Expenses Rules

1. General

1.1 These rules are made pursuant to section 8.3 of FINANCIAL REGULATIONS 'Staff Expenses' and this section should be read before turning to these rules to understand: who is able to make a claim; when a claim can be made and; how a claim should be made.

1.2 Part 5 of Income Tax (Earnings and Pensions) Act 2003 and the accompanying guidance from HMRC Employment Income Manual - HMRC internal manual - GOV.UK sets out the circumstances in which staff are entitled to be reimbursed by their employer other than through their wages. Guidance Notes have been provided in the Annex to assist in understanding the eligibility of expenses claims.

1.3 Expenses will only be paid if they have been incurred **wholly, exclusively and necessarily in the performance of a individual's duties** with Kings College London. This applies to staff, students or external parties. Individuals incurring an expense should also ensure that the expenditure is **reasonable, not excessive; and provides good value for money**. Guidance Note 4 sets out some examples of claims that have been rejected by the Expenses Team because they fail to meet these tests.

1.4 The University is required to disclose information about expenses pursuant to the Freedom of Information legislation and other legitimate requests from students, regulators and third parties.

1.5 Expenses related to travel, are covered in more detail in the Sustainable Travel Policy & Procedures. The expenses rules only deal with the rooms rates that apply and other costs relating to hotel etc accommodation.

1.6 The following expenditures should not be claimed through expenses and will not normally be reimbursed:

a. Costs of travel from home to the usual location of work/study and vice versa. **See Guidance Note 3** (Note that exceptions may be granted under Global Staff Mobility cost arrangements).

b. Payment for accommodation, other than that permitted in the sustainable-travel-policy.pdf**. See Guidance Note 2**

c. Purchases of computer equipment, software or software subscription services. Where such purchases are essential and no other method of purchasing the items in question is in place, the IT Assurance Team must pre-approve the purchase.

d. Any and all payments to individuals. Any such payments including for work undertaken, bonuses or rewards via gift vouchers must be referred to the payroll department for payment as a personal tax liability may arise.

1.7 Claims for reimbursement must be made promptly and no later than within one year of the

expense being incurred. Any exceptions to this must be considered for approval by the Chief Procurement Officer or designate.

1.8 Advances for expenses are not normally granted. Provided individuals submit their claims promptly they should not be disadvantaged as reimbursement will normally be made within five working days of a valid claim being received by the Accounts Payable Department. Exceptionally, and usually only where a trip is extended or where the use of credit cards is impractical, an advance may be approved by the Chief Procurement Officer.

2. Exemptions

It is recognised that there may be exceptional circumstances necessitating that an exemption from this policy is granted. Given the necessity of complying with HMRC and other regulatory obligations, and also ensuring the University is able to fully justify how it spends funds, exemptions will be strictly construed. Please send any requests for exemptions in the first instance to the Head of P2P/Accounts Payable: Jenny.Thomas@kcl.ac.uk clearly marked 'Exemption Request' and attaching the permission of any relevant approver. Please be aware that exemption requests do not take priority over business as usual demands.
The grounds for exemption must be based on at least one of the following:

- Health
- Safety
- Protected characteristics
- Lack of availability of compliant options in a particular location unavoidably driving up costs.

3. Subsistence

Subsistence is an allowance that individuals can claim when travelling for work to cover the extra necessary costs that they incur as a result. The rates set out below apply to claims for meals and accommodation. The purchase of alcoholic drinks is not an eligible subsistence item.

3.1 Food and Drink

Individuals carrying out business on behalf of King's are expected to provide their own breakfast, lunch and dinner during a working day. However, an individual who is required to travel on behalf of King's is entitled to claim for meals up to:

• £50 per day, in the UK, with no individual meal, including with a non-alcoholic drink, costing more than £30.

• £60 per day, outside of the UK, with no individual meal, including with a non-alcoholic drink, costing more than £35. **See Guidance Note 1**

3.2 Accommodation and related costs

3.2.1 An individual is entitled to claim up to £250 per night, including breakfast, when they are required to travel on behalf of King's unless evidence that an exemption applies, with authorisation from the relevant Executive Dean, Director of Operations or Professional Services Executive Director, (as set out in paragraph 2 above, this includes when travelling to a high cost area).

3.2.2 Individuals are not entitled to claim expenses for overnight accommodation other than when traveling on behalf of King's. However, it is recognised that on occasion commuting may not be practical or reasonable. Written authorisation from the relevant Executive Dean, Director of Operations or Professional Services Executive Director is required before any accommodation is booked and must be attached to the expenses claim. The nightly rate for such accommodation must not exceed £250. A copy of the documented permission must be provided in support of the claim. **See Guidance Note 2**

3.2.3 It is appreciated that there may be personal circumstances when an individual travelling on behalf of King's requires to be accompanied, for example, by a carer, or service dog. In such cases, prior approval must be sought from the relevant Executive Dean, Director of Operations or Professional Services Executive Director. A copy of the documented permission must be provided in support of the claim.

3.2.4 Individuals can claim the costs of laundry and other essentials that constitute a necessary expense to their normal cost of living when they are away on business for more than a business week.

4. Catering for meetings and events

4.1 All on-campus meetings or events must be catered by King's Food in accordance with the Internal Hospitality Policy. The only exception is for very low-end catering for student engagement meetings where costs are limited to £10 per student – as described below – or where King's Food are unable to provide the service.

4.2 Very low-end catering for routine staff meetings, tea, coffee, biscuits and the like, is a personal choice and cannot be charged to King's.

4.3 Where the purpose of the meeting is student- focused for a specific business purpose, costs may be incurred at no more than £10 per student. The number of students attending such an event must be at least three times the number of staff. Alcohol is not permitted.

5. Catering for special events and Faculty/Directorate Social Events

5.1 Staff, with the evidenced permission of their Executive Dean, Director of Operations or Professional Services Executive Director, may charge the costs of catering by King's Food, or

claim them via expenses when King's food is unable to provide the service, for special events for their Department. This includes inaugural lectures, leaving parties, formal celebrations and team-building events.

5.2 A cost ceiling of £30 per person per event is permitted and alcohol for an evening event may be charged/claimed within this limit. Costs per event above the £30 per person limit need to be pre-approved by an Executive Dean, Director of Operations or Professional Services Executive Director.

5.3 Faculties and Directorates may organise up to two social events per year to which all staff of the Faculty or Directorate must be invited. HMRC allow expenditure of up to £150 per head per annum for such events (i.e. £75 per event if two are held). Alcohol is allowed for evening events. If individual Schools or Departments, for example, wish to organise a separate social event for staff this will not be capable of being reimbursed by the University unless the Executive Dean or Executive Director of Professional Services has given permission for the event to be organised as an alternative (additional events are not allowed) to a Faculty or Directorate event.

6. Business Meetings

6.1 Staff may claim for the provision of food or drink at business meetings involving third parties. Only staff who have a direct interest in the meeting should be invited. This should not include spouses of staff or guests not connected with the business of King's which is being discussed.

6.2 Staff may claim a maximum of £60 per person for an evening business meal, including drinks. For lunchtime business meetings, the maximum is £40 per person (alcohol at lunchtime is not usually a reasonable reimbursable cost and justification when making the claim is required). It is recognised that the nature of the topic being discussed or of the person being hosted necessitates a departure from the maximums stated. Staff are required to explain the circumstances when they exceed the maximums when submitting their claim copying in the permission of the Executive Dean or Executive Director of Professional Services.

6.3 For the purpose of these rules, External Examiners dinners should be classified as Business Meetings.

6.4 Value for money should always be sought. All claims for reimbursement of Business Meeting costs must be accompanied with a list of all attendees, both university staff and third parties. A ratio of a maximum of two members of staff to one external guest is considered reasonable.

7. Staff Gifts

7.1 The purchase of vouchers, gifts or flowers for staff will not normally be funded by the University because it is considered a perk and as such taxable by HMRC . Any purchase of staff vouchers, gifts or flowers therefore must be justified as being appropriate in the circumstances, approved in advance by the Executive Dean, Director of Operations or Professional Services Executive Director or above as relevant, and in no circumstances must the value exceed £50. Vouchers and other gifts must not be provided as rewards to staff for their contribution at work.

7.2 Long service will be recognised with an award of £500 for 25 years and £1000 at 40 years of service. These are one-off awards paid via payroll and the relevant tax and NI is also covered by the college. The awards are managed by the Human Resources Directorate and are approved in advance by the Chief People Officer.

7.3 It is not an eligible expense to purchase gifts for external parties in return for services rendered to the University, such as guest lectures or panel members. Before engaging such persons, staff should decide whether to pay them for their service as a Supplier or allow them to claim travel or subsistence in order to perform the service. However, it is recognised that a small token of appreciation, of a value not exceeding £25, may be appropriate in the circumstances and where no other payment to that individual has been made.

7.4 The receipt of gifts by staff must comply with Gifts Policy | King's College London.

8. Cranfield visits

8.1 Staff visiting Cranfield for approved reasons will be entitled to claim for reasonable travel, subsistence and accommodation expenses. The sustainable-travel-policy.pdf will apply to car and train travel in the usual way. In terms of subsistence, staff are expected to pay for their own breakfast and dinner unless staying overnight at Cranfield. Lunch should be purchased from a Cranfield venue unless this is not possible.

8.2 Should an unavoidable late-night engagement with colleagues at Cranfield make travelling home by public transport impossible or unsafe then accommodation can be booked. Cranfield offers University accommodation so please speak to your contact at Cranfield to help you to arrange this. If that accommodation is unavailable, you may book a hotel in the area.

8.3 The same subsistence and accommodation caps will apply but staff should ensure that they do not spend more than is reasonable for that area

Annex: Guidance Notes

The examples are not an exhaustive list but provide a guide as to what is considered to be ‘wholly, exclusively and necessarily for the purposes of King’s business’ and what is considered to be ‘reasonable’.

1. Subsistence

Subsistence covers **breakfast, lunch and dinner**. This daily limit represents the **maximum amount claimable** within a 24-hour period while undertaking approved business travel away from your normal place of work or study.

Subsistence is defined as the **reasonable cost of essential meals that are necessarily incurred** during authorised KCL business activities. The purpose of this allowance is to ensure individuals can meet their **basic nutritional needs** while travelling for work or study —typically when an **overnight stay** is required.

It is important to note that **coffees, snacks, soft drinks, confectionery and similar items** do **not** qualify as subsistence. Nor does grocery shopping that exceeds what would be considered as the purchase of up to 3 meals a day. A test of reasonableness will be applied.

The subsistence allowance is intended to cover **genuine meal costs** only. Examples of acceptable subsistence expenses include:

- A sandwich and soft drink or similar lunch
- A hotel breakfast when staying overnight
- A standard evening meal and soft drink at a restaurant

2. Overnight accommodation when not travelling for work

Staff are expected to make their own arrangements for overnight accommodation during the working week unless they are travelling away from their normal place of work. The provision of accommodation by employers is normally to be treated as a taxable benefit, which the employee must pay tax on if provided to them. However, if an employee is required to undertake work in circumstances making commuting impossible or a risk to the employee's health or safety then an exemption can be granted by the Director of Operations, Executive Dean or Professional Services Executive Director as relevant setting out the reason why overnight accommodation is essential.

3. Costs of commuting between home and workplace

HMRC prohibits the claiming on expenses of 'ordinary commuting' either between an employee's home and workplace (including surrounding areas) or when the travel is undertaken for reasons not 'wholly, necessarily and exclusively for the purpose of work' (e.g. for private purposes). Staff are not entitled to make claims for ordinary commuting carried out in the course of a working day, for example, travel between campuses, unless a contractual arrangement is in place.

4. Items considered to be 'personal' rather than meeting the HMRC Test

Example: Purchase of a designer travel bag

Longchamp bag costing £145 is not reimbursable under either HMRC rule or the University's expenses policy. HMRC's longstanding position is that for an expense to be allowable, it must be incurred **wholly, exclusively and necessarily in the performance of the employee's duties**. Where an item has an inherent personal benefit or can also be used for purposes other than work, it is generally regarded as a personal expense rather than a business expense.

A school bag, backpack or designer bag is considered an item with significant personal use and does not constitute specialist equipment required solely for the performance of employment duties. The fact that the item is a branded or designer product further reinforces that the purchase goes beyond what would ordinarily be considered necessary business expenditure.

Whilst employees may choose to purchase bags, briefcases or other carrying cases to transport work materials, these are generally regarded as personal items and are not normally claimable through the expenses process unless there is an exceptional and clearly evidenced business requirement approved in advance.

Example: Meals before and after defined business Travel

A meal purchased en route home following completion of the fieldwork activity in Grantham. Once the business activity had concluded and the individuals had commenced their return journey home, the expenditure becomes difficult to demonstrate as being incurred wholly, exclusively and necessarily in the performance of their duties. HMRC only permits tax-free

subsistence where there is qualifying business travel, and the subsistence is incurred because of that business travel.

A coffee and croissant purchased from a train station in Cornwall at 10 am en route to London for a work trip. Staff are expected to provide their own breakfast before travelling unless travelling during breakfast time.

HMRC's position is that there is no tax relief for private expenditure and that employees cannot obtain relief for costs associated with ordinary commuting. Had the staff member worked or necessarily travelled past dinner time and/or needed to stay in overnight accommodation, then breakfast and dinner would be an eligible business expense.

The distance travelled thereafter does not alter the underlying principle that evening meals are ordinarily a personal cost unless incurred as a direct consequence of qualifying business travel and in accordance with policy.

Example: Excessive or unreasonable subsistence claims

A student undertaking a research trip to two different cities in Spain over the course of a week submits expenses for air travel, accommodation, meals with a soft drink, snacks between meals, multiple bottles of soft drink when at airports. The student's purchases did not exceed the daily limit. The student will be reimbursed for everything other than the snacks and drinks purchased at the airports because they were not purchased as part of the meal and are considered a personal rather than a business purchase.

Example: A London- based staff member booking a hotel in London

A member of staff has a morning meeting with his Funder and works late on meeting preparation. They live about 3 hours outside of London and so as to be fresh for the meeting they book a hotel in London Bridge. They submit a claim for their hotel room booking. The claim is rejected because it was not a business requirement to work late that evening. The staff member's decision to live outside of London is a personal choice and they are paid London Weighting to cover the costs of working in London.

Example: Childcare

A PhD Student has chosen to travel to Nigeria as part of her studies and has requested that the cost of her 9 year old daughter's flight is also paid because she needs to accompany her on the trip. While the Funder leaves it to the Faculty to decide how to administer the funding, the Head of Department declines to approve the travel costs for the child because this is personal rather than business expenditure. Further, it would put King's in the situation of assuming liability for the child when travelling and when abroad and is not something that would be covered by our insurance.

Example: Taxi Fare to an Awards Ceremony

A member of staff attends an awards ceremony in central London on behalf of the University. The event is held in the evening and has a formal dress code requiring business, formal or evening wear. The employee chooses to take a taxi from their home to the venue, claiming that public transport was not convenient because they were wearing formal attire and did not wish

to travel on the Underground in evening wear.

Whilst attendance at the awards ceremony may be a legitimate business activity, the choice of transport must still represent the most cost-effective and reasonable option. Personal preference, convenience, comfort, concerns about appearance, or a desire to avoid public transport due to wearing formal attire do not constitute valid business reason for incurring additional travel costs. If there are justifiable health and safety reasons to support a taxi claim from a venue, for example a vulnerable person travelling home very late in the evening due to the duration of the ceremony, a claim may be supported.