

EXPENSES POLICY

Written by: **Chief Executive**

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Approved by: **Management Committee**

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1. General

- 1.1 The Association will reimburse expenses incurred on Association business provided:
- the expenditure was wholly and necessarily incurred on Association business.
 - the level of expenditure is reasonable.
- 1.2 Claimant's expenses should be minimal whilst having due regard to personal safety, reasonable standards of comfort and time constraints.

2. Business Travel

- 2.1 Committee and employees will be reimbursed for out of pocket travel expenses, subject to the conditions at 1.1 and 1.2. Receipts must be produced, unless allowances are payable (eg, mileage allowance).
- 2.2 Employees using their own transport for business travel may reclaim allowances at the mileage rate recommended by EVH. Employees who have been designated Essential Users will receive the lump sum payment with their monthly salary. A schedule of mileage rates is attached and will be updated annually in line with the EVH JNC recommendations. Mileage will be payable from the office or other normal "base". Where the journey, or part of it would have been undertaken as travel to/from work, only the extra miles should be claimed.
- 2.3 Public transport should be used where it is reasonable and practical to do so, but not where time does not permit or where personal safety may be put at risk. Taxi fares will be reimbursed provided a receipt is produced and (a) it can be demonstrated that suitable public transport was not available or it would be unreasonable to expect it to be used (eg late at night) (b) it was the most economical option (eg where otherwise an overnight stay may be required).
- 2.4 Committee and employees, when planning a business trip, should, prior to the event, consider all the alternatives and select the most economical, reasonable method. The cost of plane fare and/or car hire will be met by the Association where it is the most cost effective means of travel. Discounted fares should be used where possible. Consideration should be given to staff (and committee) travelling together to minimise costs, if it is practical and reasonable to do so.
- 2.5 If a member of staff or a committee member chooses particular travel arrangements (eg, the use of his/her own car) for a journey which could have been undertaken more cheaply by other means, reimbursement (eg, mileage allowance) may be limited to the cost of the cheaper alternative.
- 2.6 Reasonable additional expenses which are incurred as a result of unavoidable travel delays during a business trip (eg, due to weather or technical problems) will be reimbursed. If the committee member or employee has chosen to extend the trip for personal reasons, and experiences travel delay which would not have occurred

had the trip not been extended, resulting additional costs will not normally be met by the Association.

- 2.7 Necessary parking charges will be reimbursed (on production of receipts), but penalty tickets and parking fines will not be paid.

3. Travel to/from work

- 3.1 The reasonable cost of travel to and from their normal place of work will only be reimbursed if an employee is required to attend for an additional session in any one working day. HM Revenue & Customs (HMRC) regard such re-imbursement as a taxable benefit (see 12 below).

4. Overnight Accommodation

- 4.1 Where a committee member or employee is required to be away from home overnight on official duty, reasonable expenses will be met by the Association, subject to the conditions at 1.1 and 1.2. Receipts must be produced unless allowances are payable.
- 4.2 Overnight stays should be limited to the minimum required for the business being undertaken. Where overnight stays are necessary, the accommodation should be no more expensive than is necessary to ensure personal safety and a reasonable level of comfort. Accommodation should be booked in advance if possible. Corporate Governance staff can assist with this on behalf of members. Accommodation should be approved in advance by the budget holder.
- 4.3 Where a receipt for overnight accommodation is not available, an unreceipted Bed & Breakfast allowance may be claimed at the level set by the Association and shown in the schedule. HMRC regard any "unreceipted" claim as a taxable benefit (see 12 below).
- 4.4 Employees living off the Orkney mainland (who can normally commute daily to work) will be paid reasonable out of pocket overnight expenses when, in the course of OHAL business necessarily out of office hours, they cannot get home because the public ferry service has ceased (or because they are required to start before the first ferry crossing of the day). The claim may be paid net of any savings to the employee through not taking their normal journey where the saving is above a figure fixed from time to time and given in the schedule. Consideration should be given to other reasonable travel arrangements (eg, boat hire) and reimbursement provided for the cheapest option.

5. Subsistence

- 5.1 Where a Committee member or employee is off the Orkney mainland (ie, on the isles or out of Orkney) on official business, the reasonable cost of all meals will be

reimbursed on production of receipts, subject to the conditions at 1.1 and 1.2. These payments will be made instead of EVH subsistence allowances as follows:

- (a) One main meal for absences of more than 5 but less than 10 hours.
- (b) Two main meals for an absence of more than 10 hours, or one main meal plus a claim for the normal 5 to 10 hour Subsistence Allowance.

5.2 Where receipted meals are not claimed, EVH Subsistence Allowances will be payable at two rates as follows:

Rate 1: For officers who are required to be on approved or official duty for more than 10 hours duration, in any one day.

Rate 2: For official duties of between 5 and 10 hours in any one day outwith the Association's geographical area of activity.

Current rates are given in the schedule and will be updated in line with EVH recommendations. These subsistence allowances are regarded by HMRC as taxable benefits (see 12 below).

5.3 As these subsistence allowances are based on the duration of the absence it is necessary to detail the start and finish times when claiming the allowance.

5.4 Where a Committee member or employee is required to attend a fully residential event, subsistence allowances would not normally be payable but out of pocket expenses (eg for entertainment) may be claimed up to Subsistence Allowance Rate 2. Payment of such expenses will be limited to those actually and reasonably incurred as certified by the claimant, and only where it has been arranged in advance that the claimant is representing the Association at an official function. Receipts should be obtained wherever possible eg by charging to a room account. Where no receipts are available and subsistence allowance is claimed this will be regarded as taxable benefits by HMRC (see 12 below).

5.5 Where a Committee member, or member of staff, has to stay overnight on Association business, minor incidental costs eg telephone calls home, may be claimed via an incidental cost allowance. Rates are at 7 of the Schedule.

5.6 Additional entertainment claims may be paid where this has been agreed in advance subject to the provision of the Entitlements, Payments & Benefits Policy. Any question arising on circumstances or amount will be referred to the Chief Executive or Chair (as appropriate) in order that a consistent policy is established. Further details of entertainment are given in the Entitlements, Payments & Benefits Policy.

6. Telephone Calls

6.1 Where an employee makes business calls at his/her own expense (eg from home or own mobile) the cost of the calls will be reimbursed on production of receipts (eg itemised telephone bills) subject to conditions at 1.1 and 1.2.

7. Home Working

- 7.1 The Association recognises that working from home as part of a mixed working pattern has both benefits and costs for both the Association and the employee.
- 7.2 No extra expenses are claimable directly from the Association for working from home, but an HMRC allowance may be claimed directly.

8. Payments for Care of Dependants

- 8.1 Childminding, and for adult dependants in receipt of Attendance Allowance or Disability Living Allowance, expenses will be payable as incurred in the course of (a) Committee Member's duties and (b) for staff on official duty outside their normal working hours. The person claiming such expenses has to confirm that he or she would not be able to attend the event unless appropriate facilities are available.
- 8.2 The Association will provide accommodation costs for children under 16 years who attend conferences with parents.
- 8.3 A maximum of 8 hours (not including travelling time) will be paid in any one day; time spent in travelling is included for payments in addition to the duration of meeting, etc.
- 8.4 For attendance at conferences/courses etc outside Orkney the principle to be applied is that of paying the total cost of the cheapest option of expenses wholly, necessarily and reasonably incurred. For example, in certain circumstances where crèche facilities are being provided, the cheapest option may be for the Association to pay for the child(ren) to go to the event rather than pay for child sitting in Orkney. Where a child(ren) are taken to an event, no payment will be made for child sitting for the hours during which a crèche is provided.
- 8.5 Payment will only be made if a non-household member is required to provide the service. The anticipated rate is at 4 of the schedule for adults and disabled children.
- 8.6 Payment for children without disabilities will be at the rates determined from time to time having regard to the average rate charged by registered childminders in Orkney. The anticipated rate is at 5 of the schedule.
- 8.7 Receipts will be required. Baby-sitting and/or adult dependant care by a husband/wife member of the household/relative will not be paid.
- 8.8 Dependent children include biological, adopted, fostered and step children.

9. Advance payments of expenses

- 9.1 There may be occasions when it is appropriate to agree a committee or staff member is given a cash advance prior to undertaking travel or entertainment on behalf of the Association.
- 9.2 All requests for cash advances will be determined by the Chief Executive or the Head of Corporate Governance.
- 9.3 Receipt of any cash advance will be acknowledged by the claimant and any balance not required will be refunded to the Association with a claim form covering the amount spent. If the amount spent exceeds the advance, reimbursement of the appropriate balance will be made by the Association on submission of the appropriate claim form.

10. Reimbursement of expenses when claimant alters plans to assist the Association

- 10.1 There may be rare occasions when the Association asks an individual to participate in Association business after (s)he had incurred expenditure. Examples would be:
- A Committee Member being asked to attend a meeting because of his/her expertise and/or make up the quorum.
 - A staff member being asked by the Association to forgo approved leave to enable an important piece of business to be undertaken.
- 10.2 The Association should only make such requests rarely, in the interests of work-life balance and should not seek to pressurise the individual into agreeing to the request.
- 10.3 Where any such request is agreed, any resulting expenses will be paid so long as:
- The Association has been advised in advance of the approximate cost of the abortive expenditure.
 - The expenditure is unavoidable.
- 10.4 Such requests should only be initiated, in the case of Committee Members, by the Chair and, in the case of staff by a member of the Leadership Team.

11. Loss of earnings for Committee Members

- 11.1 As volunteers, members do not expect to be compensated for any loss of earnings. In exceptional circumstances payments will be made where each of the following criteria are met:

- It is essential that the meeting is held at a time which means that salary is lost or leave taken.
- The meeting is not a routine (sub) committee meeting.
- Attendance at the meeting by the individual was important (eg the Chair as a member of an interview panel).
- The committee member's employer provides a letter confirming (a) earnings have been lost or annual leave entitlement has been used and (b) the amount or value used.

Payment will be at a rate equal to the level of jury expenses pro-rata to the minimum amount of time necessarily incurred.

12. Documentation

- 12.1 All expenses claims should normally be submitted to Finance staff by the 15th of the following month using the Association's Expenses Claim Form.
- 12.2 Claims should be supported by original receipts unless unreceipted allowances are being claimed, in which case the employee, in signing the claim form, will certify that the expense has been actually and reasonably incurred.
- 12.3 Committee members and employees will also sign to certify that the expense being claimed has not been reimbursed in part or in full by any other body.
- 12.4 Records of amounts claimed will be kept and appropriate statutory returns made.

13. Tax Liability

- 13.1 Some Committee Members expenses payments, (eg Allowances) are regarded as taxable income and Committee members are responsible for declaring any such payments. Staff tax liabilities are dealt with through the PAYE system.

14. Review

- 14.1 This policy will be reviewed when required by change of circumstances, but at least every 5 years. The Schedule of Rates will be reviewed at least annually and as required to accord with (a) EVH recommendations and (b) changes in childminding and jury rates.

This page has been left blank to ensure Schedule of Rates (follows) on separate page as updated annually

SCHEDULE OF RATES

1. Mileage Rates

last review date 05.06.26

1.1 Staff Essential Users

All engine sizes

Lump sum	£1,795
Per mile (first 10,000 miles)	55.0p
Per mile (after 10,000 miles)	25.0p
Carriage of passengers (per mile/per passenger)	5.0p

1.2 Staff Casual Users & Committee

Per mile (first 10,000 miles)	55.0p
Per mile (after 10,000 miles)	25.0p
Carriage of passengers (per mile/per passenger)	5.0p

1.3 Motorcycle Allowance - Committee and Staff

Per mile	24.0p
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1.4 Bicycle Allowance – Committee and Staff

Per mile	20.0p
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2. Subsistence Allowance

Last review date 01.04.26

2.1 Rate 1

For officers who are required to be on approved duty for more than 10 hours duration, in any one day.	£21.91
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2.2 Rate 2

For official duties of between 5 and 10 hours in any one day outwith the Association's geographical area of activity.	£13.41
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3. Overnight Accommodation

Last review date July 2026

3.1 Unreceipted bed & breakfast allowance £13.80.

4. Adult and Disabled Children Rates Last review date July 2026

- 4.1 Up to £15.00 per hour reimbursed if receipt produced from registered carer/organisation.

5. Childminding and Dependant Rates* Last review date July 2026

- 5.1 Up to £15.00 per hour/one child reimbursed if receipt provided from registered carer/organisation

6. Loss of Earnings Rate* Last review date July 2026

- 6.1 Up to 4 hours £32.47

- 6.2 More than 4 hours £64.95

Source: Based on Her Majesty's Courts Services Allowances, see note at:-
www.gov.uk/jury-service/what-you-can-claim

7. Incidental Costs Last review date July 2026

- 7.1 A maximum of £5.00 per day.

* The figures in 5 and 6 may be increased where in the opinion of the authorising officer there are exceptional circumstances.