

BANGOR UNIVERSITY
FINANCIAL PROCEDURE

Title:	Business Travel and associated Expenses
Ref:	FP 001
Applies to:	Bangor University
Operative date:	1 st August 2022
Status:	Approved by Executive on 15 June 2022
Replaces:	1 st March 2019
Summary:	This procedure sets out the University's policy for the Procurement of business travel and the reimbursement of travel and subsistence expenses to members of staff.

1. Introduction

1.1 The purpose of this Financial Procedure is to provide clarification on those categories of expenditure which the University is prepared to reimburse to members of staff, and to detail the methods by which those expenses should be claimed. All business travel should be necessary for the department and approved by the Head of School /Dean of College/ Head of Professional Service or their Senior line manager, beforehand.

1.2 This document also provides guidance on the Procurement of Business Travel arrangements.

2. Procurement of Travel and Subsistence Arrangements

2.1 The University has access to discounted rates for the procurement of travel arrangements through preferred suppliers who have been selected following a competitive tender process.

2.2 Travel arrangements for air tickets and air and hotel packages must normally be made through the University prior to departure, using preferred suppliers, and paid by purchasing cards or through the University's normal creditor payment systems. Where costs are incurred directly by travellers, the re-imburement can only be made following the travel being completed.

2.3 It is a mandatory requirement that all prospective travellers consult preferred suppliers to obtain best value quotations before comparing quotations with alternative suppliers where the estimated travel and subsistence cost will exceed £500.

2.4 Details of the current preferred suppliers for the University are available from the Procurement area of the Finance webpages, or can be provided to staff/students by members of the Finance Hub teams.

2.5 A business trip where the expected total cost is greater than £500 shall be approved by the individual's Head of School or Head of Professional Service beforehand. Such application for approval shall be in writing.

2.6 In making travel arrangements, members of staff must secure the best value for money. Substantial discounts are often available for bookings in advance and maximum use should be made of these through advance planning of journeys wherever possible.

2.7 Air travel shall normally be by economy class and not a flexible fare. Where agreed by the relevant Dean/Director, use of Economy Plus/Premium Economy may be considered for trips beyond normal short haul destinations. Business class may only be used in instances where a business case is made and approved in advance by the Director of Finance on recommendation from a Dean or Director of Professional Services and will normally relate to a trip where the duration of the flight exceeds the length of a normal working day i.e. 7.25 hours.

2.8 Rail travel shall normally be by standard class, using advance ticketing wherever possible. First class must be approved by the Director of Finance on recommendation from a Dean or Director of Professional Services.

3. The nature of expenses

- 3.1 For expenses not to be subject to income tax, the payment must represent the reimbursement of expenditure wholly, necessarily and exclusively incurred for the purpose of business related travel in the course of the individual's employment with the University.
- 3.2 It is the employer's duty to prove to HM Revenue & Customs (HMRC) that any payments made represent a reimbursement. It therefore follows that in order to satisfy this requirement, original receipts or other acceptable proof of expenditure (giving details of nature of costs and date) must be submitted to substantiate all claims. In line with other travel and subsistence claims, all expenditure incurred and reimbursed on Corporate Credit Cards must be supported by original invoices and receipts.
- 3.3 The only exceptions to the requirement to produce original receipts is where HMRC allows to the payment up to a certain sum for each day's absence (*a per diem*) without the need for receipts. This relates solely to travel outside the United Kingdom usually for prolonged periods or to destinations where the local economy is largely operating in cash and obtaining receipts would not be practical. Members of staff must obtain agreement in writing from the Deputy Finance Director or nominee in the Finance Office prior to departure whether a *per diem* can be paid for their destination.
- 3.4 It follows that the University may only reimburse expenses associated with the discharge of a member of staff's duties in his/her capacity as an employee of the University. It is not permitted to charge to the University, or seek reimbursement in respect of, any expenditure incurred by way of private consultancies or other unrelated activities or where the expenditure has been or will be reclaimed, by the individual, from another source.
- 3.5 Business trips where the expected total cost is greater than £500 shall be approved by the individual's Head of School or Professional Service beforehand. Such application for approval shall be in writing, supported by a brief documented business rationale. Journeys undertaken as part of a research contract or other contract for services with the University where budgetary provision for the journey(s) exists should still comply with the University policy unless a specific exception is approved as outlined in para 2.8 above.
- 3.6 Partners may, on occasion, accompany a member of staff while travelling on business. If so, the member of staff concerned should ensure that he/she bears an appropriate proportion of cost reflecting any benefit to his/her partner and appropriate evidence of this appended to the claim. A default assumption for two travellers would be 50% each.
- 3.7 Members of staff may extend a period of absence from the university on business by taking leave. This is permissible provided the leave has been approved according to the normal procedures and that there is no additional cost to the university as a result, or that any such cost is identified and reimbursed.
- 3.8 It is permissible for some students and other associated persons, including External Examiners to claim business travel costs, under certain restricted circumstances. This is only admissible where a specific budget allocation has been made and under the direct supervision of a member of staff, who will be responsible for ensuring that the claimant operates within the University rules and regulations. Such expenses may be subject to specific limits but in any case must remain within University policies outlined in this document.

4 H. M. Revenue & Customs

- 4.1 It is essential that staff comply strictly with the requirements of this Financial Procedure for Business Travel and associated expenses, in order to ensure that staff do not need to report expenses or benefits received in the course of their duties to HMRC at the end of each tax year.
- 4.2 HMRC may audit the University at any time and any breaches detected could result in, a personal liability for tax falling on the employee and large penalties being imposed on the University.

5. Permitted categories of expenditure

- 5.1 The University will reimburse the cost of business journeys necessarily undertaken as part of a member of staff's duties.
- 5.2 If public transport is unavailable or impractical, and a hired car is not possible, private cars may be used and the mileage will be reimbursed at the rates currently in force. The rates are shown in Appendix B.
- 5.3 Taxis shall be used only for short journeys within a conurbation or to complete a journey started by train or some other method of transport. Airport transfers to Manchester/Liverpool airports will be permitted where they represent the best value for money.
- 5.4 If, on receiving a claim for reimbursement of travel costs, the Director of Finance is of the opinion that the journey(s) claimed could have been undertaken more cost-effectively, the University may reimburse only the lower cost.
- 5.5 No claim may be made for journeys from home to work, except where this has been expressly agreed in writing by the Director of Human Resources following the relocation of a member of staff to another place of work at the University's request. When travelling from home to a business destination, the mileage claimed should be the lesser of:
- (a) The mileage between the normal place of work and the business destination or
 - (b) The actual mileage from home to business destination
- 5.6 If a member of staff is required to work after 9.00pm at night, a taxi may be taken for the journey home, in certain circumstances.
- The requirement to work late is of an irregular nature and does not form part of their usual working pattern.
 - Public Transport is no longer available for the whole journey.
 - The taxi must be paid for and then reclaimed using the Travel & Subsistence Form.
 - Prior approval has been given by their line manager.

6. Subsistence

- 6.1 The University will reimburse the actual cost of hotel accommodation, (up to four star accommodation) meals, snacks and refreshments for the member of staff making the claim, for business journey's away from the Universities premises, necessarily incurred in the course of his/her duties. Such expenditure must be fully supported by proof of expenditure and demonstrate that value for money has been obtained (see paragraph 3.2 above).
- 6.2 In order to contain costs, specific financial limits placed on the rates of subsistence that may be claimed, and regard must be had to the need to obtain best value in all the circumstances and to maintain the high standards of accountability generally expected in the use of public funds.
- 6.3 To assist claimants and authorising Colleges/Professional Services Centres, Appendix C sets out the maximum rates that will be reimbursed for meals, snacks and refreshments for varying lengths of absence from the University. These amounts will be updated from time to time and published on the Finance Office's web-site.
- 6.4 No reimbursement will be made of expenditure falling into the following categories:
- (a) Hotel accommodation for staff at or near the University's Campus Sites.
 - (b) Clothing and personal effects, other than safety or protective clothing specifically required for the journey

- (c) Toiletries, other than items purchased for health & safety reasons for the journey
- (d) Hairdressing
- (e) Luggage
- (f) Membership fees, admission or usage fees in respect of health clubs, swimming pools, sporting facilities or the like
- (g) Theatre or Cinema tickets, or admission charges to any entertainment or tourist attraction other than in the course of study
- (h) Passports, except that a second passport for business use or additional passport or visa costs associated with business travel may be claimed
- (i) Travel or personal insurance other than that arranged through the University's own insurance arrangements
- (j) Interest or any form of finance charge, or late payment penalty
- (k) Any gifts, eg for retirements, anniversaries, birthdays etc, other than related to approved business entertaining.
- (l) Gratuities, other than fixed service charges, paid in the UK
- (m) Any other items, goods or services not wholly, necessarily and exclusively purchased for a business purpose
- (n) Subscriptions to Professional Organisations and Associations (see Section 7)
- (o) Alcoholic beverages

6.5 The University may pay a per diem sum in specific circumstances at the discretion of the Finance Office, whose agreement must be obtained in writing before your journey.

6.6 The amount claimed will be in accordance with the rates published by HMRC. No evidence by way of receipts etc. will be required in respect of per diem allowances, but neither will any additional amount be claimable even if the actual subsistence expenditure incurred is higher than the allowance.

6.7 Per Diem's are only available for business trips of prolonged periods, or to destinations where the local economy is operating in cash and obtaining receipts would not be practical.

7. Professional Membership Fees

7.1 Membership fees and subscriptions to professional bodies for academic members of staff (nb. non-academic staff are not eligible to have their fees and subscriptions paid) must be paid for using the University purchasing card or purchase order/invoice process (nb. membership fees and subscriptions to organisations not listed on the HMRC web site at www.hmrc.gov.uk/list3/index.htm are taxable and a P11D will be issued to relevant staff at the tax year end). Reimbursement cannot be made through the expenses system (see Section 6.4).

8. Other costs

8.1 The University will also reimburse the following costs:

- (a) Telephone calls for business purposes. If the total call charges claimed exceeds £5 it should be supported by appropriate details, but "pay as you go" mobile phone charges will not be reimbursed as they cannot be supported by an itemised bill.

- (b) Internet access charges for business use.
 - (c) Car parking charges, but not fixed penalty charges or other fines or penalties imposed as a result of failure to observe local parking or highways regulations.
 - (d) The annual card fee for a University corporate charge card, but not any late payment charges, interest or other penalties.
 - (e) Commissions on related foreign currency exchanges.
 - (f) Any consumables, goods or services other than out-of-pocket expenses must be purchased in accordance with established procedures.
- 8.2 The booking of seminar and conferences must normally be made through the University prior to attendance and be paid by purchasing cards or through the University's normal creditor payment systems.

9. Making a claim

- 9.1 It is the responsibility of the claimant to prove that he/she is entitled to reimbursement of expenses. The Director of Finance may withhold payment of all or part of a claim until satisfactory evidence of each expense claimed is provided.
- 9.2 Claims for expenses shall be made on the forms provided by the University for this purpose, or on such other forms as the Director of Finance may from time to time approve. Claims should be submitted within 3 months of incurring the cost.
- 9.3 Where a number of items are claimed and the figure shown on the claim form is a summary total, a list shall be attached to the form showing the details of each individual charge making up the total. Receipts or other vouchers to substantiate each item claimed shall also be attached to the form and cross-referenced appropriately.
- 9.4 Where items are denominated in foreign currencies, these shall be converted to sterling at the actual rate(s) when the expenses were incurred and claims should be supported by evidence of the rates used, for example, as provided by credit card statements, receipts for currency exchanged etc. Where it is not practicable to provide such evidence of actual rates, these may be sourced on-line using either of the following currency converters at: www.oanda.com or www.xe.com (using a rate of +/-2% for credit cards). A copy of the exchange rate used must be printed and attached to the claim. All calculations shall be clearly shown in documentation accompanying the claim.

10. Authorising a Claim

- 10.1 Once complete, expense claims shall be approved for payment by a person with delegated authority to authorise charges against the cost centre(s) to which the expenses are charged, subject to the guidance set out below.
- 10.2 Individual Colleges and Professional Service Departments may prescribe their own financial limits for travel and subsistence costs, having regard to their own budgetary position, as long as those limits are not greater than any equivalent limit set out in this document.
- 10.3 Each College or Professional Service Department as appropriate is responsible for examining expense claims to ensure that they comply fully with the requirements of these regulations prior to authorisation and submission to the Finance Office for payment.
- 10.4 Professorial or equivalent staff shall submit their expense claims to the relevant Head of School for authorisation; Heads of Schools shall submit their expense claims to the Dean of College and Deans of Colleges shall submit their claims to the Director of Finance or his/her deputy. Heads of Professional Services shall submit their claims to a Pro-Vice-Chancellor, the University Secretary or the Director of Finance. The Pro-Vice-Chancellors, the University Secretary and the Director of Finance should submit their claims to the Vice-Chancellor or

another member of this group. The Vice-Chancellor's expenses shall be approved by the Chair of Council. In no circumstances may an individual authorise his/her own expense claim or that of a connected or related person for payment.

11. Advances

- 11.1 Advances of expenses may be given in exceptional cases at the discretion of the Director of Finance or his/her deputy. Advances will only be granted in respect of journeys outside the United Kingdom to destinations where the use of University charge cards is not possible.
- 11.2 Applications for advances shall be addressed to the Director of Finance and shall be made not less than ten working days before the facilities are required. If approved, the funds will be paid directly into your payroll bank account.
- 11.3 Every advance must be accounted for to the University within 14 days of the member of staff's return and any balance due to the University repaid within the same period. Under no circumstances will a second or subsequent advance be made until the previous one is accounted for.

12. Business Entertaining

- 12.1 Includes any accommodation, meals or taxi's etc. provided to visitors to the University. These costs should be coded to Category Code 557, and all such claims must be authorised by the relevant Dean or Director of Professional Services
- 12.2 Business Entertaining expenses must have a genuine business purpose and be limited to, a ratio of 2 staff to 1 visitor. Any other staff attending the event should not be charged to the University. Partners of staff members may not be reimbursed under any circumstances.
- 12.3 Full details of the business entertaining should be submitted including the purpose of the meeting, full names' and organisations of all attendees.
- 12.4 Within the UK, all costs must be met in the first instance by the member of staff organising such meetings and reclaimed via the expenses system. Direct billing of invoices to the University, or settlement against a purchasing card, is not permitted, except for external catering at University run conferences.
- 12.5 No business entertaining expenses will be reimbursed where a meeting is exclusively for staff.
- 12.6 The University will not process claims for staff celebrations e.g. Christmas, retirement or other parties.

APPENDIX A

Short-Term Hiring of Vehicles for University Business

All vehicle hires (including commercial vehicles but excluding minibuses and international hire) must be obtained via the University's contracted suppliers.

Area	Company
Bangor	Aberconwy Car Hire, Maesdu Road, Llandudno, Conwy LL30 1HP. Email: book@aberconwycarhire.co.uk Tel: 01492 874669
Wrexham	Day's Rental, Unit 26, Abenbury Way, Wrexham, LL13 9UZ Email: hire@days.co.uk Tel: 01978 788400
For all other locations or one-way hires	Contact Procurement Team Email: procurement@bangor.ac.uk

Do I need to refuel the hire vehicle?

- Yes, the hire car must be returned to the hire company with a full tank of fuel. You may reclaim the cost of the fuel via an expenses claim. If you do not return the vehicle with a full tank of fuel, the University will be charged an additional £0.20 per litre of fuel.

Are there any restrictions with hiring a car?

- Yes, you must be over 21 years of age and have held a full driving licence for at least 24 months, although there are further restrictions if you wish to hire a minibus. Further information can be found within the ["Driver and Vehicle Safety"](#) web pages.

What about insurance?

- Further information regarding insurance cover and access to the University's vehicle insurance form can be found at the link below:

<https://www.bangor.ac.uk/finance/is/is010.php.en>

APPENDIX B

MILEAGE ALLOWANCES

	First 10,000 miles in any tax year	Each mile over 10,000 miles in any tax year.
Cars and Vans	45p per mile	25p per mile
Bicycles	20p per mile	

- These rates are within the Inland Revenue Fixed Profit Car Scheme rates, and there will be no liability to tax for staff members claiming these rates for business miles.

Recording cumulative mileage

- HMRC require staff to keep track of their cumulative mileage for the year, to ensure compliance with the under and over 10,000 miles rates, there are boxes on the expense claim form for this purpose. Claims without the necessary information will be returned unpaid. Only category code 550 should be used for mileage claims.

Insurance cover

- Members of staff using their cars for University business must ensure that their insurance policies provide the necessary cover.

APPENDIX C

SUBSISTENCE LIMITS FOR UK BUSINESS TRAVEL

With respect to Paragraph 6.3 of the University policy for reimbursement of travel and subsistence expenses (FP001), the maximum rates that may be claimed for meals, snacks and refreshments for absences from the University are as follows.

- Lunch - up to £10
- Dinner/Evening Meal - up to £20

Such expenditure must be fully supported by proof of expenditure but limited to the figures outlined above. These amounts will be updated from time to time and published on the Finance Office's website.