

Bank of England

Travel and Expense Policy



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1. Policy Context

1.1 Introduction

This document outlines the Bank of England's policy concerning the reimbursement of specific and reasonable expenses incurred by Bank Employees exclusively and necessarily for the purposes of Bank business.

The policy has been revised for changes made to travel booking and expense claim processes within the Bank. Employees should ensure this policy is read and understood prior to incurring expenses as part of their employment at the Bank. Failure to adhere to this policy may result in expenses not being reimbursed and/or disciplinary action.

Contractors for services i.e. those not employed directly by the Bank should seek guidance by contacting the "Payments Team" on ext.

1.2 Purpose

The purpose of the Policy is to set the context and framework around reimbursable expenses and to:

- i. Provide governance on expense reimbursement for employees when undertaking Bank business, including the use of corporate credit cards
- ii. Provide guidelines and appropriate spend limits on reimbursable business expenses
- iii. Define Employees' responsibilities when submitting and approving reimbursable business expenses.

2. Provisions of the Policy

All Employees should operate within the guidelines and spend limits set in this Policy and are responsible for ensuring compliance with the Policy principles. In order for your expense claim to be processed you should:

- i. Use the most economical or cost effective method when incurring business expenses;
- ii. Provide itemised receipts or transactional tax invoices; and
- iii. Have your expense claim authorised in line with the Bank-wide delegations of authority.

Corporate Card Expenses should be reconciled/submitted as soon as possible and no more than 28 days after the expense is incurred. Where out of pocket expenses are being claimed they will be reimbursed to Employees monthly via payroll.

Business areas may opt to set their own internal expense policies provided they are stricter than the maximum limits set in the Bank Policy. Enforcing these business areas' specific policies will be the responsibility of the business area.

3. Authorisation

Expenses incurred without the relevant approvals or which exceed the spend limit or “Exception”¹ claims may result in rejection of the associated claim, in part or in full, and deemed the personal expenditure of the Employee.

Where expenses which do not comply with the Bank’s policy and / or approval has not been obtained for a subsequent expense claim, the Bank reserves the right to deduct any outstanding monies in full from subsequent monthly payroll to recover the expenditure.

Authorisation of expense claims should be performed in line with the Bank’s delegation of authority policy which requires expenses to be approved by an employee’s line manager or above. Approvers must be familiar with the policy; prior to approving the expense the Approver must ensure the claim is accurately completed, correctly coded, and the costs are compliant with the Policy. The Approver must escalate potential disciplinary issues, misuse of expenses, breach of Policy or misuse of corporate credit cards; failure to do so is a breach of the Approver’s obligations.

The delegation of any part of the expense reimbursement process does not absolve anyone of the responsibility for compliance with the Policy. Those delegating remain accountable and are liable for the supervision of anyone managing any part of the expense reimbursement or breach process for them.

All expenses must be reviewed and authorised promptly to avoid payment delays to Employees. The Approver must never authorise reimbursement of theirs or Manager’s expenses.

Additional information regarding expense claim authorisation can be found in Appendix A – Approvers Guide

¹ Any expense which is out-of-Policy.

4. Business Travel

All planned Bank business travel arrangements must be booked through the Bank's travel services system.

The only exception to the policy will be when Bank staff are unable to access the Bank's travel system, i.e. booking a train ticket whilst in transit, or for travel disruptions whilst overseas,

4.1 Flights

The table below shows the cabin limitations for Air travel.

Flights <u>under</u> 6 hours	Economy Class <u>only</u>
Flights <u>over</u> 6 hours	It is expected, on journeys over 6 hours, on value for money grounds, that staff will consider using economy, premium economy or world traveller plus fares if available.
'Exception' to the above.	Flight must be approved as guided by the Delegations of Authority

Note: Business Class should **not** be used where employees are attending seminars or conferences etc. First class flights should **not** be booked under any circumstances.

4.2 Rail

All UK and European rail travel including Eurostar must be booked for Standard Class only. The Bank's travel service system will return the best priced results for the selected journey.

For UK rail only, there may be instances where First Class tickets are cheaper than Standard Class and the Bank's travel service system will highlight where this is the case. Travel times must not be manipulated to generate these conditions.

4.3 Accommodation

4.3.1 Hotels

The Bank's travel service system will return results for your destination based on the Bank and Government's preferred choices. If the results do **not** show a geographically appropriate option for your final destination, then alternative venues can be selected.

All hotel charges should be settled on departure.

4.3.2 Friends and Family Allowance

Employees may claim £50 per night when staying with friends and family overnight while on Bank business. The overnight stay should **not** result in a claim for additional travel costs that would result in it being more cost effective for the Employee to stay in hotel accommodation. The reason for travel, number of nights and host address i.e. who the Employee is staying with, must be included on the expense claim. This expense can be claimed on UK and foreign travel and is eligible for tax which will be charged to the employee's budget centre.

If this allowance is claimed, meals and subsistence expenses will **not** be reimbursed.

5. Expenses

5.1 Corporate Credit Card

The Bank provides credit cards to permanent Employees who have a need to incur business travel and expenditure on a regular basis. Prior to receiving a corporate credit card, Employees are required to acknowledge their responsibilities with respect to appropriate use of the card recognising they will be held personally liable for expenses incurred on their corporate credit card which are either personal or have not been approved.

All cardholders must comply and adhere to the principles set out in this policy, and sign the [Corporate Credit Card Declaration form](#).

Employees should not use their corporate card for personal expenses unless in an emergency. Non-work related expenditure will be reclaimed by the Bank through the monthly payroll process.

Employees are responsible for the timely reconciliation of card transactions.

5.2 Use of 'Virtual Purchasing Cards' (VPC)

Following introduction of the new corporate cards and expense system, the Bank has introduced VPC to certain parts of the organisation where low value, one-off purchases are made from non-preferred suppliers.

VPC are assigned to an employee to reconcile in a similar way to individual corporate cards. This individual retains full responsibility to guard against misuse, reconcile expenditure and for obtaining required approvals.

VPC should only be used for purchasing items which the Bank does not already have preferred supplier set up in the procurement system. In the event a supplier is going to provide ongoing goods and services, appropriate procurement approval and setup should be obtained.

For queries on VPC, please contact Finance – Accounts Payable.

5.3 Hotels

The items below should be settled on departure using a corporate credit card:

- I. Hotel charges: Itemised hotel charges required. Most hotels will split the bill into categories on checkout; this will facilitate itemisation when the expense claim is submitted.
- II. Hotel room phone calls / internet facility: Personal calls during business trips must be kept to a minimum, but reasonable costs of calls to family from hotel telephones are reimbursable. Employees should try to connect via free Wi-Fi service available with many hotels. The Bank will reimburse Employees for reasonable cost of internet.

- III. Hotel sundry expenses are **not** reimbursable and should be coded as a personal expense in the reconciliation process

5.4 Taxis/ Car Hire

Taxis must be booked using the Bank's preferred [taxi providers](#). Taxi journeys will be charged directly to the Employees' budget centre and do not require payment when incurred.

Where corporate cards cannot be used, employees should pay and retain any receipts relating to the cost of taxis and hire cars where this expense is eligible for reimbursement. The use of taxis for journeys to and from the workplace is permissible in the following circumstances:

- i. The journey is strictly on account of official Bank business
- ii. The Employee is required to attend work on a Bank Holiday and public transport is not available
- i. In an emergency situation whereby the Employee is asked to come into work urgently
- ii. It is absolutely necessary for the Employee to come to work during a public transport strike
- iii. Where the Employee is required to work later than 21:00 hours

5.4.1 Tax Compliance

The rationale for taxi / car hire may have an impact on an employee's personal tax position.

- i. Taxis (non-taxable)
 - For purposes noted above
 - Transport between home and work where public transport has been disrupted due to industrial action
- ii. Taxis (taxable)
 - Home to work (any time) / Work to home before 21:00 hours
 - This relates to your normal place of work (except where public transport has been disrupted by industrial action)

To ensure accurate reporting of taxable benefits, certain items of expenditure need to be fully reported therefore expense claims should include the reason for travel. Tax payable in this circumstance will be charged to the Claimant's budget centre.

If there is any uncertainty re the above, the Employee **must** contact the "Payments Team" on ext.

5.5 Mileage

In order to claim mileage, Employees must have notified their vehicle insurance provider that their vehicle is used for business purposes and have appropriate cover in place and have completed the driving license [Self-Declaration Tool](#) in the last 12 months

Employees will be reimbursed for the use of their personal vehicle (Car or Motorcycle) if:

- i. Public transport is not available or inappropriate for the journey the Employee is undertaking.
- ii. Travelling by car is more cost effective than other methods (E.g. car-pooling).

Remember: A manager’s consent must always be given prior to an Employee travelling in their own personal vehicle. If this does not occur, the Employee risks not being reimbursed by the Bank.

HM Revenue and Customs will not apply tax on mileage allowance where the journey is made exclusively for business reasons.

The following mileage rates are applicable:

	Motor cars	Motor cycles	Bicycle
First 10,000 miles	45 pence per mile	24 pence per mile	20 pence per mile

For further information on what can be claimed, visit HR’s website on [travelling expenses](#).

5.6 Use of Bank provided lease cars

For those parts of the Bank where lease cars are provided, separate guidance is in place detailing reimbursable expenditure. [Link to Agency Car guidance](#)

5.7 Meals and Subsistence

5.7.1 Away on Bank business

Employees may claim up to £50 for cost of meals while on an overnight stay for Bank business. This includes the cost of drinks, tax and tips and can be claimed on UK and foreign travel.

If this allowance is claimed, friends and family allowance will **not** be reimbursed.

Meals with non–Bank Employees should be recorded as ‘Client Entertainment’.

For staff travelling on Bank business, where an overnight stay is not included but a hotel could be deemed appropriate (the travel has exceeded 11 hours in one day), then it is reasonable that staff can claim for an allowance of food and drinks to the same cost of £12.50. This is the same amount that staff claim when working in excess of 11 hours on Bank premises. This must be coded to meals and not out of hours (as below)

5.7.2 ‘Out-of-hours’

‘Out of hour’ meals on evenings and weekends can now be ordered on the Bank premises via [Just Eat](#). Employees must pay by credit/ debit card and reclaim expense up to £12.50.

Expense claims will need to be authorised by Managers, who must ensure the qualifying criteria is met.

The Bank allows Employees to purchase food externally and consume at the Bank. Employees must not exploit this by going to an expensive restaurant for a take-out, and are required to limit spend to a maximum of £12.50.

Expense claims will not be paid without a receipt for any food purchased.

For further information on what can be claimed, visit HR's website on ['out of hours' meals](#).

5.8 Incidental Overnight Expenses

The Policy provided to expense Approvers/ Managers to determine reasonableness:

UK	Up to £5 per 24-hour period
Overseas	Up to £10 per 24-hour period

Tax is payable on claims in excess of the guidelines and will form part of an Employee's year-end tax submission to Her Majesty's Revenue and Customs.

Laundry costs can be reclaimed if the business element of the trip is longer than 7 days.

The following items/ facilities will **not** be reimbursed by the Bank:

- i. Pay TV / Videos
- ii. Gym / Spa / Pool fees

If certain items/ facilities are inclusive during the Employees stay or the Employee personally pays, only then will they be entitled to use the facilities.

5.9 Receipts

- i. Failure to provide receipts may result in the non-payment of expenses.
- ii. Proof of purchase must be provided in order to support the expense claim. The new expense system provides for scanned images of receipts rather than originals. Employees should ensure the images are legible and provide all necessary information relating to the expense incurred.
- iii. In certain circumstances receipts are not available or given. If charges are large or unusual, a satisfactory explanation will be required from the Employee justifying their charges. Expenses considered for approval without a receipt include:
 - Parking charges e.g. parking meters etc.
 - Road Tolls
 - Bus/ tube fares incurred on pre-paid card
 - Food items purchased from vending machines
 - Tips and other out of pocket items

5.10 Personal Expenses

Expenses that have not been covered within this Policy will be deemed as a personal expense of the Employee and **not** be reimbursed. Exceptions are as follows:

- I. Congestion Charge: will be reimbursed if travelling on Bank business.
- II. Parking: will be reimbursed if the Employee is travelling on Bank business and not when coming into work.

Parking fines, speeding fines and clamping fees are **not** reimbursable.

6. Client Entertainment

Client Entertainment must always be within the guidelines of the Policy.

An Employee may pay for a meal, for non-Bank staff, only with the consent from your Head of Division prior to the meal. For lunchtime entertainment, use of in-house catering is encouraged. The number of Bank staff should not exceed the number of external guests and the cost of casual drinks will **not** be reimbursed except where local guidance approval by HR and Finance is in place.

Full details on the [Entertainment and Gifts Policy](#) can be found on the Ethics section of the Secretary's Department website.

Appendix A – Approvers Guide

<u>Approver's Guide</u>	
Is there valid business justification for the expense?	
I.	All claimants must have a valid business justification for incurring expense.
II.	Claims must be filled and submitted for approval within 28 days of transaction date.
Are supporting receipts attached?	
I.	Business expenses must be supported with original receipts.
II.	Ensure receipt totals match the expense that is being claimed. Credit card charge slips from purchases are not considered as valid receipts as they do not provide VAT information.
III.	Any items not supported by receipts must be acknowledged and as 'No receipt'. This must be supported by an explanation in the 'comments box' or by 'email' and will be considered for reimbursement in exceptional circumstances only.
Has the claim been filled correctly and settled by the most senior employee?	
I.	Employees must never authorise the expense of an event they have attended. The most senior employee at the event is expected to settle the bill in full.
II.	Where relevant, business expenses should be itemised to the correct expense type, e.g. other non-accommodation spend on hotel bill.
Does the claim contain personal expenses?	
I.	All personal 'non-business' related items (e.g. shopping, spa etc.) are strictly forbidden and must be recorded as personal expense.
II.	Foreign currency and cash withdrawals are not permitted.
Does the claim comply with the relevant Expense Policy threshold?	
I.	All expenses must comply and be within the expense policy limit. Expenses incurred without the relevant approvals or exceeding spend limits may result in rejection of the associated claim (in part or in full) and deemed as personal expenditure of the Employee.
Has the Mileage been filled correctly?	
I.	Please ensure business mileage is claimed as mileage and not charged to the corporate credit card.
II.	Any fuel transaction on a corporate credit card must be recorded as personal spend and the appropriate mileage reclaimed by the employee as an expense.
III.	A Manager's consent must be given prior to an Employee travelling in their personal vehicle.

An approver must consider:

- I. Have they been fair and equitable?
- II. Did the Employee carry out processes in the right way, or was the request presented to you in advance?
- III. Did the Employee exercise business judgement when deciding whether to incur the expense?
- IV. Would you be willing to reimburse the claim if you were spending your own money?