

Royal Northern College of Music

# **Travel, Subsistence and Expenses Policy**

Policy and Procedure

Department: Finance Department

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**RNCM**  
ROYAL NORTHERN  
COLLEGE of MUSIC

## 1. **INTRODUCTION**

The Travel and Subsistence Policy sets out the circumstances under which the College will reimburse staff for travel, subsistence and other expenses, incurred whilst undertaking official College business in the UK and overseas.

## 2. **PRINCIPLES**

2.1 This policy applies to all staff of the College. A member of staff is defined as someone with a current contract of employment at the point of carrying out the duties for which a claim for expenses is being made.

2.2 RNCM is an exempt charity, receives public funds and is subject to external scrutiny from funders and stakeholders. Travel and subsistence expenditure also represents a material proportion of the College's discretionary budget. This policy must therefore recognise the need to balance a number of factors including the desire to support staff and the business needs of the College, environmental considerations, public perception and the prudent use of public funds.

2.3 Travel and subsistence claims may include the business allowable cost of meals, accommodation and any other expenditure or travel expenses that are wholly, necessarily and exclusively incurred in the course of official College business. Claims may also be made for costs incurred in business entertaining and corporate hospitality subject to the conditions set out in **Section 6** of this Policy.

2.4 The general principles of **reasonableness** and **economy** must be applied for all claims. Value for money and achieving best value must be a key consideration.

2.5 In order to comply with HMRC requirements expenses reimbursed will only be paid on the production of original itemised VAT receipts. The only exceptions to this is in respect of mileage rate claims. It is recognised that a receipt may take many forms, but the information presented with a claim must be clearly legible and include:

- date of purchase;
- itemised list and price(s) paid;
- vendor name;
- VAT number and VAT amount paid (where applicable).

2.6 All claims must be made within 3 months of the date of expenditure and approved by an authorised line manager/budget holder. Claims made outside of this timescale will only be paid by exception, and will require the additional authorisation of the Director of Finance. All individuals are encouraged, wherever possible, to submit claims on a monthly basis as expenses will be paid through the normal monthly payroll cycle.

2.7 The College must ensure that it complies with the requirements of Government rules for tax purposes, and therefore the provisions in this Policy are consistent with HMRC rules and guidance as well as the College's Financial Regulations. This Policy should also be read in conjunction with other relevant College policies, including:

- Anti-Bribery and Anti-Fraud Policy;
- Ethical Fundraising and Gift Acceptance;
- Conflict of Interest policy.

### **3**     TRAVEL

#### Travel General

- 3.1 All members of staff who are asked to travel away from the main College site on approved College-related business will be entitled to claim reasonable travel expenses. Individuals are expected to use the most cost-effective mode of transport available taking account of efficient working practices. Booking as far as possible in advance is expected where it provides opportunity to reduce costs; for example in respect of budget airlines and advance purchase of rail tickets.
- 3.2 Staff are expected when travelling by rail or by air to travel at standard or economy class. Travel by other classes is permissible **but only** in certain limited circumstances as defined in this Policy.
- 3.3 The College has established relationships with several approved suppliers (currently contracted through Key Travel, see the Finance office for details), and using these approved contacts for travel and hotel bookings is strongly encouraged to help to achieve good value, and to avoid having to claim for expenses. However, staff may use other arrangements to book their travel where they can clearly demonstrate that this provides better value for money. Time spent searching and booking travel, administrative time in additional processing, the potential costs of cancellation and insurance risks should also be factored in when using non-approved arrangements

#### Home to Work

- 3.4 HMRC rules stipulate that all non-business travel is counted as private, and this includes the journey between an employee's home and permanent workplace (i.e. the College campus). The College will therefore **not** contribute towards such travel costs, **except for hourly paid part time teaching staff that have to travel more than 50 miles from their home to the College in order to undertake their teaching commitments (as defined as the shortest road route possible)**. Further details of the scheme of assistance for those eligible hourly paid part time teaching staff, including the associated tax and national insurance treatment, are set out in **Section 8** of this Policy.

#### Motor vehicles

- 3.5 If a member of staff travels by private vehicle then they be entitled to claim the current HMRC approved mileage rate of **45p per mile** for the first 100 miles and **25p per mile** thereafter. Distances will be measured using the standard calculations available via AA Route Finder. If a less typical mileage amount was incurred (e.g. due to road diversions, traffic problems) claimants must state the reason clearly on the claim form. The staff member's personal insurance policy **must cover business use in order for their own/private vehicle to be used**. The College does not provide insurance cover for privately owned vehicles, and will not pay for any damage incurred whilst on College business. Claims must be for mileage incurred from the College to the agreed destination, not from the claimant's home address, apart from where the mileage is shorter from the home address (where home address to destination is used, the distance of a home to College journey should be deducted from the claim given that this would be the normal travel to place of work). Reasonable car parking expenses and road and bridge tolls will also be reimbursed on the production of the relevant receipts. Car parking fines, speeding and other motoring penalties are the responsibility of the individual, and will not be reimbursed.

- 3.6 When transporting colleagues to the same business event and location, the claimant may claim a passenger allowance of 5p per mile providing they are taking at least one other passenger in their vehicle. The names of additional passengers must be identified on the College claim form.

#### Hire cars

- 3.7 In certain circumstances, hire of a car may offer the most efficient and cost effective means of transport; Bookings must be made using a College contracted supplier (please contact Finance). Personal mileage is not permitted, and actual fuel costs incurred will be reimbursed only if receipts are provided. Drivers should comply with the car rental refuelling policy in order to avoid refuelling fees.

#### Rail or bus/coach travel

- 3.8 Staff are encouraged to book well in advance using approved College suppliers, and wherever possible to take advantage of saver or other promotional tickets. Timed tickets should always be booked where possible unless it is not possible to reasonably estimate your time of return.

- 3.9 Standard class should be used for all journeys. First class travel may be authorised where it is more cost effective than the published standard class fares, or where there is a clear business need to facilitate effective working, but this must be documented on the claim and be approved by your line manager/authorised budget holder in advance.

#### Taxi Travel

- 3.10 Taxi fares may be claimed:

- where no suitable public transport is available; or
- when travelling in an unknown locality; or
- when having to transport large and bulky items such as musical instruments; or
- where an individual has difficulty because of restricted mobility.

- 3.11 Taxis must not be used where the trip distance exceeds 10 miles unless it can be demonstrated that it is the best value option, or if exceptional circumstances apply.

- 3.12 Where taxi fares are claimed from the College campus to an employee's home, unless specific conditions are met for late night working (contact Finance for details), this will give rise to a taxable benefit. The College has an agreement in place with HMRC in respect of late night working in order to settle any tax and national insurance contribution (NIC) arising from such benefits on behalf of employees. However, the additional cost to the College in meeting such expenses is material, and therefore prior approval is required before Taxi fares home are claimed by employees.

#### Air Travel

- 3.13 The default class of travel for staff is expected to be Economy.

- 3.14 However in certain circumstances it is permitted to fly in other classes based on the following guidelines:

- Where a flight is over 6 hours one way, Premium Economy.
- Where a flight is over 11 hours one way, Business Class.

**and** in the following circumstances

- Where there is a demanding work schedule e.g. a short time between a flight landing and the commencement of College business, or where there are multiple flights over an extended period being taken.
  - Where a funding sponsor permits a higher class of travel and will reimburse the full cost (excluding first class which is not permitted).
  - Medical and/or disability grounds, with prior approval.
- 3.15 Staff travelling overseas on approved College business are expected to use the College's appointed travel agents or preferred suppliers to book flights; further details are available from the Finance Office. However other arrangements to book travel may be used, **but only** where value for money can be clearly demonstrated.
- 3.16 Any flight, other than economy class, requires the prior approval of the Director of Finance.

#### Travel Insurance

- 3.17 Staff travelling overseas on approved College business will normally be covered by the College's travel insurance, but cover does not extend to any non-business element of a trip such as a holiday taken before or after the business activity. **Dates of travel must be submitted to the Finance Department in advance.** Before travelling, staff should read through the [advice](#) provided by our insurers, alert the Finance Department to any possible exceptions, and make a note of the emergency contact number to be used in the event of a claim. Emergency contact numbers and details can be obtained from the Finance Department. Staff should note that if the Foreign and Commonwealth Office (FCO) advises against travel to a particular country or region, or advises on specific precautions relating to healthcare cover, they will NOT be covered by the College's travel insurance, and will be advised to cancel or postpone their visit. Staff can access the [FCO website](#) for latest information, and for practical tips on staying safe, secure and healthy.

### **4. SUBSISTENCE EXPENSES**

#### UK Subsistence

- 4.1 The College will pay for the cost of meals and refreshments where an individual is away from their normal place of work on College business for more than 5 hours, unless it is otherwise provided. Claims for the actual expenses must be supported by fully itemised VAT receipts, and should be within the maximum limits set out below:

Breakfast	£12.00
Lunch	£15.00
Evening Meal	£25.00

- 4.2 In accordance with College guidelines, claims for alcoholic drinks will not be reimbursed, with the exception of one evening drink with an evening meal within the above limits.
- 4.3 Other snacks, teas, coffee and light refreshments will not be reimbursed unless they form part of the above breakfast/lunch/dinner limits
- 4.4 Where a gratuity/service charge is included in the bill then it will be reimbursed within the limits set out above in 4.1.

## Overseas Subsistence

- 4.5 Both hotel accommodation (see Section 5) and meals overseas when on College business should be in hotels and restaurants similar in quality to those that would be used in the UK. As the cost of meals may vary from the limits set out in 4.1 above, staff should refer to [HMRC guideline rates](#).

The College will reimburse actual expenses up to these rates that are supported by fully itemised receipts.

- 4.6 Various rates are provided in the HMRC guidelines, 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.

- 4.7 Where it is necessary, in discharge of College duties or in the interests of promoting goodwill, to return reasonable hospitality whilst abroad, the cost of this may be claimed; the purchase of any alcohol should be moderate and not unduly proportionate to the total amount claimed.

- 4.8 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 if in accordance with the College's Ethical Fundraising and Gift Acceptance policy.

## **5. ACCOMMODATION**

- 5.1 Where it is necessary to make an overnight stay in the UK or overseas on College business, then staff should obtain accommodation (booked through Key Travel) in a reasonable quality budget hotel taking into account value for money, location, convenience and health and safety. As a guideline for UK accommodation this is expected to be of a UK 3 star standard. The HMRC benchmark rates for overseas accommodation, reference the link at 4.5 above, should be used as a guideline for maximum costs for overnight stays overseas.

- 5.2 Hotel accommodation can vary, depending on location, in terms of availability and cost. Typically best rates are obtained when booking reasonably well in advance.

- 5.3 Accommodation provided for overnight stays close to the College is deemed to be a taxable benefit to the individual. The College will therefore **not** contribute towards such costs **except for hourly paid part time teaching staff that have to travel more than 50 miles from their home to the College in order to undertake their teaching commitments, and for which an overnight stay is wholly, necessarily and exclusively required to support a cost effective and efficient teaching schedule.** Further details of the scheme of assistance for those eligible hourly paid part time teaching staff, including the associated tax and national insurance treatment, are set out in **Section 8** of this Policy.

- 5.4 Hotel expenses that cannot be claimed include pay per view TV/Films, leisure facilities, newspapers and mini-bar drinks and snacks.

## **6. HOSPITALITY AND BUSINESS ENTERTAINING**

- 6.1 The College will meet the reasonable costs for corporate hospitality and business entertaining where that expenditure has been incurred wholly, necessarily and exclusively in the furtherance of College business. All entertainment and hospitality must be proportionate and defensible. Reasonableness must also be applied to the number of College staff attending; as a guide in respect of business entertaining the ratio of College staff to third party attendees should not exceed 3 staff to one external guest.
- 6.2 Hospitality is defined as expenditure in offering meals and/or refreshments to external visitors to the College. It is not normally envisaged that this would be performed off site.
- 6.3 Business entertaining is defined as 'the provision of certain goods and services, free of charge to the recipient, designed to foster goodwill and enhance the business relationship between the College and that third party.'
- 6.4 Alcohol may be claimed where it is appropriate and consistent to the occasion, the cost incurred, for which reimbursement is sought, must be reasonable and defensible; and the amounts consumed should be moderate and must not be excessive.
- 6.5 When an event is for staff and/or students only, costs will only be reimbursed only where it is deemed '**wholly, exclusively and necessarily**' incurred for College business purposes. Each event needs to be considered on a case by case basis, and appropriate documentation retained to justify as a business expense.
- 6.6 It is recognised that that there may be (exceptional) occasions where the College, a School or a Department wishes to provide internal hospitality and entertainment for staff and/or students. HMRC applies strict guidelines and will classify most forms of internal staff and student entertaining as a taxable benefit in kind. There are a small number of limited exemptions, including annual and one off events such as Christmas lunches/parties and retirement events where these are open to all staff.

## **7. HOW TO CLAIM**

- 7.1 Staff wishing to reclaim expenses should complete an expenses claim form. All expenses should be in respect of College business.
- 7.2 Claim forms for full-time and fractional staff are available from the Finance department and [staff intranet](#).
- 7.3 Part-time Hourly Paid teaching staff claim forms are available from the Finance department and [staff intranet](#).
- 7.4 The claimant should enter the following details on the form:-
- the date on which the expense was incurred;
  - the type of expense e.g. rail fare, hotel accommodation, mileage;
  - the reason for the expense e.g. recruitment trip, conference and why you were attending;
  - whether a VAT receipt is attached;
  - the value of the expense recorded on the receipt;
  - the budget code e.g. department or project code, where expenses are to be charged;
  - the expense code, e.g. G150 tutorial supplies. (Travel expense codes are listed on the back of the claim form to assist you).

- 7.5 A claim for taxi expenses must explain why a taxi was necessary, e.g. to transport bulky or heavy objects. The start and end points of the journey must be included.
- 7.6 Claims for hospitality must provide names of all attendees and their respective organisation. It should also explain why hospitality was provided (see Section 6 of the Travel and Subsistence policy).
- 7.7 Claims for mileage must include the starting postcode and destination postcode and exclude the usual home to College mileage.
- 7.8 Original VAT receipts or invoices (where applicable) must be attached to the claim form for all items claimed.

### **Authorisation process**

- 7.9 Once completed, the employee should print their name, sign and date the claim form and forward it along with original receipts and supporting documentation to their line manager. The line manager should review the expenditure, check the budget and expense codes are correct and authorise the claim form, ensuring the claim is in line with this policy.
- 7.10 The authorised claim form, along with supporting documentation, should be sent to Finance for review and payment.
- 7.11 Finance reserve the right to return any incomplete claim forms to the originator unpaid for amendment. If you require help completing the form, please contact a member of the Finance team.

### **Payment**

- 7.12 Finance staff will check the claim form for completeness and validity in line with this policy and will forward to payroll for payment
- 7.13 Reimbursement will be made in the first available payroll after both the following have been met:
- Manager approval
  - Where applicable, original receipts and completed expense claim form received and checked by Finance

### **Foreign Currencies**

- 7.13 When expenditure is incurred in a foreign currency the aim is to reimburse the employee for the sterling equivalent of their actual costs. For the exchange rate to be used please contact a member of the Finance team.

## **8. SCHEME OF ASSISTANCE - PART-TIME HOURLY PAID TEACHING STAFF**



## ELIGIBILITY

- 8.1 **Hourly paid part-time teaching staff only (not full-time or fractional staff)** that have to travel more than 50 miles from their normal place of residence to the College in order to undertake their teaching commitments, will be eligible for assistance with their travel costs and with any overnight accommodation close to the College that is wholly, necessarily and exclusively required to support a cost effective and efficient teaching schedule. (See Section 7.3 for link to claim form). This will apply to the stated place of residence when appointed by the College. Should the member of staff move further away after this point, travel will only be reimbursed to the previous address unless the additional costs are approved formally. Should the member of staff move within 50 miles of College, they should notify College immediately and reimbursement of travel and accommodation costs will cease.

### Travel

- 8.2 As noted in Section 3.4, home to College travel is not ordinarily an allowable business expense that can be reimbursed by the College. However for eligible staff, the College will reimburse the travel expenses actually incurred. Individuals are expected to use the most cost effective mode of transport available, and only claim in accordance with the principles and provisions set out elsewhere in this Policy. If travel by car is the most cost effective option, this will be reimbursed at 27p per mile under the Scheme of Assistance.
- 8.3 Principal Study Administrators can provide assistance in arranging travel (where necessary and appropriate), and will do so in accordance with the principles and provisions of the Policy in order to help to achieve good value.
- 8.4 Any reimbursement of actual travel costs incurred or met by the College directly, will be deemed as a taxable benefit to the individual by HMRC. Therefore all such benefits provided under this Scheme of Assistance will be subject to Income Tax and any National Insurance contributions (where applicable), with any necessary deductions made through the College's payroll, or where met by the College directly reported to HMRC at the end of the tax year on a Form P11D for HMRC to subsequently collect by (normally) amending an individual's tax code to include the value of the taxable benefits. Please see section above on taxi use for rules on the eligibility of such claims.

### Accommodation

- 8.5 As noted in Section 5.3, accommodation provided for overnight stays close to the College are not ordinarily an allowable business expense that can be reimbursed. However for eligible staff, the College will meet the reasonable cost of accommodation subject to these costs being in accordance with the principles and provisions set out elsewhere in this Policy.
- 8.6 Overnight stays must be wholly, necessarily and exclusively required to support a cost effective and efficient teaching schedule, and approved by the appropriate Head of School.
- 8.7 All accommodation bookings should be arranged in good time (wherever possible) with the Principal Study Administrators, who will seek to accommodate the tutor in a Guest room at the Sir Charles Groves Halls of Residence on a room only basis, or arrange accommodation of a similar quality, type and cost within a reasonably short commuting distance to the College.
- 8.8 The provision of any accommodation by the College will be deemed as a taxable benefit to the individual by HMRC. Therefore all such benefits provided under this Scheme of

Assistance will be subject to Income Tax and any National Insurance contributions (where applicable), with any necessary deductions made through the College's payroll, or where met by the College directly reported to HMRC at the end of the tax year on a Form P11D for HMRC to subsequently collect by (normally) amending an individual's tax code to include the value of the taxable benefits.

## 9. **FRAUDULENT CLAIMS**

Any false claim that is made under this Policy will be considered to be fraudulent and if proven, would be taken to be a very serious offence that may warrant disciplinary action (including dismissal) being taken against the individual responsible.

## 10. **CREDIT CARD EXPENDITURE**

- 10.1 College credit cards should be used solely for expenditure incurred wholly, exclusively and necessarily in the performance of their duties on behalf of RNCM, as set out in the detailed Financial Regulations and this policy. Credit cards should NOT be used for personal expenses. ***Use of cards for anything other than College business may be treated as a disciplinary offence.*** The employee may be liable to reimburse the College for expenditure incurred that cannot be supported by valid receipts.
- 10.2 In accordance with the College's Purchasing Procedures preferred suppliers should be used. Cards should NOT be used to directly purchase goods and services which can be ordered through central departments e.g. Stationery, IT goods and services, etc.
- 10.3 Individual cardholder statements will be sent to the Finance department on a monthly basis by the issuing bank. After their receipt has been recorded they will be issued to card holders. On receipt of the statement an employee should check that they have been correctly charged for all purchases made. The employee is personally responsible for contacting Royal Bank of Scotland to resolve any identified discrepancies.
- 10.4 The balance on each card is paid by the College in full each month. Each employee is responsible for completing an Expense Claim Form (available from Finance or via the [staff intranet](#)) to account for the credit card expenditure in the same manner as normal expenses, as set out in the Financial Regulations and this policy. Completed expense forms should be forwarded, together with the statement and supporting original receipts, to their line manager, who should review the expenditure, check the budget and expense codes are correct and authorise the claim form. The authorised form should be returned to Finance within five working days of receipt of statement for processing.