

Expenses Policy Confirmation

Given that we are a charity that relies heavily on the generous giving of our supporters, we want all of our employees to be mindful of the way in which they spend Church Army money. The expenses policy is in place to ensure a clear and consistent approach is taken by everyone and this is why we expect everyone to be diligent when it comes to completing and signing off their expenses.

Therefore please read the policy carefully and sign this document and return to HR to be put on file.

I sign to confirm that:

- I have received a copy of Church Army's expenses policy.
- I have read through the policy and I understand the expectations and procedure for claiming expenses from Church Army.
- I understand that a failure to follow any of Church Army's policies and procedures could warrant disciplinary action.
- I will ensure the expense claims I make are in line with Church Army's expenses policy.

Signed:

Name:

Date:

Expenses Policy

This policy contains details on:
(*click on the link to find in document*)

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1. INTRODUCTION

The purpose of this policy is to set out the circumstances in which expenses are payable by Church Army and the procedures involved. In this context expenses are costs incurred by employees in the course of their duties and those on designated business duties, which are reimbursed to them.

This policy also covers payments direct to suppliers.

Items which are not covered by this policy and sundry items which are over £100 each should be agreed with the line manager in advance. Amounts which are contrary to this policy will only be accepted with the explicit authorisation of two members of the Leadership Team.

2. GENERAL PRINCIPLES

2.1. Documentation

All expenses:

- must be wholly, exclusively and necessarily incurred in the performance of duties in

furtherance of Church Army's charitable objects

- are covered by Church Army's budgetary constraints
- must be recorded on an expense claim with receipts/vouchers attached – receipts should show what the costs incurred are, not just the total on the credit card receipt or statement, and should be fully itemised and include a breakdown of the expenses incurred, such as a full travel itinerary details of the meals or phone calls claimed
- for meals covering anyone other than the claimant, the names of those present should be recorded on the receipt
- must be authorised as set out below

All invoices:

- should be for valid business expenses in furtherance of Church Army's charitable objects
- are covered by Church Army's budgetary constraints
- should have supporting documentation attached where required – delivery notes where goods have been received, timesheets for agency staff, detailed analysis rather than just the front page for utility bills
- must be authorised as set out below

Where it is not obvious that an item is a valid business expense, an explanation should be included. The finance team is under instructions not to accept claims that lack the proper authorisation or appropriate receipts. Claims are also checked for arithmetical accuracy and amended if necessary.

There are a limited number of expenses where the claimant has been unable to obtain an appropriate voucher. In these circumstances, a full explanation should be included and it will be up to the line manager and/or Leadership Team members, working within strict guidelines, as to whether this is acceptable.

Items with mixed business/personal use or benefit are some of the most difficult to address. The principle is that Church Army will pay the additional costs reasonably incurred as a result of Church Army business, but will not pay any part of what would have been incurred anyway for personal use.

2.2 Reasonableness and value for money

Expenses are aimed at reimbursing reasonable costs incurred during the course of work over and above normal expenditure. Claimants are expected to be responsible in making claims and to keep costs as low as practicable, for instance by obtaining good travel deals and by following the guidance set out in this policy. If in doubt, ask yourself the following question: "Would I be comfortable explaining to Mrs. Smith, who saves 50p a week out of her pension to give to Church Army, that it is being used for this?"

We are looking to obtain value for money for what we do. There are some simple ways to help:

- Asking whether travel is necessary – could the same be achieved through a telephone call, or could two trips be combined? (This should not deter genuine need)
- Booking travel well in advance when good deals are available
- Sharing journeys with others
- Travelling by train where you can work as you travel
- Using discounted arrangements such as Oyster where available

- Arranging meetings early so that people can book in advance and take off-peak trains
- For overnight trips, it may be appropriate to stay with Evangelists or friends or at bed and breakfasts, but this should not be presumed.

In principle, value for money means that we should be travelling in standard or economy class booked early and staying in budget-priced hotels. However, there are occasions where, at the time of booking, it is cheaper (or the same price) to travel first class or the cheapest hotel deal is somewhere that is not normally considered budget-priced; in these instances, the better package may be used and, for your protection and ours, you should record on the voucher or booking form the cheapest alternative available deal.

It is not acceptable for staff to receive gifts, payments or hospitality from suppliers or contractors in return for contracts for goods, works or services. This does not prevent staff from receiving incidental gifts such as calendars and pens to a value of less than £5 or normal business meals so long as it does not influence a decision. If other items are received, they must be declared to a member of the Management Team member responsible for their function, who will ensure that they are recorded in a register of interests. If fees, reimbursements or donations are received for work carried out in Church Army time or on behalf of Church Army, these must be paid over to Church Army either directly or using the income box on the expense claim form.

2.3 Company credit cards

Company credit cards are made available to staff who regularly incur expenses which are suitable for payment by credit card. Credit cards are for use for business expenses only. Alternatively, and especially for those for whom most expenses are cash or fuel, a float equivalent to the expected level of monthly expenditure may be made available.

Those with company credit cards are required to submit expense claims monthly covering amounts incurred on the card, with itemised receipts rather than just credit card vouchers. Such claims should be made up to the date of the credit card statement, so that the statement acts as a checklist for what needs to be claimed plus any cash expenses.

Those with company credit cards who fail to submit expense claims or who use them for personal expenses may have their credit cards withdrawn and replaced by a float.

2.4 Authorisation

Expense claims must be authorised in accordance with the line management structure as follows:

Chief Executive: Board member

All other staff: The claimant's line manager so long as this is within their authority as specified in the list of authorised signatories held in Sheffield.

For certain types of expenditure, second authorisation is required as set out in guidance to authorisers.

No one may authorise any invoice or expense claim for which they are in any way a beneficiary. Where the appropriate authoriser is not available for a week, invoices/expense claims should be passed either to their line manager or to an alternative approved authoriser so as to avoid delays in payment. If payment of an invoice is being deliberately withheld, the supplier must be informed.

Authorisation signifies that the authoriser is satisfied with the following:

- That all the amounts claimed are proper and reasonable business expenses in accordance with this policy
- That goods and services invoiced have actually been received
- That all the amounts claimed are properly supported by appropriate vouchers
- That any amounts which ought to be deducted, for instance because of donations received, partial private use or being on a Company credit card, have been deducted.

2.5 Administration

It is our policy to pay expenses promptly – this is part of our Christian witness and a matter of integrity in business dealings. A monthly payment run is done around the 13-18th of the month and BACS remittances are emailed out.

As a matter of good practice, BACS remittances and cheques should be sent out directly to the payee in order to avoid delay, and therefore any papers to go with the remittance should be enclosed with the payment request/vouchers. On rare occasions this may not be appropriate.

Where expenditure may be deemed a benefit to the individual it is required to be included on the annual form P11D and may be subject to income tax. Some types of expenditure are exempt from P11D reporting by virtue of an Inland Revenue dispensation but strict conditions apply.

The Finance Team keeps copies of all invoices and vouchers supporting payments for 7 complete financial years after the date of payment, and these can be easily retrieved if necessary. A list of all transactions within a cost centre (split by income and expenditure code) is e-mailed to the cost centre manager monthly, and tailored reports can be produced if necessary. It should not therefore be necessary for cost centre's to make copies of most invoices or to seek to duplicate the accounting records.

On initial implementation of this revised policy, all staff who submit expense claims will be provided with a copy of it and should sign and return a declaration stating that they have read and understood it. For new staff, the declaration will be required before payment of the first expense claim or issue of a float or credit card. Signed declarations will be kept in HR.

3. SPECIFIC TYPES OF EXPENSES

3.1 Phone and Internet

To comply with HMRC regulations, if Church Army deem it necessary for you as an employee, to be provided with a mobile or landline, these contracts will be set up and issued under the name of Church Army.

Employees will not be able to reclaim these costs from accounts in their own name through their expenses when the claim is not supported by usage statements.

Staff who use their own mobile phone for Church Army business and pay their own bills can claim reimbursement of the business element via their expense claims. Church Army will

only pay for the specific costs of identified business calls per itemised bills. Staff are encouraged to ensure that they receive itemised bills and choose tariffs which mean that such charges are fair.

Church Army will only cover the cost of either a landline or the business use of a mobile phone; the cost of Broadband will not be covered.

3.2 Travel

Church Army will reimburse all reasonable business travel expenses necessarily incurred in carrying out duties, including attendance at training courses. In arranging such travel, attention should be given to value for money (see Reasonableness and value for money section above). Claims should indicate the journeys undertaken and the reasons for them. For advance bookings, they should indicate date of travel rather than of booking.

Public transport should be used wherever possible and actual fares will be reimbursed. Where meetings are cancelled or rescheduled or you are unavoidably unable to attend, you should transfer or cancel your tickets before the time of travel in order to minimise the cost, and the organisation will cover the costs incurred. Taxi fares can only be claimed if public transport is inadequate or unavailable.

When booking train tickets, employees should use sites such as East Midlands Trains rather than The Train Line to avoid additional booking fees. Employees are also encouraged to buy online through Give as You Live who will donate to Church Army a percentage of the sale. Church Army will not pay for additional insurance.

Those travelling using top-up cards such as Oyster should set out details of journeys taken and cost on the expense claim.

Travel expenses from home to the normal place of work cannot be claimed in any circumstances. Expenses incurred in travelling direct from home to a temporary workplace may be claimed, provided that the journey is not substantially the same as the journey to the normal workplace.

Mileage claims are paid in line with HMRC guidelines. The current rate is 45 per mile for the first 10,000 business miles in a tax year and then 25p on mileage claimed exceeding 10,000 miles in a tax year. This rate will be reviewed regularly to reflect changing fuel prices.

Drivers using their own vehicles on Church Army business need to ensure that they have comprehensive insurance cover for business use. What is required is Class 1 (Social, domestic and pleasure use including commuting to and from work as well as use in connection with your occupation). Please note that policies often do not cover another "business" driver. The Finance Team will require a copy of your driving license and insurance policy covering you for business use before mileage claims are made.

Costs for special purpose vehicles, for instance Church Army buses and towing vehicles, will be reimbursed based on actual costs incurred.

Car hire may be claimed on expenses where it is necessary for business purposes. This will only be appropriate, for instance where materials need to be transported or where the

most appropriate means of travel is fly-drive or train-drive. The normal approach is that those using car hire rather than an own car will reclaim mileage in the normal way; the alternative method, reimbursement of costs incurred may be used with the **prior** written authorisation of the line manager. When hiring a car from a rental dealer, you should ensure that the excess is reduced to £100; if reducing the excess incurs an additional cost to the hire of the car, Church Army will pay for this. You must seek authorisation from a senior manager before hiring a car.

Travel accessories such as SatNav systems, atlases, additional seat support, security features, car washes, cleaning or motor consumables are considered either to be personal expenditure or to be included within mileage rates and will not be separately funded by Church Army. The only exceptions to this will be for people on a fuel-only mileage rate or special-purpose vehicles with the prior written authorisation of the line manager.

The costs of travelling to overseas conferences must be reported on form P11D and will be taxable if a benefit is deemed by HMRC to have arisen.

3.3 Hotels

Regarding the cost of hotel accommodation, please refer to the Reasonableness and value for money section above. Regarding costs of dinner when staying at a hotel, see subsistence below.

Church Army will not pay for extras such as newspapers, television, alcoholic drinks, bar, minibar or laundry, but will pay for internet access for business purposes. It is generally recommended to make phone calls from mobiles rather than hotel phones at premium rates.

3.4 Subsistence

Church Army will reimburse subsistence as follows:

- Where people are staying overnight for business purposes, we will reimburse the actual cost of an evening meal up to a maximum of £15 per night per a person. Alcohol may not be claimed on expenses.
- Where people are:
 - Leaving before 7am; or
 - Returning home after 6.30pm

Church Army will reimburse the cost of light refreshments up to a maximum of £5 per a person to cover the cost of an additional snack.

- If a person will be travelling into the late evening and arriving home after 9pm, Church Army will cover the costs of a light meal up to a maximum of £10 per a person (this replaces the £5 available for those arriving home after 6.30pm).

Where people are away from their normal work base over lunch-time, Church Army will not reimburse the cost of lunch unless it falls within another category of allowable expense under this policy since it is assumed that the employee would be providing their own lunch anyway.

All subsistence claims, as all other claims, should be supported by a receipts.

3.5 Entertaining

It is necessary to distinguish between business and staff entertaining. Staff entertaining is regarded as all items which do not fall within the categories of subsistence described above.

Business entertaining must involve people from outside Church Army and be incurred wholly, exclusively and necessarily in the course of the employee's duties. A reasonable amount for alcoholic drinks may be included. **If the claimant is in any doubt as to whether the entertainment they are planning will be reimbursable, they should obtain the prior approval of the relevant person who authorises their expense claims.**

Staff entertaining is limited to:

- An annual event costing Church Army up to £20 to be agreed in advance
- Working lunches for staff and/or Church Army Evangelists provided they form part of a necessary work meeting and do not cost more than £10 per person.
- One-to-one meetings between managers and those for whom they are responsible (including non-employed Evangelists) up to a maximum of £10 per person where there are good work or pastoral reasons and this is agreed in advance by the line manager.
- Team meals up to a maximum of £10 per person where there are good work reasons and this is agreed in advance by the line manager.

Generally, Church Army will not reimburse the cost of alcoholic drinks for staff entertaining except at an annual event within the constraints above.

For all entertaining, who was present should be recorded on the voucher.

3.6 Petty cash

Petty cash floats are held in a limited number of locations for the payment of small amounts and those which need to be in cash.

Generally, travel expenses above £30 should be reimbursed using the expense claim system rather than out of petty cash.

Each petty cash float is the responsibility of a named custodian who must keep it securely. The custodian must in no circumstances be paid out of the petty cash.

All payments of petty cash must be signed for by the recipient.

The custodian must submit a petty cash reimbursement claim at least once a month, and the claim must include all the supporting paperwork and be authorised by the line manager of the custodian as for an expense claim. A reimbursement cheque for cash will be sent to the custodian and an arrangement will have been made for this to be cashed by named individuals at the local branch of Barclays.

3.7 Computers

Where a computer is provided to an employee, private use is permitted subject to the Computer Use Policy. Any additional cost to the organisation resulting from private use must be reimbursed by the employee. No taxable benefit arises provided the total value of the computer and associated peripherals does not exceed £3,500.

3.8 Professional subscriptions

Church Army will pay an annual subscription to a professional body where it is relevant to the individual's duties of employment.

3.9 Relocation expenses

Where an employee is required by Church Army to move house, either to commence employment or as a result of re-deployment by Church Army, the following expenses are payable:

1. Relocation Grant
2. Removal Costs

Relocation expenses can be claimed up to a maximum of £2,000. In order to avoid this type of expenditure becoming a taxable benefit, the correct procedure must be followed.

Expense claims will need to be completed with supporting documentation to include any mileage relating to relocation activities at the ruling Church Army rate (currently 45p per mile). It is accepted that some incidental expenses may be incurred and these can still be claimed if reasonable or a reasonable explanation is given as to why there is no receipt.

The actual cost of removal contractors will be paid directly having obtained three quotes for the service.