



UNIVERSITY OF ABERDEEN

Expenses and Benefits Policy

October 2009

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Introduction

1. This policy applies to all staff of the University of Aberdeen claiming expenses and benefits incurred in connection with University business. It is essential that all expenses and benefits claimed demonstrate value for money, are appropriate and can withstand external scrutiny. It is the responsibility of all staff to ensure best value is achieved in all circumstances. This policy applies to all expenditure from all Colleges or Sections, regardless of funding source.
2. The policy reflects the need to run our operations efficiently, keeping paper work to a minimum, while complying with tax and other legal obligations. Our tax office has agreed the tax/NIC treatment.

Authorisation of expense claims

3. Expenses and benefits must be authorised by staff within the limits set by the relevant College Accountant. Except where this policy specifically provides otherwise, authorisation procedures will be as follows:
4. Expenses and benefits of staff below line manager level must be authorised by the Head of School/Section/relevant P.I. or above (e.g. Head of College/University Secretary). Those for staff at manager level and above must be authorised by the individual's immediate senior, or if no senior, another appointed person. To minimise the risk of fraudulent claims, authorisation must be by original signature, and not by stamp or any other electronic means.
5. Any amendments made to forms should be initialled by the claimant and by the individual authorising them. Under no circumstances will self-authorised forms be accepted.
6. Authorised forms should not be returned to the claimant prior to payment or to incurring the expenditure.
7. Any attempt to submit a false claim form will be treated as a serious disciplinary offence.
8. You may claim the actual cost of expenses incurred wholly, exclusively and necessarily in the performance of the duties of your employment. You are expected to minimise costs by achieving best value without impairing the efficiency of the University.
9. Incomplete claims will be rejected and returned to your School/Section. Expense claims should only be used to claim travel expenses, subsistence costs and other benefits, e.g. subscriptions for business use. Claims should not contain purchases of equipment etc. unless in exceptional circumstances. Purchases via expense claims would not take advantage of national contracts that offer substantial discounts or potential VAT reclaims and also risk PAYE and NIC being levied on transactions where proof of business use does not meet HMRC requirements. Examples of non allowable expenses are detailed in Appendix C.
10. Business expenditure is normally reimbursement by electronic transfer to your bank account, and, for certain individuals, by corporate credit card. In some instances, expenses and benefits are provided by means of direct payment to external suppliers. The guidance set out below should be followed in respect of each of these methods of payment.

Benefits and expenses on which you do not pay tax

11. Except where otherwise provided in this policy in relation to specified items, no tax or NIC liability arises in respect of expenses claimed in accordance with the above procedures and no details need be reported in employees' tax returns. Other expenses and benefits are covered either by:
 - a) a "form P11D dispensation" issued by the tax office which confirms their

agreement that no additional tax arises in respect of them; or

- b) a "PAYE Settlement Agreement" under which the University pays all income tax due on your behalf, and any NIC liability arising.
12. Where the policy indicates that a dispensation applies, no tax or NIC liability will arise to you and the tax office has agreed that you need not report details in your tax returns, though you are responsible for keeping your own records relating to the items concerned for tax purposes. This is explained further below.
 13. Similarly, where the policy indicates that a PAYE Settlement Agreement applies, no tax or NIC liability will arise to you and no details need be reported in your tax returns.
 14. If you incur any business expense or wish to receive any benefit which is not included in this policy, or you have a query relating to the policy, refer in the first instance to your manager who will if necessary refer to the Finance Section for guidance. All contact with the HMRC will be conducted by the Finance Section.

Benefits on which you pay tax

15. Employees will be liable to income tax on any of the following benefits which the University provides:
 - a) Accommodation and related benefits;
 - b) Loans;
 - c) University cars;
 - d) University vans;
16. The University will provide a statement after the end of each tax year showing the taxable value of each benefit.
17. A return on "form P11D" will then be made to the HMRC by 6 July following the end of the tax year so that they may amend your PAYE code or make other arrangements to collect the tax. A copy of this return will be given to you by the same date for the purposes of your tax return.
18. Provided that expenses and benefits have been claimed and/or provided only in accordance with the terms of this policy, you will not need to report in your tax return anything else provided by us. Examples of non allowable expenses and benefits are listed in [Appendix C](#).

Expense and benefits payment procedure

Credit cards

19. The University may, at its discretion, issue credit cards to certain individuals for business use. The normal procedures for reclaiming business expenditure, as set out in this policy, will also apply to credit card expenditure. For additional information please refer to the guidance notes for Corporate Credit Cards at the following website: <http://www.abdn.ac.uk/finance/finregs/finregs.shtml>.

Expenses reimbursed to you

20. Reimbursement will be made on production of original receipts or invoices, except in the limited instances specified below in which expenses are reimbursed by way of fixed rate allowances for which receipts are not required.
21. Expenses incurred on behalf of the University are to be recorded in detail on expense claim forms. Receipts must support these forms wherever the supplier can reasonably be expected to provide a receipt, except where fixed rate allowances are claimed in accordance with the instructions in this policy.
22. You must sign the declaration on the claim form, and the form must be authorised under the procedures described under "[Authorisation of expense claims](#)" (notes 3-10).
23. The form should then be submitted within one month of the expense being incurred to the Finance Section for payment.

Cash Advances

24. Where possible, accommodation and travel arrangements should be pre-booked; alternatively repayments should be claimed via an expense claim. Foreign currency advances are available and require 5 working days notification.

Payments direct to external suppliers

25. Certain expenses and benefits are provided by way of payment direct to external suppliers of goods and services, for example, registrations for organised conferences. The conditions laid down in the relevant section of this policy must be satisfied before the expenditure may be incurred. Any item not covered by this policy must be referred to the Finance Section for guidance, before any commitment is made to incurring the expense.
26. If you are authorised to commit the University to making payments to external suppliers, you should also be aware that there are legal implications and special tax and NIC rules relating to engagement of:
 - a) temporary service 'employees'
 - b) self employed individuals;
 - c) agency workers;
 - d) individuals supplying their services through "personal service companies".
27. The procedures to be followed are described in [Appendix A](#) to this policy.
28. Where expenses and benefits are to be settled by direct payment by the University to external suppliers, the appropriate purchasing procedure must be adhered to. The Purchasing Policy and Guide to Procedures can be found at the following web link: http://www.abdn.ac.uk/purchasing/purchasing_information.hti

Petty cash

29. Petty cash vouchers are to be used only for small items of actual expenditure (not round sums or salary payments; all such payments should be paid via payroll). The maximum amount, which may be claimed in respect of any item through the petty cash system, is as indicated in [Appendix B](#). All other expenses must be claimed using the expense claim form. Petty cash should be used for the purchase of small pieces of equipment and not reclaimed via an expense claim.
30. Any item claimed on a petty cash voucher must be fully described and an original receipt attached wherever the supplier can reasonably be expected to provide a receipt. Please refer to the Petty Cash Procedure for further guidance. It can be found at the following web link: http://www.abdn.ac.uk/finance/policiesandprocedures/petty_cash_2007.pdf.
31. All expenditure on petty cash is recorded on spreadsheets and reviewed and analysed by the Finance Section. All petty cash accounts are audited by the Finance Section, usually on an annual basis.

Expenses and benefits provided by the University

Accommodation

Job related accommodation

32. In some instances, the duties of your employment require you to reside in University provided accommodation. In other cases, the University will provide accommodation for the better performance of your duties, where it is customary for employees to do so in the circumstances. In such cases, the University will provide the accommodation for use by you and your immediate family.
33. In all cases, the accommodation will be provided in property in which the University owns the freehold or leasehold interest. The University will not pay rent for rented accommodation.
34. Where the above applies, the University will also meet the costs of the following in relation to the accommodation:
 - a) water rates;
 - b) Council tax;
 - c) electricity and gas supplies (see below);
 - d) structural maintenance (see below);
 - e) internal decoration (see below);
 - f) furniture for use by you and your family. Where this applies, the furniture will be purchased direct by the University and will remain the property of the University. It must be returned to the University when you leave employment or take up a different job with the University, which does not require the provision of accommodation.
35. Where the University meets the costs referred to at (c) to (e) above, all contracts for the supply of the services in question must be in the name of the University and bills must be paid direct by the University. None of these costs may be claimed through the expense reimbursement system.

Taxation of job related accommodation benefits

36. No tax or NIC charge will arise in respect of the accommodation itself or in respect of payments of Council tax. However, if you receive salary and benefits at a rate of £8,500 per annum or more, you will be liable to income tax (but not NIC) in respect of payments by the University for electricity and gas supplies, internal decoration, and use of furniture (the tax charge on furniture will normally be based on 20% of its value, per annum). The total value of these benefits, which is charged to tax, is limited to 10% of your total net emoluments (excluding the value of accommodation and related benefits). The University will therefore supply details to the HMRC under the form P11D reporting procedure ([notes 15-18](#)).

Annual Staff & Student Events

37. It is recognised that Colleges, Schools & Sections would want to organise induction, retirement and other similar events. These inclusive events should be agreed in advance with the Head of College and a reasonable amount of alcohol (up to £10 per head) may be provided. If in any doubt you should contact your College Accountant.
38. Schools & Sections may wish to organise an event that rewards staff in recognition of a successful event or operational activity, such events should be restricted to one per year and have a limit of £20 per head (not to include alcoholic beverages).

Entertainment

39. Necessary costs of entertaining business contacts will be reimbursed on production of receipts. For this purpose, "business contacts" do not include other employees of the University or of any organisation or company associated with the University. The following information must be shown on the claim form:-
- a) the name(s) of attendees;
 - b) the organisation which they represent and,
 - c) the purpose of the entertainment (for example "entertaining visiting speaker").
40. It should be noted that all entertainment expenditure must be authorised by the line manager before it is incurred. The University will accept claims for alcoholic beverages at a reasonable level, currently £10 per head, per event.
41. Similarly, where you entertain business contacts in the University's dining rooms or restaurant facilities, you must enter details as at (a), (b) and (c) above in the visitors' books provided.
42. Where meals are taken locally with other employees of the University or with employees visiting from other University associated companies/organisations, other than in the University's dining rooms, which are available to all employees, the University will only meet the cost of meals and non-alcoholic drinks in the circumstances described in the "[Subsistence](#)" section below ([notes 75-82](#)).
43. Costs that are incidental to business entertainment costs (for example, the cost of a taxi to a restaurant where a contact or customer is to be entertained), should be described as business entertainment on the expense claim form (and not, for example, claimed under "Travel").
44. No tax or NIC liability will arise to you in respect of entertainment expenses claimed in accordance with these rules and no details need be reported in tax returns.

Home Telephone Costs

45. If you are required to make business calls using your home telephone, as part of your contract of employment or any other agreement, you should claim reimbursement of such call costs by entering the amount to be claimed on the claim form and attaching the original telephone bill with all business calls highlighted. Except as provided below, the University will not bear the cost of any part of the rental of a home telephone nor of any private calls (or private use of the internet, etc). Such costs must be deducted from the total amount of each bill and only the net amount, representing only business calls (and the VAT thereon), should be included on the expense claim form.
46. No liability to tax or NIC arises in respect of expenses claimed in accordance with these rules and details need not be reported in tax returns.

Use of office equipment at home

47. If duties are to be performed at home, the University may provide use of necessary equipment such as computers, fax machines and equipment, which conform to business health and safety specifications. Such items will remain the property of the University and must be returned to the University when no longer required or, if sooner, when you leave the employment. Use of such equipment is provided on the condition that it is to be used only for the purposes of the business of the University except that, in the case of computer equipment, it may also be used for private purposes within limit laid down by the HMRC for tax-free private use. Those issued with computers will be advised separately. The current limit for tax-free private use is £500 per annum. All other use is forbidden. No tax or NIC liability arises in respect of use of equipment under these rules and need not be reported in tax returns.

Medical Examinations

48. Where the University requires you to undergo routine medical health checks or medical screening, the University will make the necessary arrangements with the medical practitioner and will pay direct the costs incurred. You should not pay the practitioner and reclaim the costs via the expense claim system. All medical reports will be supplied direct to the University but copies will be made available to you on request. Medicals may be required as follows:
 - a) pre-employment medicals for staff generally;
 - b) annual medical screening for certain senior staff selected by the University;
 - c) occasional special needs cases where the University requires a report on the employee's fitness.
49. The University will not pay for medical treatment or diagnosis.
50. No tax or NIC liability arises in respect of the above and details need not be reported in tax returns.

Mobile telephones

51. In some circumstances, the University may provide you with a mobile telephone and pay all costs including a reasonable amount for personal calls. No taxable benefit arises and details need not be reported in your tax return.
52. The University will not reimburse you for hiring, leasing or purchasing such equipment of your own. The University may meet the costs of business calls made on such equipment, on

submission of bills and business calls highlighted.

53. The University will not reimburse the cost of mobile phone 'top up' vouchers or 'pay as you go' vouchers.
54. No tax or NIC liability arises in respect of use of mobile telephones in accordance with the above and details need not be reported in tax returns.

Out of Pocket Expenses

55. You may claim the cost of reasonable out of pocket business for which it is not normally possible to obtain receipts. Examples of such expenses are parking meters (but not fines), tube and bus fares and telephone calls from public call boxes. Claims must be limited to the actual amount of expense incurred and not claimed as a round sum allowance. All items claimed should be itemised and described as fully as possible on the claim form.
56. No liability to tax or NIC arises to you in respect of expenses claimed in accordance with these instructions and details need not be reported in tax returns.

Publications

57. The University will make available to you publications and appropriate trade journals, which are necessarily used in the performance of your duties.
58. No tax or NIC liability arises in respect of the above and details need not be reported in tax returns.

Relocation Expenses

59. Relocation costs as set out below will be borne by the University, to a maximum of £8,000 for qualifying purposes, if you change your only or main residence as a result of:
 - a) becoming employed by the University; or
 - b) a change in the duties of your employment; or
 - c) a change in your permanent workplace.
60. The reason for the relocation must be in order to allow you to have your only or main residence within a reasonable daily travelling distance (within 30-mile radius) of your new normal place of work. This will not apply where your former residence is within a reasonable daily travelling distance of that place of work. You will be required to repay the full amount of any relocation expenses paid to you if you leave the employment of the University before accruing one years' continuous service.
61. Relocation expense claims must be submitted promptly. Due to HMRC time limits on claiming relocation expenses, completed claims must be submitted and payment processed no later than the end of the first complete tax year following your appointment. Claims should be submitted to Human Resources at least one month before the end of the appropriate tax year to allow time for processing and payment of the claim. In the UK, the tax year runs from 6 April to 5 April. For example:

| Date of Appointment | Deadline for Payment of Claim | Deadline for Submission of Claim to HR |
|---------------------|-------------------------------|--|
| 1 January 2008 | 5 April 2009 | 5 March 2009 |
| 1 April 2008 | 5 April 2009 | 5 March 2009 |
| 6 April 2008 | 5 April 2010 | 5 March 2010 |
| 1 August 2008 | 5 April 2010 | 5 March 2010 |

62. The University will :-

- a) make payments to you on receipt of a properly completed expenses claim, or
- b) make payments on your behalf on receipt of an invoice address to the University of Aberdeen.

63. Please refer to [Appendix D](#) for further details of qualifying expenditure.

64. No income tax or NIC implications arise from this policy for expenditure up to the current limit of £8,000.

Spectacles for VDU Operators

65. If you are required to operate VDU equipment in order to carry out your duties you will receive appropriate training to do so. Where for these purposes you undergo an examination by an optician, the University will reimburse the cost of the examination if free NHS examinations are not available.

66. In addition, where an optician certifies that a new or alteration prescription for spectacles is required solely for VDU usage, the University will make a contribution towards the costs of frames, lenses and any special prisms or tinting, subject to a maximum as indicated in Appendix B, insofar as the cost relates only to the requirements for VDU usage.

67. Where it is certified that existing bifocal lenses are unsuitable for VDU usage, the University will pay the initial cost of replacement lenses on the same basis as above.

68. Any payment by the University towards the cost of spectacles will be limited to the specified amounts. Claims should be made using the expense claim form. No tax or NIC liability arises.

Staff restaurants

69. Subsidised staff restaurant facilities are provided at the University.

70. Wherever staff restaurant facilities are used for entertaining business contacts from outside the University, you must ensure that your own name, the name of each visitor, and the organisation which he or she represents (and the purpose of the entertainment) are recorded in the logbooks provided (see "[Entertainment](#)", notes 39-44).

71. No tax or NIC liabilities arise to you in respect of the restaurant facilities.

Professional subscriptions

72. The University will bear the cost of annual subscriptions to professional bodies where the University considers that membership of the organisation in question is a requirement for you to perform the duties of your employment.

73. The approved professional bodies are contained within the HMRC List 3. Please contact the Finance Section for confirmation if in doubt.
74. In such cases membership of the organisation is a condition of the employment. No tax or NIC liability arises and details need not be reported in tax returns.

Subsistence

75. If your duties require you to travel you are entitled to claim the additional cost of meals taken en route. If however you are attending a catered conference you can only claim personal incidental expenses ([note 102](#)). Only the costs of meals taken in the course of business journeys will be borne by the University in the circumstances described below. You may claim either the actual, reasonable costs of food and non-alcoholic drink, supported by receipts, or, as an alternative, scale subsistence expenses as follows.

Day Subsistence Allowances

76. If you have a permanent workplace you may claim the following amounts without receipts for each day on which you purchase a meal while at least 5 miles away from home and your permanent workplace.

a) Lunch - £10.00

When absent from your permanent workplace or home for more than 5 hours, spanning a normal mealtime.

b) Lunch & Dinner - £25.00

When absent from your permanent workplace or home for more than 10 hours, spanning two normal mealtimes.

77. If you hold a travelling appointment you may qualify for the above allowances where you are more than 5 miles from home for more than 5 hours, or 10 hours, as appropriate.

Overnight Subsistence Allowances

78. Staff in certain designated Sections whose duties entail extensive travel may, at the discretion of the manager, receive reimbursement of either of the following overnight allowances as appropriate:-

a) Overnight subsistence allowance - £30

Where you are away from home and the normal workplace overnight you may claim an overnight subsistence allowance of £30, in addition to accommodation costs (see below), to cover meals and all other incidental business expenses. If however you are attending a catered conference you can only claim [personal incidental expenses](#) ([note 103](#)). Where overnight allowance is claimed you may not claim the day subsistence allowances referred to above, nor any actual meal or other incidental costs.

It should be noted that the allowance is payable in respect of *nights* spent away from home, so that, for example, if you are away from home from Monday to Wednesday and stay away from home on Monday night and Tuesday night, the allowance claimable is 2 x £30 = £60.

b) "Staying with friends" allowance - £25

Where you choose not to stay in hotel accommodation (see above) and instead stay overnight with friends or relatives, an allowance of £25 per night may be claimed by way of a contribution towards the costs incurred by the hosts in providing board and lodging. This allowance is in lieu of the hotel costs, which would normally be claimed. Where this allowance is claimed, the only other scale subsistence allowance for which you may claim, where appropriate, is the "day subsistence allowance (lunch)" described above.

79. The day subsistence and overnight subsistence allowances referred to above may not be claimed when you are visiting another location of the University where staff dining facilities are available. In such instances that facility should be used. Nor may these allowances be claimed where your meal cost is met by a business contact or by another employee. Staff who would otherwise be entitled to the overnight subsistence allowance may claim only actual, receipted expenses covering each meal or other incidental cost actually incurred.
80. No tax or NIC liability arises in respect of any of the above expenses claimed in accordance with these rules.

Working Lunches

81. If you are responsible for arranging refreshments in connection with a meeting or training event which carries on through the normal lunch break these must be supplied by the University internal catering facilities and you should ensure that the total costs are modest.
82. No tax or NIC charge will arise where modest refreshments are provided from the University's facilities.

Training courses

83. The University provides training courses to enable employees to improve their effectiveness at work. The University organises training courses in-house and the costs of these courses are borne by the University. Where it is necessary for you to travel to attend courses, any travel and subsistence expenses incurred may be claimed as business expenses under the rules indicated in the "[Travelling Expenses](#)" and "[Subsistence](#)" sections of this policy ([notes 89-101](#) and [notes 75-82](#) respectively).
84. Additionally, at its discretion, the University will bear the cost of external training courses. The University may agree to meet the cost of courses where the training leads to the acquisition or improvement of knowledge, skills or personal qualities which are likely to prove useful to you in carrying out the duties of the employment, or which better qualify you to undertake the duties of another employment with the University in due course.
85. Where these conditions apply the University may agree to bear the cost of the course fees and the cost of essential books, and any costs directly related to the taking of the course. If you are in any doubt about whether a particular cost can be treated as directly relating to the taking of the course, refer to the Finance Section for guidance.
86. No tax or NIC liability arises in respect of such payments and details need not be reported in tax returns.

Training courses - travel and subsistence expenses

87. Provided the period of training on an external course does not exceed 24 months, any

reasonable travel and subsistence expenses incurred in attending the course may be claimed as business expenses under the rules indicated in the "[Travelling expenses](#)" and "[Subsistence](#)" sections of this manual ([notes 89-101](#) and [notes 75-82](#) respectively).

88. No tax or NIC liability arises in respect of such costs and details need not be reported in tax returns.

Travelling Expenses

89. You may claim the costs of necessary business travel.

Air/Rail fares

90. Employees, who need to travel by air or rail, should normally travel at tourist or economy class or standard class for rail fares, taking advantage wherever possible of any reduced rates. In relation to air travel, all domestic and short haul flights (less than 7 hours in length) should be economy or tourist class. Long haul flights (over 7 hours) may be at business class with prior approval of the Head of School/Section or Head of College/Administration. For rail travel, staff may travel business class with prior approval from the Head of School/Section or Head of College/Administration. All student travel should be at economy or tourist class.
91. Whenever possible tickets should be booked in advance (at least 14 days) in order to reduce costs and take advantage of low fares. A variety of carriers should be considered to ensure value for money is achieved. Travel by business class must be booked a minimum of 14 days in advance of travel and open tickets should not normally be purchased when travelling by business class. All staff have responsibility to ensure good use of funds and best value is achieved regardless of the funding source.
92. "Trading down" of travel tickets, i.e. travelling by a lower class in order to claim an extra ticket for a family member or friend, is not permitted.
93. Details of any rail and flight costs for which reimbursement is sought should be reported on the claim form, as for other public transport expenses.
94. No tax or NIC liability arises in respect of travel expenses claimed under the above rules and details need not be reported in tax returns.

Taxis

95. Use of taxis for business purposes is an allowable expense and may be claimed when supported by receipts, and details and purpose of journeys completed on the expense form. Due to the cost implications, taxis should not be used for journeys of excessive length nor when a reasonable method of public transport is available e.g. underground. It is not permissible to claim for taxi journeys from home to the normal place of work (or the return trip) as this gives rise to a taxable benefit.
96. No tax or NIC liability arises in respect of travel expenses claimed under the above rules and details need not be reported in tax returns.

Carbon Offset

97. It is not University policy to reimburse staff for the cost of carbon offsetting business related travel. While the University is fully committed to the reduction of its carbon footprint, it aims to do so through initiatives regarding energy consumption, waste generation and transport usage.

It is the University's view that investment in these types of internal initiatives is a more effective use of resources than funding external schemes that do little to address the underlying causes of workplace emissions.

Car parking

98. At the University, car parks are available to staff.
99. Parking costs incurred in the course of business travel may be claimed via the expenses system (including parking near the normal place of work where this is in preparation for or after such a journey), but the costs of parking otherwise at the normal place of work may not be claimed.
100. No tax or NIC liability will arise from the provision of this benefit and details need not be reported in tax returns

Hotel Accommodation

101. When you are travelling on business you should obtain accommodation in a reasonable quality hotel. The University will bear the cost of the room, evening meal and breakfast (and certain personal incidental expenses – see below). Where meals are not taken in the hotel separate restaurant receipts should be obtained or alternatively you may charge only the room cost to the hotel bill and claim all other meal and incidental costs by way of the subsistence allowance under the rules described in "[Subsistence](#)" above ([notes 75-82](#)).
102. Details of how to book hotel accommodation at preferential rates can be found on the Procurement Office website by clicking on the Expotel icon at the following website: http://www.abdn.ac.uk/purchasing/purchasing_information.hti
103. No tax or NIC liability arises in respect of hotel costs claimed under these rules and details need not be reported in tax returns.

Personal incidental expenses

104. You may claim the actual costs of personal incidental expenses such as newspapers, private calls, laundry, drinks, etc provided that the total amount spent on such items amounts to no more than £5 per night (where the night is spent in the United Kingdom) or £10 per night (where the night is spent outside the United Kingdom). The average may be calculated only over the duration of an unbroken business trip. Any nights not spent away from home on the business trip will break the period. The University will monitor claims for personal incidental expenses to ensure the HMRC limits are not exceeded.

University Vehicles

105. By virtue of the nature of their duties, certain staff are provided with vehicles for business use. In such cases private use is not permitted as this is a taxable benefit and must be reported to HMRC, and University vehicles are not insured for private use. The terms under which a University vehicle will be provided to you will be notified to you as soon as you become eligible.
106. If you use a University vehicle you can make claims for appropriate expenses such as oil, servicing and maintenance, cleaning, parking on business journeys and toll charges on business. Under no circumstances will parking fines or speeding tickets be reimbursed to you or met on your behalf.

107. University vehicles must normally remain at University business premises overnight.
108. No employees' NIC liability arises in respect of the benefit of the use of a University vehicle as described above.

Using your own car on business

109. If you use your own private car, other than for travel within Aberdeen, on University business you must seek prior authority to do so from your manager. You should ensure that your insurance cover extends to business use and the insurer should, if necessary, be asked to endorse the certificate to confirm that driving in the performance of the University's business is covered by the insurance policy.
110. Before travelling, staff are required to compare standard (as appropriate) rail travel costs, and, if cheaper, should opt for rail travel when a direct rail service is available. Alternatively, if rail travel is not available, the cost of car hire (including fuel and other charges) should be considered, once again the cheaper option must be taken. If for any reason, a more expensive mode of transport is chosen, the cost of the cheaper alternative will be reimbursed.
111. Where authority is granted by the University, expenses incurred whilst on University business will be reimbursed (the mileage allowance is detailed in [Appendix B](#)). Where public transport is not readily available, the University prefers that a hire car be used. Where mileage allowances are claimed, cumulative mileage totals must be recorded on the claim form.
112. If you are authorised to use your own car on University business you should claim following the procedure described below.
113. Full details of the journey, including date, reason for journey, starting points and destinations, should be shown in the appropriate columns of the claim form. Business miles claimed must be entered and the amount claimed shown in the appropriate column.
114. No tax or NIC liability arises in respect of mileage claimed for the use of the employee's own car under the above rules and details need not be reported in tax returns.

Fuel – University hired cars & vans

115. The cost of fuel used for business purposes in cars and vans hired by the University should be entered on the expenses claim form under travel.

Uniforms

116. The University will provide uniforms for some employees. The University will arrange the provision of clothing. Costs may not be claimed by way of reimbursement in cash.
117. The University logo will be imprinted/stitched into or otherwise permanently attached to all clothing provided, other than safety helmets.
118. Expenses of laundering the clothing referred to above may be claimed in accordance with the procedures laid down in the "Expense and benefits payment procedure" section of this policy ([notes 19-23](#)).
119. If replacement clothing is purchased because of damage to an item of clothing referred to above, this must be recorded on the claim form.

120. No tax or NIC liability arises in respect of clothing and laundry costs provided under the terms described above and details need not be reported in tax returns.

Gifts

121. The University will allow gifts to external parties; however gifts of cash are not permitted. A gift must not exceed the HMRC limit of £50 to an individual recipient in any given year. Gifts in excess of £50 are treated as a taxable benefit, with the University responsible for reporting and paying any tax liability. Gifts should be purchased through normal University procedures and not claimed on expense forms.

Engagement of temporary service employees, self employed individuals, agency workers, personal service companies and international assignees

Introduction

1. This Appendix sets out guidance for all employees who are authorised to engage the services of workers from outside the University. These procedures must be followed in order to avoid exposing the University to claims for underpaid tax and NIC.

Temporary Services

2. Temporary Services' refers to the appointment of individuals on a casual or hourly-paid basis to resource periods of pressure, unexpected absence or specialist expertise within Schools or Sections. Individuals appointed through the Temporary Services route are not employees but are nevertheless entitled to receive limited statutory and occupational 'Temporary Services' benefits.
3. Individuals may be engaged on a temporary services basis if their services are required for less than 0.1 FTE in a complete academic year.
4. The Temporary Services procedure can be located on the Human Resources website at the following link: <http://www.abdn.ac.uk/hr/uploads/files/temp%20services.pdf>.

Construction and Maintenance Contractors and Sub-contractors

5. From April 2007 charities (including the University) are exempt from CIS tax; however University subsidiaries may be required to operate the scheme. Any queries should be directed to Financial Accounting within the University Finance Section.

Self-Employed Individuals, Agency Workers and Personal Service Companies

6. The term "self-employed individual" is used to cover any individual who works for the University under his or her own personal agreement (whether written or verbal) with the University but does not have a contract of employment with the University and is not a casual employee. This includes consultants, freelancers, sole trader businesses, and so on. The term "agency workers and personal service companies" covers any individuals whose services are supplied by a third party such as another limited liability company, partnership or other organisation independent of the individual concerned.

| | 2009/10 Tax Year |
|---|-----------------------------|
| Maximum amount claimable through petty cash | £40 |
| Spectacles for VDU operators: maximum contribution to costs | £50 |
| <p>Mileage rates: Employees driving their own cars:</p> <p>Per round trip (for cumulative annual business mileage up to 10,000 miles)</p> <p>First 100 miles of a round trip. 40p</p> <p>Subsequent mileage. 25p</p> <p>Per round trip (for cumulative annual business mileage over 10,000 miles)</p> <p>Rate for all mileage after the first 10,000 business miles per year. 25p</p> | |
| <p>Subsistence Allowance</p> <p>Day subsistence (lunch) £10</p> <p>Day subsistence (lunch and dinner) £25</p> <p>Overnight subsistence allowance £30</p> <p>Staying with friends allowance £25</p> <p>Personal Incidental Expenses</p> <p>UK £5</p> <p>Overseas £10</p> | |
| Removal Expenses Tax Free Allowance | £8,000 |

The following are examples of non allowable expenses due to tax implications:

- 1 Child care expenses
- 2 Kennel boarding for pets
- 3 Travel cards
- 4 Top up vouchers for mobile telephones
- 5 Home telephone line rental or private calls
- 6 Personal mobile telephone contracts or private calls
- 7 Home broadband internet access
- 8 Membership to airport executive lounges or such like
- 9 Commuting from home to the normal place of work

The following are examples of non allowable expenses:

- 1 Alcohol unless in the course of business entertainment and within allowable limits
- 2 Payments to individuals of any type
- 3 Parking fines or speeding tickets

Guidance on the University's Relocation Policy

- 1 The following regulations apply to all members of staff within the University. You will be required to repay the full amount of any relocation expenses paid to you if you leave the employment of the University before accruing one year's continuous service. For further information on eligibility to claim relocation expenses, please see Paragraphs 59-64 of the Expenses and Benefits Policy.

Staff appointed from anywhere in the UK

- 2 The University will normally reimburse the following costs where they are deemed to be reasonable:
 - a) Removal of furniture, personal and office effects based on the lowest of three estimates
 - b) Single fares for the member of staff, partner and children based on the normal rates for University travel:
 - i. Apex rail fares, with sleeper supplements where necessary, or
 - ii. Economy air fares for those outside the mainland, or
 - iii. Mileage allowance at the rate currently in force up to the maximum cost under i) or ii) above as appropriate.

Staff appointed from Overseas

- 3 Each case will be considered individually but the University will normally reimburse the following costs where they are deemed to be reasonable:
- 4 Removal (by sea and land) of furniture, personal and office effects based on the lowest of three estimates.
- 5 Single economy air fares for the member of staff, partner and children. Airfares in excess of the economy fares will not normally be reimbursed.

How to Claim Reimbursement

- 6 The three original estimates for removal expenses, the receipted invoice from the removal company for actual expenses incurred and receipts for travel expenses should be submitted to the Human Resources Section. Please note that for auditing purposes we must have the original estimates and receipts – not faxes or photocopies. The Human Resources Section will arrange payment to the member of staff and will not deal directly with the removal firm. In exceptional cases, consideration may be given to making payment to the member of staff in advance, on submission of accepted, but unpaid, estimates by removal firms, including where available the relevant invoice.
- 7 *If you have any queries regarding these regulations (e.g. whether a particular expense will be reimbursed) please contact the Human Resources Section before making any arrangements.*

The University reserves the right to refuse to meet costs, which are not covered by the regulations and have not been agreed in advance by the Human Resources Section.

NOTES

- 8 The University does not contribute to the cost of the removal of cars or pets, storage costs (including moves in and out of store), temporary accommodation, insurance or legal costs.
- 9 In certain circumstances, it may be more convenient and/or less expensive for an individual to move their belongings themselves, e.g. by hiring a van or making one or more car journeys. Please contact the Human Resources Section for confirmation that this will be acceptable.
- 10 Occasionally, members of staff may wish to use a removal firm other than the one, which submitted the lowest estimate. In these circumstances the University will reimburse the cost of the lowest estimate and the member of staff must pay the difference.
- 11 Relocation expense claims must be submitted promptly. Due to HMRC time limits on claiming relocation expenses, completed claims must be submitted and payment processed no later than the end of the first complete tax year following your appointment. Claims should be submitted to Human Resources at least one month before the end of the appropriate tax year to allow time for processing and payment of the claim. In the UK, the tax year runs from 6 April to 5 April. For example:

| Date of Appointment | Deadline for Payment of Claim | Deadline for Submission of Claim to HR |
|---------------------|-------------------------------|--|
| 1 January 2008 | 5 April 2009 | 5 March 2009 |
| 1 April 2008 | 5 April 2009 | 5 March 2009 |
| 6 April 2008 | 5 April 2010 | 5 March 2010 |
| 1 August 2008 | 5 April 2010 | 5 March 2010 |

- 12 Consideration may be given to reimbursing claims at separate times for different stages of the move.
- 13 Under current HMRC rules, relocation expenses over a certain limit may be liable for taxation (see Appendix B for current limits). The University is obliged to disclose any excess to the HMRC for assessment. Should this matter become a concern for you, staff in the Finance Section will provide further information.

Acronyms

Appendix E

| | |
|------|----------------------------------|
| HMRC | Her Majesty's Revenue & Customs |
| NIC | National Insurance Contributions |
| PAYE | Pay As You Earn |
| VAT | Value Added Tax |