



Business Expenses Policy

BUSINESS EXPENSES POLICY

INTRODUCTION

The Co-operative shall reimburse Committee members for out-of-pocket expenses they have incurred during the course of their Committee activity. This policy takes account of HMRC rules to ensure provisions in the policy do not incur further national insurance or income tax liability.

A general provision of the policy is that all expenses decisions should be subject to value for money consideration. This means:

- ☐ considering whether the expense is absolutely necessary (e.g. using teleconference instead of travelling to a meeting).
- ☐ making an efficiency judgement (e.g. multiple appointments scheduled in the same vicinity); and
- ☐ accepting a portion of the claim as a personal cost if it exceeds value for money.

Guidelines and examples are at the end of this policy to assist you with the claims process.

USE OF PRIVATE VEHICLE

Committee members who use a private vehicle for Committee business use may claim business miles incurred, subject to the member confirming the vehicle is insured for business use.

When determining what miles may be claimed as a business expense the colleague shall distinguish commuting miles from business miles:

- ☐ **commuting miles** shall be a journey from home to the place of work, vice versa, or personal mileage incurred during the working day. This mileage if reimbursed would be subject to income tax and is therefore not refunded by the business.

- **business miles** shall be a journey that the business expects the colleague to undertake as part of Committee duties. Such journeys may start or conclude at home, or the place of work and may be claimed non-taxable at the following rates:

	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p per mile	25p per mile
Motorcycles	24p per mile	24p per mile
Employee passengers	5p per passenger per mile	5p per passenger per mile

Committee members shall seek to organise appointments to ensure they utilise the most efficient route (subject to customers not being inconvenienced). Visits may be scheduled as part of the commute to the vicinity of either home or the place of work (within 5 miles). In such situations a flat rate of 5 miles may be claimed as business miles.

Charges associated with business miles, such as parking fees, congestion charges or toll charges shall be reimbursed, subject to the colleague's demonstrating (if requested to do so) that value for money has been considered. Committee members shall drive within the law and park their vehicle in a permitted place. Fines or penalties will not be reimbursed.

For members who do not have use of a private vehicle, it is expected that they will use public transport or share journeys. However, there may be occasions when use of a vehicle is unavoidable for business purposes and in such situations a chairperson may pre-authorise **vehicle hire**. Hire cars should be booked through the Managing Agent, but in certain situations it may be unavoidable to incur the cost as a personal business expense. Fuel costs incurred may be claimed with proof of receipt.

USE OF PUBLIC TRANSPORT

Business **rail travel** shall be booked through the Managing Agent's preferred booking system as concessions may apply. However, it may be unavoidable to incur the cost as personal business expense; and in such circumstances colleagues may only claim the expense of a standard class ticket.

Taxi use is permitted, and therefore subject to reimbursement, if either:

- ☐ as a means of linking to cheaper public transport; or
- ☐ if walking might cause the colleague's personal security or health to be threatened, or
- ☐ if working occasionally after 9 p.m.

Taxi journeys in excess of 5 miles require pre-authorised Chairperson approval. **Air**

or boat travel is not permitted without pre-authorised Chairperson approval.

SUBSISTENCE (MEALS AND DRINKS)

Members may claim reasonable subsistence expenses if on committee business if away from home. Alcoholic drinks may not be claimed as an expense; and value for money should be considered.

ACCOMMODATION

Overnight accommodation for Committee business purposes should be pre-approved by the Chairperson and booked through the managing agent as concessions may apply. However, it may be unavoidable to incur the cost as a personal business expense. In such circumstances the booking shall be subject to the colleague demonstrating (if requested to do so) that value for money has been considered.

PERSONAL COMMUNICATION DEVICES

Members may be reimbursed for making business landline calls, mobile phone calls/texts, use of internet connection, or data usage when it can be demonstrated that the cost incurred exceeded regular personal usage. Proof of business costs incurred should be necessary.

SUNDRIES

Small sundry items such as office stationery, stamps and other consumables that are necessary for members to provide a service should be purchased by the Managing Agent. However, it may be unavoidable to incur the cost as a personal business expense, in which case the cost shall be reimbursed, subject to value for money having been considered.

PROFESSIONAL FEES & SUBSCRIPTIONS

Members who are required (by statute or regulation) to be on a professional register or have a special licence as a direct result of their committee position shall.

have the fee or subscription reimbursed as a business expense.

When it is a member of an organisation whose activities are necessary for their work (as indicated in their role on the committee), then the fee or subscription of one such organisation may be reimbursed as a business expense. The organisation must be on the register of HMRC approved organisations to qualify.

GIFTS, GRATUITIES, DONATIONS AND HOSPITALITY

Members should not claim as an expense, gifts, donations or gratuities (tips) as it is a personal matter, not a business requirement. Offering hospitality is generally not permitted, although there will be occasions when it is in the business interest to do so. In such circumstances the matter should be pre-authorised by the Chairperson. Members should be aware of the requirements within the Code of Conduct when offering hospitality as a declaration may be required.

USING THE PRESCRIBED FORM

Expenses claims shall be made within three months of incurrance on a prescribed form; and the Co-operative reserves the right to decline claims that are not made within this period. Proof of expenses (such as a receipt) shall be provided in all instances. When applicable, members shall redact/amend their receipts to delete expenses that fall outside of the policy guidelines. Credit card statements should not be regarded as a substitute for receipts.

Providing evidence to demonstrate that either value for money has been considered, or that pre-authorisation has been obtained is not a requirement of the form. However, the Co-operative reserves the right to investigate expenses claims. Members may therefore wish to retain information for at least twelve months to enable a swift conclusion to this process.

EXCEPTIONAL CIRCUMSTANCES

The Chair may authorise exceptions to this policy if the need of the business dictates. This may include the authorisation of expense reimbursement that attracts tax and, in such circumstances, the necessary tax declaration shall be made.

MISUSE OF POLICY

The Co-operative takes the matter of business expense claims very seriously. Therefore, gross or persistent disregard for this policy may result in a disciplinary hearing, which could result in employment dismissal.

