, and it must be approved by the appropriate authorising manager. If any of these conditions are breached, the cost may be chargeable to tax/NI and the employee themselves would bear that cost.

Any attempt to submit a false expense claim or manipulate the Travel and Expenses Policy will be treated as a disciplinary offence and dealt with via the company disciplinary procedure. Any employee who knowingly breaches this policy may well be committing an act of Gross Misconduct and render themselves liable to Summary Dismissal.

All expenses are to be submitted on a timely basis using the expense claim form and will be paid in accordance with the expenses calendar.

Responsibility and Enforcement

All field and office-based employees are responsible for complying with the guidelines laid out in this policy. All expenses must be approved, and no claimant may authorise their own claim. By approving transactions, the authoriser is confirming that the costs have been incurred wholly, necessarily and exclusively for business purposes, that they comply with the guidelines within this policy and that all costs have been supported by itemised receipts. HR, together with Finance, are responsible for ensuring that this policy is regularly reviewed and updated where appropriate.

Field Based Employees

The Employees' contract of employment will confirm this status. However, for clarification a field-based employee has no fixed working location such as, but not limited to, Operations Managers and Development and Support Chefs.

- You have a series of different workplaces with no fixed location – you may be expected to work across multiple sites. You may claim mileage from home to your temporary workplaces, subject to a policy deduction of the first and last 10 miles of your round trip.

Conferences, Meetings & Events

Where appropriate, all internal meetings should be hosted in Pabulum offices, client or supplier venues which represent the best value and cost. However, should there be no rooms available that meet your needs, please refer all conferences, meetings and events requests to your line manager who will consider your request for an alternative venue.

Rail Travel

Whenever rail travel represents the more convenient and economical method of travelling, then the lowest available fare within standard class should be taken. No first-class rail travel is permitted, only standard class fares can be claimed.

Savings can also be made when travelling on the Transport for London network (TFL, including tube, London Overground, DLR, etc.) through using an Oyster contactless payment card; You can obtain a VAT receipt if your card is registered – register your card via www.contactless.tfl.gov.uk/

For reimbursement of rail travel, even via contactless payment, employees must provide supporting evidence that demonstrates that the tickets have been used wholly, necessarily and exclusively for business travel. Full details of the reasons for the travel must be included on the claim.

Accommodation and Meals

Long working hours and excessive travel should be avoided on health and safety grounds; in these instances, it may be appropriate to consider hotel accommodation. Prior permission from your line manager must be obtained. As guidance, should an employee be further than 100 miles or 2 hours driving from home, after a full working day, then a Director has the discretion to pre-authorise and sign off overnight accommodation.

Accommodation should be booked at a Premier Inn, using the Pabulum Business Account, through the PA to the Directors.

Accommodation Rates

Location	Maximum rate per night (B&B)	Maximum rate per night (Room only)
Central London	£150	£140
Other	£100	£80

Any accommodation booking outside of policy requires Director approval.

Meal Rates

Where meals are not included in the cost of the accommodation, then the following allowances are acceptable where overnight stays are required:

Breakfast	£10 per employee including drinks
Evening meal (day of overnight stay)	£25 per employee including drinks

Incidentals

Pabulum will not reimburse any incidental costs such as, but not limited to, newspapers, mini bar or laundry. However, mobile telephone, WIFI charges and hotel car parking will be accepted when on overnight company business.

Subsistence

Subsistence only applies when an employee is required to work away from a Pabulum site or their normal place of work.

The following are the maximum rates and are only claimable where a receipt is provided as evidence that an actual meal has been purchased. Reimbursement maximum - Breakfast - £7.50
Lunch - £10.00.

Note: the cost of ad hoc refreshments, such as drinks & snacks, is not reimbursable.

Transport

Taxis

Employees are encouraged to use the most cost-effective service available. Taxi charges will only be reimbursed where alternatives are not available or are impractical and the journey is specific to a business trip. There will be no reimbursement of home to work taxi travel, unless acceptable circumstances arise, which require Director approval.

Private Vehicles used for Company Business

Employees may drive their private vehicle for company use and reclaim their mileage at the prevailing rate. Reimbursement includes an allowance for oil, fuel, business insurance excess plus a contribution to the wear and tear of the employee's vehicle.

All drivers of private vehicles must comply with the company's Vehicle User Agreement.

Please note the following:

Reimbursement rates apply up to the first 10,000 business miles claimed in any tax year at a rate of 35p. In accordance with HMRC regulations, business miles in excess of 10,000 miles are reimbursed at a rate of 25p per mile. Field based employees should deduct the first and last 10 miles from any business journey. The expenses system is automated to do this for you.

Home to work travel, or the reverse, is not reimbursable for office-based employees; this equates to a taxable expense.

In accordance with HMRC regulations, private car users may claim 5p per mile for every Pabulum employee who shares their car with another employee on a business trip. Please provide details of the employee on your mileage claim form.

Full details of each journey, including post codes of the start and end point where available, plus details of any journey breaks/detours, will be required for each journey to support HMRC requirements.

The number of miles claimed should always reflect the shortest possible route.

Where an employee needs to travel past their normal/permanent place of work in order to reach their destination, only mileage from their place of work should be claimed. Employees should only claim mileage from home where this represents a shorter route than starting from work.

A VAT fuel receipt covering the period of the claim, showing a VAT value equal to or exceeding the amount claimed must be provided with your claim.

It is the driver's responsibility to arrange fully comprehensive motor insurance for the use of a private car on company business including, if necessary, the carriage of goods. A copy of the certificate of motor insurance is to be provided annually to HR. The company accepts no responsibility whatsoever for the loss or damage to the car, its passengers, or other persons, arising out of the use of the car in this way or any uninsured loss, excess or loss of no claims discount.

Further details relating to use of private vehicles can be found in the Company Car Policy, and Vehicle User Agreements.

Company Cars / Car Allowance

Company car drivers, or those in receipt of a car allowance, plus those drivers in a hire car awaiting their company car, should always claim the car allowance rates in accordance with HMRC guidelines. The expenses forms indicate the correct mileage rate which can be claimed, dependent on the size/type of vehicle. Please use the updated claim form issued on a monthly basis by Finance.

In the event that a company car driver or employee with a car allowance needs to make use of a hire car, the lower rate should still be claimed since the employee is only entitled to reclaim business mileage before being subject to tax.

Hire Car

All car hire arrangements should be made through the Finance Director. However, in the event the car hire cost has to be paid by the driver on collection, then these should be paid by the employee and claimed via the normal expenses procedure.

Please be aware that when a hire car is made available to you it will be assessed as being available for private use and therefore details will be submitted to HMRC on our monthly P46 (Car) submission. This will be treated as a taxable benefit by HMRC.

Fuel required for longer term hire when the hired vehicle is a replacement for a company car should be reclaimed as reimbursement for business mileage at the relevant rate.

Congestion Charges and Tolls

Congestion and Toll charges are reimbursable when incurred as part of a business journey. However, any penalties for late or nonpayment must be settled by the employee. Please contact the PA to Directors if you wish to have your vehicle added to the company Dart Charge account.

Parking

Employees may be reimbursed for parking charges when associated with business travel. Tickets and receipts should be submitted. However, any penalties for nonpayment must be settled by the employee personally.

Home Telephone / Personal Mobile Phone

Reimbursement of the cost of business calls made from a private home telephone and/or personal mobile phone may only be made when supported by itemised bills, with business calls highlighted. Pabulum will not reimburse line rental, monthly tariffs or equipment since the contract is between the employee and the phone provider, which would make any payment liable for Tax and National Insurance through the payroll.

Broadband

Reimbursement of the cost of business broadband usage made from a private home line and/or personal mobile phone may only be made when supported by itemised bills, with business use highlighted. Pabulum will not reimburse line rental, monthly tariffs or equipment since the contract is between the employee and the broadband/mobile phone provider, which would make any payment liable for Tax and National Insurance through the payroll.

Pay As You Go Mobile Phone Vouchers

Reimbursement for the cost of top up vouchers will only be made where all calls made are for business purposes only. Where cards/vouchers can be used for private calls, a charge for Tax and National Insurance against the full value of the card will apply.

Business Entertaining, Employee Meetings and Gifts

For all cases of entertainment, employees must ensure that the cost of the meals and associated expenses are appropriate to the nature of the business. The company reserves the right to reject or reduce expenses if considered to be excessive. Any service charges or gratuity to be reimbursed must always be shown on the receipt. Please ensure names and reasons are included on the receipt.

Entertaining

Employees may be required to entertain customers, suppliers, business contacts or potential clients in the execution of their duties. The nature of the business, the names of the individuals being entertained, the reasons for the entertainment and the identity of the company, must be clearly stated on the expense claim. Reimbursement will only be applicable where the entertainment meets one or more of the following criteria:

- Pre-approved by a Company Director.
- It is directly related to the active conduct of Pabulum.
- It is directly preceded or followed by a substantial and bona fide business discussion and is associated with the active conduct of Pabulum.
- It consists of a business meal or event in a place conducive to a business discussion where the other persons present are engaged in a business discussion or activity which have a relationship to the Company's business.

Professional Fees and Subscriptions

Fees and subscriptions must be relevant to the nature of employment and the performance of duties must be directly affected by the knowledge that the organisation in question provides. Authorisation for the reimbursement of professional fees and or subscriptions must be obtained from the employee's line manager in advance of the fee/subscription being incurred.

Miscellaneous

Pre-Opening and Local Purchasing

When there is a requirement to purchase items locally in order that a contract continues to provide the agreed level of goods or services/and or a new opening requires essential items to ensure that mobilisation is achieved to the standards required, then the costs can be reclaimed and charged to the appropriate cost centre. VAT receipts must be submitted.

Where local purchases are regularly made to cover stock shortages, then the Operations Director or Operations Manager should investigate the reason, and liaise with the Purchasing Team.

Stationery and Postage

An employee may only claim the cost of stationery when items are unavailable from the Fleet Office, or when these items are required urgently when out in the business. Whenever possible the Fleet office or other Pabulum sites should be used to send mail. When postage costs are incurred, receipts should be submitted.

Personal Gifts

Claims for personal gifts and cards, e.g. Christmas, birthday or leaving gifts, are not reimbursable. Whilst Pabulum appreciates that these occasions should sometimes be recognised, claims can only be made with prior approval from a Director in advance of the expenditure.

Life Changing Events

Pabulum has authorised suppliers for flowers and similar gifts, which should be used for life changing events such as births, bereavements, long term sick, and retirement, up to £50. These will not be reimbursed through the expenses and will need to be organised by the Fleet Office.

Claiming and Approval of Expenses

Claiming Expenses

The Expenses Claim Form must be used for reclaiming any expenses. Reimbursement is made via a BACS payment on the last working day of the month.

Once a claim is completed it should be forwarded to your line manager for approval.

It is the responsibility of both the claimant and the authoriser to ensure that claims are valid, properly documented and compliant with this Policy. All receipts must be scanned and attached to the claim.

Frequency of Submission

An expense claim may be completed on a timely basis. However, expenses incurred should not be stored up for more than 2 months in arrears.

Completing your Claim

Original invoices/receipts, as distinct from photocopies, must be produced to support claims and to enable Pabulum to reclaim VAT. Credit card slips are not acceptable as receipts or tax invoices. Where receipts are not provided for specific elements of a claim, the cost centre will be charged the gross value of the item on the claim. Repeated submission of expense claims without supporting receipts may result in disciplinary action. Any invoices for personal (non-business) expenses incurred by an employee will be returned to the same employee for settlement.

Excluded Expenses

For clarity, the following may not be claimed as expenses and costs must be borne by the employee:

- Motoring offence fines e.g. speeding, congestion charge penalties, parking (and any associated administration charges).
- Car wash/valeting.
- Costs of rectifying when wrong fuel put into a vehicle while on company business (Diesel versus Petrol).
- Travel/hotel costs for friends, family and spouses on accompanied trips.
- Phone calls and/or rental for private mobile phones, including top-up cards for overhead personnel.
- Laundry/hotel films and entertainment/overnight incidentals such as toothpaste/ shampoo.
- Birthday cards/gifts for employee anniversaries, Christmas etc.
- Credit Card Subscriptions, Overdue Charges, Interest Charges or Reward Scheme Fees.
- Charitable Donations.
- Subsistence food costs whilst at the employee's usual place of work.
- Insurance.
- Pet or childcare.
- Souvenirs and Gifts.

- Magazines/Newspapers/Books.
- Alcohol only, bars and nightclubs.

The above list is not exhaustive.

Her Majesty's Revenue & Customs (HMRC)

All expense spend may be subject to review by HM Revenue & Customs on an individual basis. Each employee is wholly responsible for being as explicit as possible in completing their expense submissions and to maintain personal records of expenses claimed. Employees also remain responsible for maintaining their own records, which should include journeys dates and mileage.

Nelson Williams
Managing Director

(This policy will be reviewed in May 2023)