POLICY DOCUMENT

Expenses Policy

Version 1.0

Last Reviewed – August 2012

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<td>Robert Howden</td>
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EXPENSES POLICY and PROCEDURE

The Policy

This Expenses Policy is intended to cover all circumstances in which an employee may spend his/her own funds for organisational purposes and be reimbursed. It should be followed in all circumstances. Reimbursement of any claim may not be authorised if the procedure has not been followed.

The policy and procedure apply to the Group (i.e. Royal Blind and Scottish War Blinded) and the term “Royal Blind” in this document covers both.

All rates and limits are reviewed at Royal Blind’s discretion.

The Policy in Operation

Expense reimbursement

All reasonable expenses properly incurred while on Royal Blind business will be reimbursed. However, it should be stressed that it is the individual’s responsibility to ensure that costs are reasonable and in accordance with budgets and management instruction. Royal Blind reserves the right not to settle expenses which do not comply with the Expenses Policy. Any attempt knowingly or falsely to claim expenses in breach of the Expenses Policy will result in disciplinary action.

Expenses that may be claimed and the procedures for claims, authorisation and reimbursement are set out here.

Approval

In relation to this policy, the following structure will apply to the approval of expenses:

- Staff: Line Manager/Head of Department
- Head of Department: Chief Executive.
- Board and Committee members: Chief Executive.

Shared Expenses

Where expenses are paid for a group of employees, the most senior employee should pay and claim the expense. The claim should note the full names of the other employees in attendance.
**Income Tax**

In some circumstances expenses payable under this policy may not satisfy HM Revenue & Customs (HMRC) rules, and hence may be taxable. One example of a taxable expenses payment is where a journey is from the employee’s home to his or her normal place of work, for which expenses may be payable if the journey is outwith and additional to normal working hours. Tax will be deducted from the payment under the PAYE system.

**Travel Expenses**

Royal Blind will pay the reasonable costs of necessary travel on Royal Blind business. For this purpose, the following do not count as travel on Royal Blind business:

- travel between home and permanent workplace. Royal Blind will normally only reimburse the excess business travel costs which relate to trips beyond ordinary commute; and
- travel which is primarily for private purposes.

Where it is reasonably practicable public transport should be used for travel. Royal Blind may at its discretion reimburse only the cost of public transport where a more expensive mode of transport has been used as a result of personal preference.

Each claim must state: the start and end point of each journey; the purpose of the journey; the person or business visited.

**Taxis**

Taxis may only be used where it is cost effective to do so, and a receipt must be provided.

**Trains**

Travel must be by standard class, unless there is a clear business reason to travel business class or first class. Before booking, the line manager must specifically approve business or first class travel (except CE and Heads of Department).

**Air Travel**

Air travel should only be used when it is the most economical and practical method of travel. Flights should be booked to obtain favourable rates. The most cost-effective ticketing arrangements should be used.

- All air travel on Royal Blind business should be economy class.
- Only in exceptional circumstances will the cost of business/first class air travel be reimbursed.

**Motor Car**

At a manager’s discretion staff may be authorised to use their own vehicle on Royal Blind business. Before undertaking a journey staff must have a full driving licence and valid motor insurance policy which provides cover for driving on Royal Blind business.
Annually authorised staff will be asked to produce a copy of both their driving licence and insurance certificate.

Staff must ensure that their vehicle is safe for themselves and any passengers carried. A mileage allowance which provides compensation for the use of a vehicle may be claimed. The allowance rates may change from time to time and staff should ensure that the correct rates are being used when submitting a claim. The current rates are:

<table>
<thead>
<tr>
<th>Miles</th>
<th>Rate</th>
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<tr>
<td>0-10,000</td>
<td>45p per mile</td>
</tr>
<tr>
<td>Over 10,000</td>
<td>25p per mile</td>
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<tr>
<td>Travel to place of work (taxable)</td>
<td>75p per mile</td>
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Rates for company cars are given in the Company Car Policy.

**Use of Bicycles**

An employee using a bicycle on company business is entitled to a rate of 20p per mile.

**Accommodation**

Hotel rates are subject to a maximum VAT-inclusive cost of £120 a night, including breakfast.

If reasonable accommodation is not available within this limit, a line manager may permit this limit to be exceeded with this authorisation included on the expense claim form.

**Staying with Friends**

If staying away overnight in connection with Royal Blind business at relatives or friends instead of at a hotel, an allowance of £25 per night may be claimed. Receipts are not required in support of the claim, but staff must confirm that the overnight stay was necessary in connection with travelling on Royal Blind business.

In addition to this allowance staff may claim reimbursement of personal incidental expenses subject to daily limits of £5 (UK) and £10 (overseas), if substantiated by receipts.

**Subsistence – Away Overnight**

Reasonable out-of-pocket expenses incurred when staying away overnight on Royal Blind business may be claimed as follows:

- breakfast – if not included in the room rate, claim the cost of a breakfast;
- lunch, evening meal and beverages, to an overall maximum of £40 a day; and
- other personal incidental expenses (i.e. private telephone calls, newspapers, laundry and alcoholic drinks), to an overall maximum of £5 a night for travel within the UK and £10 a night overseas.

It should be noted that the figures quoted above are not flat rate allowances, but limits on the amounts of expenditure that we will reimburse against receipts. Where a trip on Royal Blind business necessarily involves more than one night away from home,
receipted expenditure may be averaged over the number of nights of absence to determine the amounts to be reimbursed.

**Subsistence: No Overnight Absence**

If extra expenses on meals are incurred as a result of having to travel on Royal Blind business a claim may be made for meals and beverages up to a maximum of £20 a day, against receipts.

**Overseas Accommodation and Subsistence**

The above rules apply to overseas travel as well as travel in the UK. For travel to overseas locations where hotel accommodation and meals are particularly expensive, the line manager has discretion to agree higher cost limits than those for UK travel if this is necessary to obtain accommodation and meals of an equivalent standard to that available in the UK. This discretion does not apply to the £10 a night limit for the reimbursement of personal incidental expenses, which may not be increased.

**Entertaining Visitors**

Senior Managers and Heads of Department may entertain visitors and guests only when it is within budgetary limits and is likely to help Royal Blind to further its charity objectives. Wherever possible in-house facilities should be used.

The names of each person attending must be noted on the claim, identifying which attendees are from Royal Blind and which are external guests.

Subject to these constraints reasonable and appropriate entertaining expenses may be claimed.

**Expenses Claims**

Expenses will only be reimbursed if they are:

- supported by detailed (VAT) receipts, and credit card slips if necessary (except mileage claims);
- submitted on the Royal Blind expense claim form;
- fully completed;
- appropriately authorised; and
- claimed in line with this policy.

Minor items without a back-up receipt may be considered if a reason is given for a receipt not being available and should be included on the expense claim form in the normal way.

Advice on how to complete the claim form is available from a line manager or HR department.

In claiming reimbursement, it must be confirmed both that the expenses have been incurred, and that the Royal Blind business to which they relate has been carried out in the manner most cost effective to Royal Blind in the circumstances.
Authorised expenses submitted in line with this policy on the correct form will be settled monthly along with the normal salary payment. The Payroll Department must receive claims no later than the twelfth working day after the end of the month to ensure settlement along with the following salary payment.

**Advances**

In exceptional circumstances, if staff are about to undertake a business trip that will necessitate significant costs, an advance may be authorise by the line manager.

Cash advances must be obtained from the Finance Department.

An employee may only have one advance at any time.

All receipts must be kept and submitted on a claim form immediately on returning from the business trip, in the usual way, deducting the advance from the claim or refunding any unused advances.

**Corporate Credit Cards**

Staff who are likely to incur significant expenses on Royal Blind business should discuss with Finance whether a corporate credit card might be appropriate.

Before committing to any expenses of a type not previously authorised for authority should be sought from Finance.

The card company sends Royal Blind a statement each month, showing all the expenses charged in that month. The user must detail the purpose of each item and suitably code the expenses before being approved as per approval procedures on page 1.

The card may only be used for expenses incurred in carrying out Royal Blind business. Personal incidental expenses will only be met under the headings ‘Subsistence – away overnight and Staying with friends’ and within the rules in this procedure note.

Misuse of corporate credit cards will lead to disciplinary action.

**Additional Information**

This document will be reviewed regularly and updated as necessary. However, it will only be re-issued to all Staff when there is a significant change to the Policy or Procedures. An up to date version of the document can be obtained from your line manager, HR Department or accessed on the Intranet.

**Further Information**
For further information please staff should contact their line manager, HR or Finance Department.