

<b>Date Issued</b>	22 August 1996
<b>Last Revised</b>	<b>August 2024</b>
<b>Department</b>	Management
<b>Title</b>	<b>Employee Expenses</b>
<b>Objective</b>	To describe the Group's arrangements for reimbursing employees' business expenses.
<b>Responsible</b>	Chief Executive
<b>Next Review Date</b>	August 2029

## **1.0 Introduction**

- 1.1 We understand that on occasion, employees will incur expenses whilst carrying out their role and must be reimbursed. This policy sets out the expectations for the Group reimbursing work related expenses.
- 1.2 This policy should be read in conjunction with the relevant section of the Terms & Conditions of Employment relating to Travel and Subsistence.

## **2.0 Travel Expenses**

- 2.1 The following principles apply to the reimbursement of travel expenses:
  - 2.1.1 Employees will be neither financially advantaged nor disadvantaged as a result of incurring genuine business expenses.
  - 2.1.2 We will reimburse costs of any necessary travel made on its behalf, over and above normal travel to work.
  - 2.1.3 Travel expenses incurred while on official Group business will be reimbursed and travel time will be included in the recordable working hours for that day.
  - 2.1.4 Where an employee is required by the Group to travel to and from work for an additional session in any one working day, travelling to and from the additional session constitutes official Group business as per 2.1.3.

## **Approved by Management Committee 22/08/24**

- 2.1.5 Travel costs for courses, conferences and other Group business, will be incurred in the most cost effective manner, taking into account location, journey time, monetary cost, time of event, and whether other Group representatives will be attending.
- 2.1.6 Any discount obtained in the course of incurring an expense must be included in any subsequent claim submitted.
- 2.1.7 Any breaches of this policy may result in disciplinary action in accordance with our Disciplinary Procedures detailed in the EVH Terms & Conditions.

### **2.2 Use of Public Transport**

- 2.2.1 Where public transport is used for official company business, it will be reimbursed at cost. All claims should be accompanied by tickets and/or receipts.
- 2.2.2 Rail travel will be reimbursed up to standard 2<sup>nd</sup> class travel rates. Above this level, if staff members wish to travel using more expensive tickets, they can do so, as long as they claim only up to the standard 2<sup>nd</sup> class fare.
- 2.2.3 Taxis should only be used where necessary. Receipts should be obtained for the fare only and submitted with the expenses claim. We will not reimburse any outlay by the employee in terms of a tip to the driver.

### **2.3 Travelling by Air**

- 2.3.1 Travelling by air should only be used where necessary. Air travel will be refunded at economy class rates only. Where possible, tickets should be booked in advance to take full advantage of any discounts available on fares. All claims should be accompanied by tickets and/or receipts.

### **2.4 Use of Private Car**

- 2.4.1 Business mileage is reimbursed at current EVH allowances. The rates are reviewed on 1 April each year as part of annual pay negotiations, and up to date amounts will thus be found by referring to the most recent wage agreement.
- 2.4.2 Essential car users will be paid one twelfth of the essential car user lump sum allowance with their monthly salary.
- 2.4.3 EV Users are entitled to the EV Allowance, which is paid at three times the Essential Users Allowance published by EVH each year. EV users will be paid one twelfth of the EV allowance with their monthly salary.
- 2.4.4 To qualify for reimbursement of car mileage expenses, an employee will require to have their vehicle appropriately insured, and must complete a statement within their mileage claim in People HR to confirm their insurance cover. Details on how to do this can be found at section 7.1 of the following procedure:

## Approved by Management Committee 22/08/24

<..\..\..\..\Corporate\Policies and Procedures\Procedures\Current\HR\People HR Procedures - Employees.pdf>

2.4.5 When employees are travelling from home on Group business, the normal mileage taken to travel from home to work should be deducted from any travel claim that started or ended at the employee's home, i.e. only mileage in excess of normal travel to/from work may be claimed.

2.4.6 Mileage will be recorded for individual elements of a journey as opposed to block mileage for daily travel, unless there are multiple small journeys within one area, then the total amount of mileage for the area can be recorded as one. The explanation should fully describe the start and end of each element.

### **3.0 Subsistence Allowances**

3.1 Subsistence allowances are intended to reimburse the cost of meals not provided when an employee is either on official Group business outwith the Group's geographical area of activities or in the case of working additional hours (e.g. evening meetings) and it is not practical to return home. If an employee is able to return home, subsistence may not be claimed, but the time and costs for an additional journey to work may be claimed as per 2.1.1.

3.2 The rates of allowance are based on duration and it is therefore necessary to detail the start and finish times of such claims when claiming subsistence allowance.

Two levels of subsistence rate can be paid:

3.2.1 For official duties of between 5 and 10 hours in any one day outwith the Group's geographical area of activities; and

3.2.2 For employees who are required to be on authorised official business for more than 10 hours duration (including lunch and pre-meeting breaks) in any one day.

3.3 The rates are reviewed on 1 April each year as part of annual pay negotiations, and up to date amounts can be found by referring to the most recent wage agreement

### **4.0 Accommodation for Overnight Stays**

4.1 Where an employee is on official duty which requires an authorised overnight stay, reasonable expenses will be met by us on production of appropriate receipts. Accommodation should be reasonably priced and of a comfortable standard, for example, a Premier Inn. Higher priced accommodation should only be booked where unavoidable and on approval from your Line Manager.

## **Approved by Management Committee 22/08/24**

- 4.2 Where possible, accommodation should be booked in advance to ensure the best rate possible.

### **5.0 Expenses**

- 5.1 Employees may claim for the reimbursement of necessary expenses incurred whilst carrying out their duties.

- 5.2 All expenses should be incurred in the most cost effective manner.

- 5.3 To claim expenses, employees will complete the Expenses Claim Form within the People HR. Guidance on how to do this can be found at section 7 and 7.1 of the People HR Procedures Employee document:

[J:\Corporate\Policies\\_and\\_Procedures\Procedures\Current\HR\People\\_HR\\_Procedures - Employees.pdf](J:\Corporate\Policies_and_Procedures\Procedures\Current\HR\People_HR_Procedures_-_Employees.pdf)

- 5.4 Expenses will be approved by the Line Manager in accordance with the Group's Authorisation Procedures. This will include consideration of the reasonableness of each claim.

- 5.5 Expenses will normally be paid through the monthly payroll system, unless it is agreed that a separate cheque will be issued. Small amounts may be re-imbursed through petty cash.

- 5.6 Employees wishing to make an expenses claim should do so within three months of incurring the expense. Claims for expenses that are more than 3 months old will only be reimbursed in exceptional circumstances as approved by the Chief Executive or Director of Finance.

### **6.0 Hospitality**

- 6.1 Refer to our Gifts and Hospitality Policy.

### **7.0 Advance on Expenses**

- 7.1 Advances against expenses will not normally be given. There may be situations however when this will be required, and employees should in the first instance bring any request for an advance to the Director of Finance, or in their absence, the Finance Manager.

- 7.2 Provision of receipts and a reconciliation of the expenses incurred will be required following conclusion of the business for which an advance has been made.

## **Approved by Management Committee 22/08/24**

### **8.0 Taxation of Expenses**

- 8.1 Reimbursement of actual expenses incurred on Group business are not subject to tax or National Insurance.
- 8.2 Tax and National Insurance deductions are applied to the essential user lump sum payment.
- 8.3 Business mileage is reimbursed at rates set out in ELHA / R3 Terms and Conditions, and is not currently liable to tax or national insurance contributions.
- 8.4 Subsistence allowances are paid at rates set out in ELHA / R3 Terms and Conditions, and are liable to tax and national insurance contributions.

### **9.0 Misuse of Expenses**

- 9.1 Any misuse in claiming expenses from the Group will be regarded as serious or gross misconduct, depending on the circumstances in each case.
- 9.2 Any employee found to be deliberately claiming expenses to which they are not entitled will be disciplined in accordance with the Group's Disciplinary Procedures.

### **9.0 Review Period**

- 9.1 The Chief Executive will ensure that these procedures are reviewed at least every five years by the Management Committee.