### ***EXAMPLE***

### **Expenses and Reimbursement Policy**

#### **Purpose**

This policy outlines the procedures and guidelines for employees to claim expenses incurred during the course of their work. The aim is to ensure that employees are reimbursed for legitimate business expenses in a fair, transparent, and timely manner, while ensuring compliance with company procedures and relevant UK tax regulations. The policy also establishes clear expectations for the types of expenses that can be claimed and the approval process for reimbursement.

#### **Scope**

This policy applies to all employees, contractors, and authorised individuals who incur business-related expenses on behalf of the company. It covers travel, accommodation, meals, business-related entertainment, and other expenses that are necessary for conducting company business.

### **1. Eligible Expenses**

Employees may claim reimbursement for the following types of business-related expenses:

#### **1.1. Travel Expenses**

* **Public Transport**: Employees may claim the cost of public transport (e.g., trains, buses, taxis) for business purposes. Standard class fares must be used unless prior approval is given for first-class travel.
* **Private Vehicle Use**: Employees using their private vehicles for business travel may claim mileage at the HMRC-approved rates (currently 45p per mile for the first 10,000 miles, and 25p thereafter). Claims must include details of the journey, mileage, and purpose of travel.
* **Car Hire**: Employees may hire cars for business purposes when necessary. The most economical option should be selected, and car hire must be pre-approved by management.

#### **1.2. Accommodation**

* **Hotel Stays**: Employees required to stay overnight for business purposes may claim reasonable accommodation expenses. The company will reimburse standard room rates at mid-range hotels. All bookings should be pre-approved, and any upgrades must be justified.
* **Incidental Expenses**: Reasonable incidental expenses (e.g., Wi-Fi charges, parking, or necessary laundry services) can be claimed but must be supported with receipts.

#### **1.3. Meals**

* **Business Travel Meals**: Employees may claim the cost of meals when travelling for business. The following maximum daily limits apply:
* Breakfast: £10
* Lunch: £15
* Dinner: £25
* Any expenses above these limits require pre-approval or justification.
* **Entertainment**: Meals or entertainment expenses incurred for business purposes (e.g., taking clients out for meals) can be claimed, provided they are pre-approved by management. The names of all attendees and the purpose of the meeting must be documented.

#### **1.4. Other Expenses**

* **Business-Related Purchases**: Expenses for business-related purchases, such as office supplies, subscriptions, or other work-related costs, may be reimbursed if pre-approved by the employee's manager.
* **Conferences and Training**: Expenses for conferences, seminars, and training courses that are directly related to the employee’s job and have been pre-approved by management may be reimbursed.
* **Professional Memberships**: Fees for professional memberships or certifications necessary for the employee’s role may be reimbursed, provided they are pre-approved.

### **2. Non-Reimbursable Expenses**

The following types of expenses are not eligible for reimbursement:

* Personal travel or upgrades without prior approval.
* Alcoholic beverages, unless consumed as part of a business meal with clients and pre-approved.
* Fines or penalties (e.g., parking or speeding tickets).
* Personal entertainment (e.g., movies, gym fees, or mini-bar charges).
* Losses, damages, or theft of personal belongings during business travel.

### **3. Submitting Expense Claims**

#### **3.1. Documentation Requirements**

* **Receipts**: Employees must submit original, itemised receipts for all expenses being claimed. Credit card statements alone are not sufficient evidence for claims.
* **Expense Form**: All expenses must be documented using the company’s official expense claim form, including details of the date, nature, and purpose of the expenditure.
* **Submission Deadline**: Expense claims must be submitted within **30 days** of incurring the expense. Late claims may not be reimbursed unless there is a valid reason for the delay.

#### **3.2. Mileage Claims**

* For mileage claims, employees must provide:
* The date of travel.
* The start and end locations.
* The purpose of the journey.
* The total number of miles travelled.
* Mileage should be calculated using an accurate source (e.g., Google Maps or a similar tool), and the company’s expense form should be used to submit the claim.

### **4. Approval Process**

#### **4.1. Manager Approval**

All expense claims must be submitted to the employee’s line manager or designated approver for review. The manager is responsible for verifying that:

* The expense was incurred for legitimate business purposes.
* The expense is within the allowable limits set by this policy.
* Proper documentation (receipts, mileage logs, etc.) has been provided.

#### **4.2. Finance Department Review**

Once approved by the manager, the expense claim will be forwarded to the finance department for final verification and processing. The finance team may request additional information or clarification if necessary.

Any discrepancies or ineligible claims will be returned to the employee for revision or further justification.

### **5. Reimbursement Process**

#### **5.1. Payment Timeline**

Reimbursement for approved expense claims will be processed within **30 days** of receiving a complete and accurate expense form, provided all necessary approvals and documentation are in place.

#### **5.2. Payment Method**

Reimbursements will typically be made via direct deposit to the employee’s bank account. Employees must ensure that the finance department has their correct bank details on file.

#### **5.3. Advance Payments**

In certain cases, employees may request advance payment for anticipated expenses (e.g., for travel or accommodation). Advance requests must be approved by the employee’s line manager and submitted to the finance department with details of the expected costs.

### **6. Fraud and Misrepresentation**

#### **6.1. Fraudulent Claims**

Submitting false, misleading, or inflated expense claims is considered misconduct and may result in disciplinary action, including dismissal. The company reserves the right to take legal action in cases of fraud or deliberate misrepresentation.

#### **6.2. Audits**

The company reserves the right to audit expense claims periodically to ensure compliance with this policy. Employees are expected to cooperate fully during audits and provide any requested documentation or explanations.

### **7. Tax Considerations**

#### **7.1. HMRC Compliance**

All expenses must comply with UK tax regulations, including those set out by HMRC. Employees are responsible for ensuring that their claims meet the requirements for tax deductibility. The finance department will report any taxable benefits, such as travel upgrades or business-related entertainment, to HMRC as required by law.

#### **7.2. VAT Reclaim**

Where applicable, the company will reclaim VAT on business expenses. Employees are required to submit VAT receipts with their expense claims to facilitate this process.

### **8. Monitoring and Review**

This policy will be monitored regularly to ensure compliance with internal procedures and UK tax laws. The company will review the policy periodically and update it as necessary to reflect changes in business practices, tax regulations, or best practices for expense management

**Conclusion**

This Expenses and Reimbursement Policy ensures that employees are reimbursed fairly for legitimate business expenses while maintaining accountability and compliance with UK laws and company guidelines. Employees are expected to follow this policy when incurring and claiming expenses, and any questions or clarifications should be directed to their line manager or the finance department.