



**Manchester  
Metropolitan  
University**

**FINANCIAL PROCEDURE 9**

**TRAVEL, SUBSISTENCE AND OTHER EXPENSES POLICY**

**Financial and Legal Services**

**December 2012**

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## **1. Introduction and scope of policy**

- 1.1 This Policy applies to all staff & governors of the University.
- 1.2 This Policy provides guidance in claiming reimbursement of travel, subsistence and other expenses incurred in connection with University business. These provisions recognise the need to balance a number of factors including our desire to support staff, business needs, concern for the environment, public perception and prudent use of public funds.
- 1.3 Travel and subsistence claims may include the cost of meals, accommodation and any other expenditure or travel expenses wholly, exclusively and necessarily incurred while on University business. Claims may also be made for costs incurred by persons entertaining official guests (non-employees). Claims cannot be made for any additional stays made for personal purposes.
- 1.4 The general principles of reasonableness and economy must be applied for all claims. Alternative means of communicating should be considered in lieu of travel in support of environmental considerations.
- 1.5 The approach taken protects the University from inappropriate expenditure and ensures that University funds are used efficiently and effectively. It is important to note that the Policy applies to all funds administered by the University, including those secured through research and other grants and contracts. Only where such funds are subject to more stringent rules imposed by external bodies will any other requirements be considered to override those of the University. They will not, however, override the requirement for claims to be for actual expenditure and supported by receipts.
- 1.6 The provisions in this Policy are consistent with HMRC rules and guidance and the University's Financial Regulations. They should be read in conjunction with other relevant University policies including Anti Fraud and Corruption, Entertainment Related Expenses and Hospitality, Use of Procurement Cards, and Business Travel Arrangements.

## **2. Travel expenses**

### **2.1 General**

- 2.1.1 The University will pay for travel expenses of members of staff for journeys made in the performance of their duties as employees of the University. 'Green Travel' is encouraged and all members of staff should consider the cost of travel before undertaking it.
- 2.1.2 The method of transport offering the best value should be used, taking into account efficient working practices. Usually this will be standard class rail or economy class air travel, although staff should consider different options, for example public transport, hire car, or private car, depending on the destination, and the number of travellers.
- 2.1.3 Travel other than standard class or economy is permissible in certain circumstances such as in the case of disability and where air travel involves more than eight hours flying time. Prior agreement of the Director of Finance is required.

- 2.1.4 Members of the Directorate are entitled to first class travel along with staff accompanying a member of staff who is entitled to travel first class.
- 2.1.5 Where staff are accompanying students on a rail journey they will be expected to travel standard class.
- 2.1.6 Justification for travel other than standard class/economy must always be given, and Financial and Legal Services reserve the right to pay the lower of actual cost and equivalent standard class/economy fare.
- 2.1.7 The University will not provide for or reimburse the costs of private travel or travel from home to an employee's permanent place of work, except in certain approved and limited circumstances (e.g. 'call-outs' outside normal working hours – see Section 2.5 below), in which case the payment is made subject to the deduction of income tax and national insurance contributions. Special procedures for sessional staff whose job requires them to visit schools are detailed in Appendix D.
- 2.1.8 Ticket stubbs or receipts must be attached in support of any expense claim. Note that some railway tickets are retained at the end of the journey by automatic barriers, so a receipt should always be requested at the point of purchase. If the ticket is booked online as an 'e-ticket', i.e. there are no separate physical travel tickets issued, then a copy of the booking web page should be retained, printed, and attached to any claim.

## **2.2 Private Motor Vehicles and Mileage Rates**

- 2.2.1 Car mileage allowance will only be paid to car users in accordance with the current approved rates. Rates are reviewed annually and are attached at Appendix A. Employees using their own vehicles must check that their motor insurance policy permits use of their vehicle on University business. Claims must be made on the appropriate form and car users must have signed a Motor Insurance Declaration form; this can be found at <http://www.finance.mmu.ac.uk/documents/procedures.cfm> .
- 2.2.2 Members of staff may claim the following:
- The higher rate per mile for the first 50 miles in a single journey up to a maximum of 10,000 miles in the tax year (6th April to 5th April).
  - The lower rate applies for the remainder.

The mileage rates are reviewed annually and are published on the Financial and Legal Services web site.

It is the employee's responsibility to keep a record of mileage claimed.

- 2.2.3 Approved miles to and from University sites are as shown in Appendix C. A single journey is from point A to B. If, in any one trip, visits are made to more than one site, e.g. from All Saints to Didsbury, Didsbury to Crewe , Crewe back to All Saints, the claim should detail each leg of the journey.

- 2.2.4 If a member of staff travels on University business to a place other than their permanent place of work (including a journey to a temporary place of work), and the journey begins and/or ends at home, travelling expenses will be paid on the basis of the shorter of:
- actual mileage travelled (after having deducted normal home to work mileage); and
  - mileage that would have been travelled if the journey had commenced/finished at the permanent place of work.
- 2.2.5 The equivalent mileage from home to permanent place of work must be deducted from the total mileage travelled even if this is outside normal working times or if the member of staff holds a season ticket for public transport. Please see special conditions detailed in Appendix D for Sessional staff whose job requires them to visit schools.
- 2.2.6 Travelling costs between home and the normal place of work can never be claimed, however, a taxi may be justified where a member of staff is **required** to work later than usual and until at least 9pm on an irregular basis. In these circumstances, their taxi fare home may be reimbursed at their manager's discretion.

## **2.3 Car Hire**

- 2.3.1 In certain circumstances, hire of a car may offer the most efficient and cost effective means of transport. It is expected that a hire car will normally be used for journeys of 100 miles or more.
- 2.3.2 Fuel costs for business mileage which are not covered under the hire agreement may be claimed as expenses when supported by a receipt.

## **2.4 Fines and Penalties**

- 2.4.1 Car parking fines, release fees, speeding, and other motoring penalties are the responsibility of the individual and the University will not reimburse these costs.

## **2.5 Claiming 'Call-Out' Travel**

- 2.5.1 Members of staff, who are on call and are 'called out' and return to the University outside normal hours, may claim travel expenses. However, such payments are taxed to comply with HMRC rules on the payment of the cost of home to work travel. Staff who use their private car may claim mileage allowance in accordance with the current approved rates or, alternatively, staff who use public transport or taxis may claim the actual costs.

## **3. Subsistence expenses**

### **3.1 General**

- 3.1.1 The University will pay subsistence when the individual is away from their place of permanent work within the UK, unless it is otherwise provided. Claims up to the published rates will be allowed for the actual amount of expenditure as evidenced by

receipts, and as approved by the budget holder. These rates, which are a contribution towards the costs incurred by the employee, are reviewed annually and are detailed in Appendix B. They can also be found on the Financial and Legal Services website at [http://www.finance.mmu.ac.uk/uploads/35/Travel\\_Subsistence\\_rates.pdf](http://www.finance.mmu.ac.uk/uploads/35/Travel_Subsistence_rates.pdf).

- 3.1.2 All claims for subsistence must be supported by receipts except in the limited instances specified in this Policy in which expenses are reimbursed by way of maximum allowances for which receipts are not required. The general principles of reasonableness and economy apply. Subsistence expenses are not normally claimable for inter-site visits.
- 3.1.3 Miscellaneous charges on hotel bills will be reimbursed when incurred necessarily on University business. The following are not accepted as legitimate business expenditure:
- Personal phone calls
  - Certain charges made by hotels for the use of facilities such as pay per view videos, leisure facilities, etc
- 3.1.4 A member of staff travelling on University business and choosing to stay overnight in the UK with friends, relatives or colleagues instead of in a hotel, will be reimbursed for the actual cost of an evening meal (for himself/herself only) up to the allowed rates. No other expenses should be claimed. Staff are not permitted to claim 'cash payments' when staying with friends. For policy on overseas stays see Section 3.3.3 below.
- 3.1.5 Subsistence gratuities will be reimbursed provided these are not excessive. The claimant may write the amount on the receipt if it does not already appear there.

## **3.2 Personal Incidental Expenses**

- 3.2.1 Staff may claim the actual costs of personal incidental expenses such as newspapers, one private call home per day, laundry etc provided that the total amount spent on such items amounts to no more than £5 per night (where the night is spent in the UK) or £10 per night (where the night is spent outside the UK).
- 3.2.2 No receipts will be required to support such a claim, but expenditure must be itemised on the claim form and staff should claim only the costs incurred up to the limit, rather than claiming a round sum allowance. The average may be calculated only over the duration of an unbroken business trip. Any nights not spent away from home on the business trip will break the period. The University will check claims for personal incidental expenses to ensure the HMRC limits are not exceeded.
- 3.2.3 The University will not reimburse other personal costs incurred as a consequence of being away from home on business, for example the cost of childcare.
- 3.2.4 The University will not reimburse staff for any accommodation expenses incurred by staff to allow them to make early or late starts (e.g. for meetings) at their usual place of work.

### 3.3 Overseas Travel

3.3.1 Hotel accommodation and meals overseas should be in hotels and restaurants similar in quality to those that would be used in the UK. As the cost of such accommodation and the price of food in restaurants vary so much worldwide, HMRC has confirmed benchmark rates for meal costs and accommodation costs for overseas business travel by employees. The University will reimburse actual expenditure up to these rates.

3.3.2 The rates payable depend on the time spent by the employee at a particular location and vary by country to country and even city to city and can be found at <http://www.hmrc.gov.uk/employers/wwsr-bench.pdf>. Please include a copy of the specific country/city HMRC applicable rates with the claim.

Various rates are provided within the table, the most commonly used ones being:

- A "room rate" which provides the benchmark accommodation cost per night in each location
- A "total residual rate" which covers the cost of all meals in a 24 hour period as well as travel between the hotel and office location
- A "24 hour rate" which is the two above rates combined
- An "over 5 hour rate" for meal costs
- An "over 10 hour rate" for meal costs for periods of more than 10 hours but less than 24 hours

3.3.3 If staying with friends or relatives an allowance of 10% of the overnight accommodation rate (maximum rate per day as per the tables) may be claimed for a gift for the friend or relative.

3.3.4 When making a claim for costs incurred in foreign currency, the exchange rate to use should be either the rate charged for conversion into the foreign currency, or the rate current at the time of the expenditure as quoted in the UK financial press. If the former differs significantly from the latter, and the former has been used, evidence should be supplied to support the rate used (e.g. if currency has been exchanged whilst away).

3.3.5 In the case of purchase by credit card, the preferred method of claim is to use the rate charged on the credit card statement, in which case a copy of the statement should be submitted with the claim. (Please note that it is advisable to obscure the credit card number from statements). Alternatively, the rate may be the rate current at the time of the purchase as quoted in the UK press.

3.3.6 Where it is necessary, in the discharge of University duties or in the interest of promoting goodwill, to return reasonable hospitality whilst abroad, the cost of this may be claimed.

3.3.7 It is also recognised that from time to time it is necessary to purchase and present appropriate and reasonable gifts to overseas partners; the costs of these items will be reimbursed.

3.3.8 Where a claim is being made for expenses incurred over a period of time, it is usually beneficial to enter the expenses into a schedule, and then cross-reference to receipts.

### **3.4 Accompanying Persons**

- 3.4.1 Any person travelling who is not directly connected with the University business for which the travel is being undertaken should normally pay for their costs at source.
- 3.4.2 Note that the University's travel insurance policy does not extend to non-employees and alternative arrangements for insurance cover will need to be made.

## **4. Entertainment**

- 4.1 Necessary costs of entertaining business contacts will be reimbursed on production of receipts. Please see the University's Entertainment Related Expenses and Hospitality policy for further guidance.

## **5. Other Expenses**

### **5.1 Professional subscriptions**

Personal professional subscriptions for members of staff are the personal responsibility of individual members of staff. No University reimbursement shall be provided for such costs, although individual staff members may be able to claim tax relief for such costs either through their tax code or on their own tax self-assessment returns. Exceptionally, personal subscriptions may be reimbursed in the following circumstances:

- the subscription is required for a specific business purpose or activity, such as attendance at a conference, or obtaining information and participating in relevant HE sector groups; and
- such a subscription cannot reasonably be purchased by the University directly.

### **5.2 Telephone calls and IT related expenses**

- 5.2.1 University staff that are required to make business calls on their home or mobile telephones must attach the appropriate bill to the staff expenses claim form with the relevant business calls highlighted and only these will be reimbursed. If employees are away on business overnight and need to make an essential personal call, this will be reimbursed (see Section 3.2 Personal Incidental Expenses).
- 5.2.2 In all cases, provision of top up cards for Pay As You Go services are not permitted as HMRC rules cannot be met.
- 5.2.3 The University will not reimburse staff for broadband or internet connections as the University cannot demonstrate sole and exclusive business use to satisfy HMRC guidelines. The University recognises there will be exceptional cases where it is an absolute necessity for staff to work from home, using a dedicated internet connection. In these circumstances, and where there has been agreement from the line manager, the University shall arrange for direct provision of the service, following approval by the relevant Head of Department/Dean or Director. The use of this internet connection should be for business purposes only so as not to give rise to a taxable benefit.

### **5.3 Internet purchases**

- 5.3.1 These should usually be made using standard University purchasing procedures, including using official purchase orders. However, it is recognised that there may be occasions where it is economic to make purchases over the Internet. Wherever possible, purchases over the Internet should be made using a University procurement card.
- 5.3.2 The purchaser should print out a copy of the items purchased, the price paid, VAT payable, and information about any additional charges such as delivery, together with an acknowledgement that payment has been accepted. This should then be attached to the claim.

### **5.4 Non-refundable Items**

- 5.4.1 The basic rule for expenses to be reimbursable is that the costs must have been wholly, exclusively and necessarily incurred in the performance of University business. In addition to the items specifically referred to in the sections above, the examples below do not constitute business expenditure. Please note the list is not exhaustive.

- 5.4.2 Examples of other expenditure that will not be reimbursed:

- Purchase of goods or services
- Uniforms – these must be purchased by the University.
- Birthday, retirement and other types of cards
- Flowers, gifts or vouchers (except flowers purchased occasionally at the discretion of the relevant Dean/Director in the case of staff sickness, bereavement or other appropriate circumstances).
- Decorations for offices, including flowers and vases, other ornaments, Christmas decorations, and so on.
- Christmas cards/presents
- Purchase of tea, coffee and other refreshments for use by staff. Note that this type of expense is acceptable where the goods are to be used for business entertaining or during genuine business meetings, etc. Note that meetings on-campus should normally use the University's catering service for the provision of refreshments.
- Passports or the cost of replacing lost or stolen passports
- Purchase of equipment for office use, including microwaves, lamps, fridges and kettles etc
- Any other miscellaneous items that are not for business use.

## **6. Authorisation of expenses**

- 6.1 Budget holders have a duty to exercise control over their budgets and to ensure that only legitimate expenditure is authorised.
- 6.2 The process to be followed is:
- i. approval to incur expenditure obtained;
  - ii. expenditure incurred;

- iii. claim forms completed, authorised and submitted with receipts where appropriate;
- iv. reimbursement through the payroll system.

- 6.3 The authoriser must be satisfied that the expenditure was necessarily incurred in accordance with this Policy and the applicable rates set by the University, that there is sufficient budget to cover the expense, and that adequate details and receipts accompany the claim. Claims are processed by Financial and Legal Services where some checks are carried out, but responsibility for the authenticity of the claim and the associated expenditure always lies with the person authorising the document.
- 6.4 The amounts to be paid against the type of expenditure and the cost centre to which the charge is to be set against must be entered. Checking by Financial and Legal Services staff does not remove the responsibility on the authorising signatory for ensuring that the claim is in accordance with this procedure .
- 6.5 All members of staff who have responsibility for authorising expenditure have a duty to ensure that value for money is achieved.
- 6.6 All claims should be authorised by the Director/Dean/Head of Department or their delegated authority and always by someone more senior than the claimant.

In the case of members of the Directorate, all claims must be forwarded to the Director of Finance for certification.

Claims submitted by the Director of Finance must be approved by the Vice-Chancellor.

Claims submitted by the Vice-Chancellor must be approved by the Director of Finance.

## **7. Expense payment procedure**

- 7.1 Members of staff making a claim should complete a Form FIN 1A available at [www.fin.mmu.ac.uk/uploads/13/FIN1AWordDocument.pdf](http://www.fin.mmu.ac.uk/uploads/13/FIN1AWordDocument.pdf) ensuring that full forenames, surname and MMU ID number are correctly stated.
- 7.2 In order to comply with HMRC requirements expenses reimbursed will only be made on production of receipts or invoices, except in the limited instances specified in this Policy in which expenses are reimbursed by the way of fixed rate allowances for which receipts are not required. Non-attachment of receipts will mean that the item(s) may be disallowed from the claim. Mileage claims do not require receipts unless fuel is being claimed for.
- 7.3 Credit card and debit card vouchers or statements are not acceptable forms of support for expense claims. Therefore, claimants are advised that they should always request a proper receipt. Only original receipts will be accepted – not photocopies.
- 7.4 Travel or subsistence allowance must not be paid through the petty cash system and personal expenditure must never be claimed.

- 7.5 The form should be submitted within three months from the end of the month in which the expense is incurred. All individuals are encouraged, where appropriate, to submit expense claims on a monthly basis.
- 7.6 Discretion may be allowed in the case of late submission of expenses claims for staff where there are exceptional and extenuating circumstances that caused the delay in submission. Such explanations should be made available to Lisa Blackshaw, Senior Accountant, who will arbitrate in such situations.
- 7.7 Staff should submit their claim to their local Finance Office for payment with their salary. All other claimants should forward claims to the same place using Form FIN 1C available at <http://www.finance.mmu.ac.uk/uploads/5/Fin1CDocument.pdf> ).
- 7.8 In all cases, F&LS staff should be satisfied that the person who has approved the form is the appropriate authorising officer (in accordance with the authorised signatory list) who is senior to the claimant, that all calculations are correct, and that the claimant has signed the motor insurance declaration confirmation on the reverse of the FIN 1A form, if mileage is being claimed.
- 7.9 The certified form should be then forwarded to the Payroll Office, All Saints to process the form for payment on the next available pay date. Claims that are received after the payroll deadline will be held over and paid with the next available salary payment. All payments will be identified on the claimant's payslip.
- 7.10 Claims in respect of any tax year should be claimed before the end of the financial year (e.g. expenses incurred to 5th April must be claimed and paid before 31st July of the same year). In addition, staff leaving the University must submit all claims before leaving.
- 7.11 Where an individual staff member incurs expenses frequently as part of their routine duties, we recommend applying for a procurement card to facilitate payment. Where procurement cards are used to pay for travel and subsistence then the expenditure must be processed in accordance with the Use of Procurement Cards Procedure available at <http://www.finance.mmu.ac.uk/documents/procedures.cfm> .
- 7.12 Employees should keep copies of claims and receipts where this information is likely to be needed for other purposes, such as claims to external bodies.
- 7.13 Where F&LS receives or becomes aware of a claim that does not adhere to the rules, it may conduct enquiries prior to determining how to proceed with a claim. In cases of non-compliance, or lack of awareness of existing rules, claims will be returned to the claimant or Director/Dean for amendment and re-authorisation.
- 7.14 Fraudulent claims will be treated in accordance with the University's Anti-Fraud and Corruption Policy available at [http://www.finance.mmu.ac.uk/uploads/35/Anti\\_Fraud\\_and\\_Corruption\\_Policy\\_Statement.pdf](http://www.finance.mmu.ac.uk/uploads/35/Anti_Fraud_and_Corruption_Policy_Statement.pdf) ).

## **8. Tax Information**

- 8.1 HMRC has issued the University with a dispensation in respect of these regulations. This relieves the University of the obligation to report expenses paid under this Policy, at the end of each tax year. It also means that the employee does not have to report any expenses claimed under this Policy on their tax return.

## **9. Review**

- 9.1 This Policy will be reviewed in the light of relevant developments no later than December 2014. Rates will be reviewed annually.

If you have any queries regarding this policy, please contact [Lisa Blackshaw](#), Senior Accountant, in Financial and Legal Services

## MILEAGE RATES

**Rates as at 1 December 2012**

<b>BUSINESS MILEAGE RATES</b>	
Higher rate car mileage (first 50 miles of each journey) up to a maximum of 10,000 miles in the tax year	45p per mile
Lower rate car mileage (after first 50 miles of each journey, or for all miles once 10,000 maximum miles at higher rate reached)	25p per mile
Interviewee mileage allowance	22p per mile
Motorcycles – any distance	24p per mile
Allowance per car passenger * (who must be fellow employees making the same business trip)	5p per mile
Bicycles (for short business journeys only)	20p per mile

\*The name of any passenger must be identified in the claim



## **Personal Incidental Expenses Rates**

The following maximum rates apply only to overnight stops away from home on University business.

<b>Place</b>	<b>Maximum Nightly Rate</b>
UK	£5
Overseas	£10

Only actual itemised expenditure can be claimed and should be supported by receipts where possible.

**APPENDIX C**

**OFFICIAL MILEAGE FOR INTER-SITE TRAVEL**

<b>Campus</b>	<b>All Saints</b>	<b>Crewe</b>	<b>Didsbury</b>	<b>Elizabeth Gaskell</b>	<b>Hollings</b>
<b>All Saints</b>		38	5.5	1	2.5
<b>Crewe</b>	38		35	37	34
<b>Didsbury</b>	5.5	35		4.5	3
<b>Elizabeth Gaskell</b>	1	37	4.5		1.5
<b>Hollings</b>	2.5	34	3	1.5	

**Special procedures for sessional staff whose job requires them to visit schools**

As sessional staff who visit more than one school are deemed (under HMRC rules) to have more than one permanent place of work, then travel expenses from home to a school and return will not be reimbursed by the University.

If a sessional member of staff travels from one school to another during the day, the expenditure incurred in travelling between schools will be reimbursed by the University. The cost incurred in travelling to the first school on that day, however, will not be reimbursed, nor will the journey from the last school back home.

Sessionals may be asked to attend training events or meetings at an MMU site. As MMU will not be deemed a permanent workplace (under HMRC rules) in this situation, any expenses travelling from home to the University and return will be reimbursed.

These special procedures have been agreed with HMRC for this group of staff only.