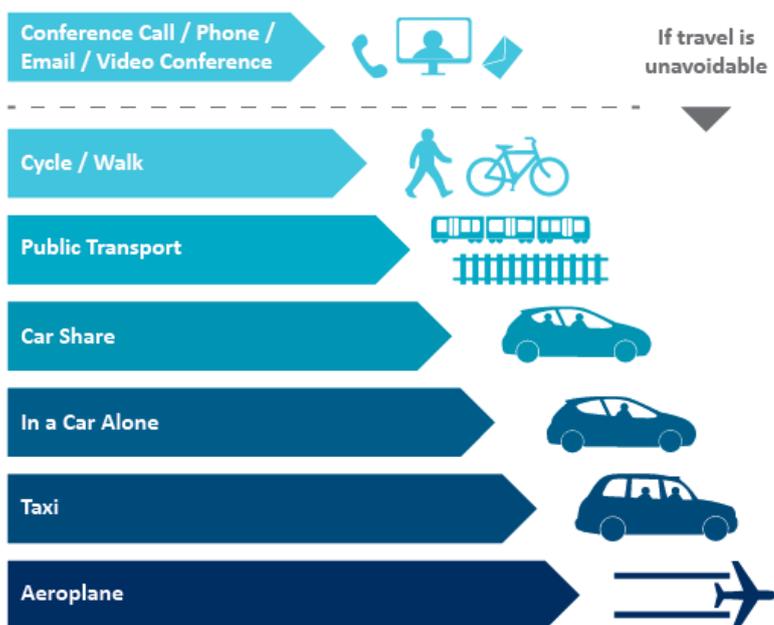


## 1 Introduction

- 1.1 This document sets out Foundation Scotland’s [FS] policy on the reimbursement of Board and Committee Members [BCMs] for the costs of travelling on official business.
- 1.2 Travel and subsistence claims, as with all FS expenditure, are predominantly met from charitable donations. Consequently, it is important that all those travelling on FS business and making claims under this policy ensure that costs to FS are kept to a minimum without unduly reducing the efficiency with which they carry out their duties.
- 1.3 The Policy seeks to support FS’s broader environmental objectives by encouraging more sustainable behaviours and discouraging carbon-intensive methods of working and travelling. It is understood that face-to-face meetings are essential for relationship building and development. However, it also acknowledged that effective work can be achieved through a balance of face-to-face meetings and digital contact. The model below shows the range of travel methods, from a lower to higher environmental impact perspective. This policy requires that you consider this as you plan your activities.



## 2 Scope

- 2.1 This Policy applies to all FS trustees and committee members.

### 3 Abbreviations and Definitions

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#### Abbreviations

- CFOO – Chief Finance and Operations Officer.
- HMRC – HM Revenues and Customs

### 4 Policy

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#### Policy Statement

- 4.1 This policy has been developed within the guidelines set by HMRC and rates have been set to minimise liabilities for income tax and national insurance on benefits and expenses provided.
- 4.2 FS will reimburse BCMs promptly for the costs of travelling on official business.
- 4.3 Claims under £50 can be approved by the CFOO. Those over £50 must be approved by the Board Chair or in their absence by the Chair of the Finance Committee [FC]. In both cases forms should be emailed cc'ing in the Board Chair or Chair of the FC.
- 4.4 For efficiency, BCMs are requested to submit one claim per month covering the previous month. If the scale of an BCM's expenses are such that they will be regularly out of pocket a permanent float can be requested which is refundable when the BCM ceases to be either a Board or Committee Member. Please contact the Finance team for advice.
- 4.5 FS will not pay claims more than 2 months after the date the expenditure was incurred, or which lack appropriate receipts.
- 4.6 Payments are reimbursed by bank transfer following approval and after being reviewed by a member of the Finance team.

#### Receipts

- 4.7 To comply with HMRC requirements expenses will only be reimbursed on production of receipts which support the claim.
- 4.8 The BCM is expected to obtain original receipts for all expenses they wish to have reimbursed. An original receipt may take many forms (for example, a cash register receipt or a web receipt). A receipt must identify:
  - The date of purchase
  - The vendor name
  - An itemised list and unit price of the purchased items
  - The total amount paid
  - The VAT number (where applicable).

- 4.9 FS recognises that it is not always possible to obtain a receipt. In the event of lost or missing receipts the BCM should seek duplicate receipts or produce alternative proof of payment – such as a photo. If no proof of payment is available e.g. the underground or parking meter did not return the ticket the BCM should note this on the claim.
- 4.10 Non-inclusion of scanned receipts with the e-expense claim form may mean that items are disallowed from the claim or may require to be subject to employment taxation.
- 4.11 VISA, Mastercard, debit or credit card counterfoils and credit card statements are **not** an acceptable form for proof of purchase.

## Travel

- 4.12 General principles
- All journeys away from a BCM's home when carrying out necessary FS business will be regarded as business travel.
  - Travel should be by the most efficient and environmentally effective means of transport consistent with the business objective of the trip and safety of the BCM.
  - Travellers are expected to consider whether the journey is essential or alternative options such as Skype, video or telephone conferencing would be more appropriate.
  - The forms of transport BCMs may use in order of FS preference are shown in the travel hierarchy diagram in 1.2.

## First Class Travel

- 4.13 Occasionally first class tickets are more economical overall as other services such as internet connection and food are included in the fare. Where this is the case, the BCM should screen shots the comparable costs as evidence. Train journeys to London may be first class to avoid more costly flights and overnight accommodation. Where this is the case, BCMs should book as far in advance as possible to obtain the best possible price.
- 4.14 However, generally, BCMs should not travel by first class or business class on any form of transport.
- 4.15 Travellers are welcome to upgrade from standard to higher classes at their own expense, but FS will only reimburse the cost of the standard fare.
- 4.16 If the BCM has additional needs and this has been agreed with their Line Manager, first class travel may be permissible.

## Use of own vehicle and claiming mileage

- 4.17 BCMs are entitled to claim mileage when using their own transport for travelling on FS business.
- 4.18 When undertaking a journey on FS business the driver is responsible for ensuring the vehicle is in a roadworthy condition, licensed, insured for business travel and has a valid MOT certificate if appropriate.

- 4.19 Mileage should reflect the actual mileage driven using the most direct route unless the route is unsafe due to the time of travel or weather conditions.
- 4.20 Rates payable per mile are in accordance with HMRC published guidelines:
- Cars & Vans - £0.45 per mile up to 10,000 miles, thereafter £0.25 per mile
  - Motorcycles - £0.24 per mile
  - Bikes - £0.20 per mile
- 4.21 The mileage rate covers the buying, running and maintaining the vehicle such as fuel, oil servicing, repairs, insurance, car tax and MOT. It also covers the depreciation of the vehicle.
- 4.22 Full details of the journey, including date, reason for journey, starting points and destinations, should be shown in the appropriate section of the Mileage Claim Form [See F021].
- 4.23 The cost of road and bridge tolls will be reimbursed if they form part of a business journey.
- 4.24 Parking costs incurred in the course of travelling away from home may also be claimed.

### Taxis

- 4.25 BCMs may claim reimbursement of the cost of a taxi or private hire vehicle fares when it would not be reasonable to take a connecting journey via public transport. Electric Taxis should be requested if possible. Taxis may be used for journeys:
- Where no other suitable transport is readily available
  - When heavy or bulky equipment is being transported
  - Where the saving of time is of paramount importance
  - Where an individual has restricted mobility or other disability
  - Where public transport is unavailable (either early in the morning or late at night) or deemed inappropriate (e.g. late at night where a BCM would otherwise feel unsafe).
  - Where a taxi is being shared with either FS employees or other BCMs and the overall cost is less than each taking public transport
- 4.26 Tips arising from a Taxi journey will not be reimbursed.

### Fines and Penalties

- 4.27 Car parking fines, release fines, speeding and other motoring penalties are the responsibility of the individual and FS will not reimburse these costs.
- 4.28 FS will not reimburse costs as a consequence of the travel that are not incurred in travelling, but result from the circumstances of the BCM, for example the cost of putting a pet dog in kennels while away from home or a babysitter.

## Subsistence

4.29 FS will reimburse the costs of meals taken en route during business journeys away from their home where these meals have not been provided.

Travel Time	Maximum total
Breakfast [if not included]	£10
Lunch	£15
Evening Meal	£25

4.30 Tips will not be reimbursed.

## Accommodation

4.31 Standard of overnight accommodation

- BCMs should ensure that accommodation is safe and of a reasonable standard – normally at three-star rating. Rooms should be sole occupancy, have en suite facilities, TV, tea and coffee making facilities and internet access. There should be adequate space and where it is necessary to work in the room facilities [light, desk, etc.] for doing this. The accommodation should have satisfactory personal security arrangements and adequate emergency procedures.
- FS encourages BCMs to book accommodation that is green certificated, where cost is not excessive in comparison to alternatives in the area. Using accommodation, which is run as a social enterprise, B Corps or is community owned is also strongly encouraged.  
<https://www.holiabile.com/news/understanding/eco-hotels/>

4.32 Mini-Bar / Movies

- Items of a personal nature such as alcoholic mini-bar drinks or video/movie hire will not be reimbursed by FS. Where these items are included on a bill the costs should be deducted by the BCM prior to the submission of the claim for reimbursement.

4.33 Hotel Internet Access

- If Internet access is not included in the room rate, BCMs may claim internet costs when staying in hotels provided it is incurred for FS business [e.g. working on a presentation/report for the following day's business meeting]. The reason for internet access should be detailed on the claim.

4.34 Accommodation provided by a Relative / Friend

- A BCM travelling on FS business and choosing to stay overnight with friends, relatives or colleagues instead of in a hotel, will be reimbursed for the actual cost of an evening meal [for himself/herself only]. No other expenses should be claimed.

4.35 Rates Allowable

- London [including breakfast and VAT] - £200 per night
- Elsewhere in the UK [including breakfast and VAT] - £120 per night

## No Personal Gain or Loss

### 4.1 Trading Down of Travel Tickets

- 'Trading down' of travel tickets i.e. travelling by a less expensive travel class in order to claim an extra ticket for a family member or friend is not permitted.

### 4.2 Travel with Spouse/Partner/Family

- Where the BCM is accompanied by a Spouse/Partner or other non-FS connected persons, the BCM must only claim the appropriate share of each item of expenditure, consistent with that which would have been incurred if travelling unaccompanied.
- Costs incurred on behalf of a BCM's spouse or partner will not be reimbursed.

### 4.3 Extended Travel

- Extended travel refers to travel trips which include time spent on non-FS business such as earlier arrival, later departure or gaps in business.
- Prior approval [evidenced by e-mail] for extended travel beyond the minimum days required for business purposes must be obtained from whoever will be asked to authorise the claim.
- FS will not reimburse the cost of accommodation, local transportation, meals or other costs in excess of the minimum days necessary for business travel or conference attendance.
- The costs related to an earlier departure and/or later return for travel may be reimbursed when the total cost of the travel is clearly documented and demonstrated to be equal to or lower than it would have been for the dates required for business travel.
- Savings in travel costs cannot be used to justify FS meeting other essentially private or personal costs (e.g. recreational trips) during the non-business extended days.

### 4.4 Personal Business Conducted during Period of Travel

- Incremental travel costs incurred for personal business during the course of a FS business trip, are the responsibility of the BCM. Incremental travel costs include expenses that would not have been incurred on the business portion of the trip, except for the fact that the BCM conducted personal business at some point during the trip.

## Hospitality

### 4.5 FS can only provide hospitality to BCMs where there is a valid business reason

- Refreshments during a meeting – the provision of tea, coffee and biscuits (but no other food) can be reimbursed when the refreshments are bought for a business meeting. FS encourages BCMs to source food from social enterprises where possible.
- Modest working lunches for training events and formal minuted meetings are permitted where the timing and duration of the meetings unavoidably prevents attendees from having their normal personal lunch break.

- 4.6 There may be occasions when, for legitimate business reasons it is appropriate to provide hospitality to foster new business. The attendees and purpose of the meeting should be clearly noted on the expense claim form. Such hospitality should be modest, and alcohol should in general not be claimed. Business entertaining with which involves more than a light lunch should be approved in advance by the CEO/Chair.

#### Gifts to Board and Committee Members

- 4.1 In general FS will not approve gifts given to BCMs using FS funds.
- 4.2 The gift of a perishable item such as a bunch of flowers, box of chocolates or basket of fruit given to a BCM to mark a non-work-related significant life event i.e. illness or death of a close relative is claimable provided the value does not exceed £50.00. These costs must be approved in advance by the Chief Finance and Operations Officer/ CEO
- 4.3 For gifts that recognise a personal occasion (e.g. engagements, retirements, maternity/paternity celebrations, weddings, birthdays and leaving gifts), FS policy is that these should be treated as personal expenditure.

#### Communication Costs

- 4.4 BCMs who are required to make business calls using their home phone/ personal mobile may claim costs. In support of claims, itemised statements with the relevant calls highlighted must be attached.
- 4.5 FS will not pay for home internet or internet boosters. HMRC considers that home internet costs cannot be monitored for business/personal use and therefore have advised that these payments are taxable on the individual without exception .
- 4.6 Internet costs incurred whilst travelling may be claimed.
- 4.7 These cards are issued at the discretion of the CFOO and based on the need for operational efficiency.

#### Time Limit

- 4.1 Claims should be submitted as soon as possible after the month in which they have been incurred. In any event, claims must be submitted within two months of the expense being incurred. This also enables verification to take place with greater ease.
- 4.2 BCMs should also be mindful of FS's financial year end on 31 March. In order to adhere to approved accounting principles, all expenses for that year must be reported in the year in which they were incurred to ensure that the expense is appropriately captured in the financial statements. A special reminder will be sent by Finance at the end of March each year to assist.

#### Ownership

- 4.1 All items purchased with FS funds are and remain the property of FS. In the event that a BCM leaves FS they must ensure that all such items remain with FS.

## Freedom of Information

- 4.1 FS is not covered by the Freedom of Information Act however if it is distributing Government money which is subject to such an enquiry it may be required to disclose related expenditure information if required.

## Claiming Expenses – Summary

- 4.2 Board and Committee Member Expenses Claims [Form F024]
- Claims are made using form F024 and should be completed monthly.
  - The form may be completed using excel [ideally] or may be printed off and filled in manually.
  - Any related receipts are scanned and together with the form are emailed to [finance@foundationscotland.org.uk](mailto:finance@foundationscotland.org.uk) cc'ing in the Board Chair or the Chair of the Finance Committee.
  - Claims will be paid by BACS.

## 5 Roles and Responsibilities

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- BCMs are responsible for compliance with the Policy.
- The CFOO is responsible for updating the Policy and ensuring its compliance with HMRC regulations.

## 6 Training

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- There is no training linked to this policy.

## 7 References

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- <https://www.gov.uk/expenses-and-benefits-travel>

## 8 Review

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- 8.1 This policy is reviewed, approved, and endorsed by the Board of trustees. It is updated when required by legislation, to ensure that it reflects statutory responsibilities, government guidance and best practice for FS, or every 24 months whichever is the soonest.