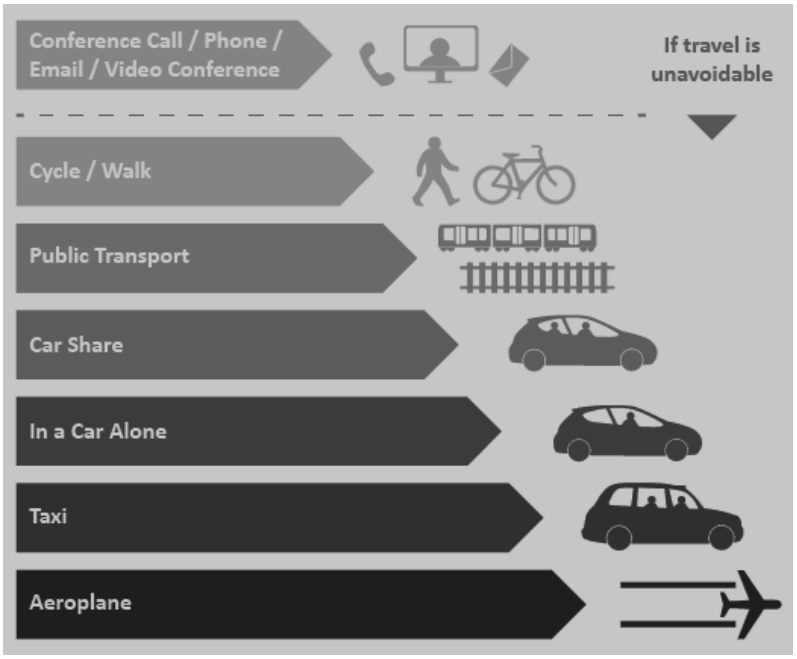
1 Introduction

1.1 This document sets out Foundation Scotland's [FS] policy on the reimbursement of employees for the costs of travelling on official business.

1.2 FS seeks to ensure that travel, subsistence and other expense claims to FS are reasonable, are in line with this policy, and retain efficiency and effectiveness in carrying out their role. Travel should be planned in good time to take advantage of best prices.

1.3 FS aligns this policy with its focus on climate, mainly by encouraging more sustainable behaviours and discouraging carbon-intensive methods of working and travelling. FS operates a blended workplace model, using in-person and digital working and via home-based and hub-based locations. The model below shows the range of travel methods, from a lower to higher climate impact perspective, and you are asked to consider this as you plan your work.



2 Scope

2.1 This Policy applies to all FS employees. A separate, simplified policy is produced for trustees and committee members.

3 Abbreviations and Definitions

Abbreviations

- CFOO – Chief Finance and Operations Officer.
- ExpenseIn – FS's online expense and invoicing management system

- HMRC – HM Revenues and Customs.
- MILO – FS's Intranet.

4 Policy

Policy Statement

4.1 This policy has been developed within the guidelines set by HMRC and rates have been set to minimise liabilities for income tax and national insurance on benefits and expenses provided.

4.2 FS will reimburse employees promptly for the costs of travelling on official business.

4.3 Employees can commit to expenses appropriate to their role without first obtaining the agreement of their Line Manager – such as travel, accommodation and subsistence however other unauthorised expenditure is at their own risk. The employee's Line Manager must approve all claims. The CEO's claims must be approved by the Board Chair or in their absence by a Vice-chair..

4.4 For efficiency, employees are requested to submit one claim per month covering the previous month. If the scale of an employee's expenses are such that they will be regularly out of pocket a permanent float can be requested which is refundable when the employee leaves FS. Employees should contact the Finance team for advice.

4.5 FS will not pay claims more than 2 months after the date the expenditure was incurred, or which lack appropriate receipts.

4.6 Payments are reimbursed by bank transfer following approval and after being reviewed by a member of the Finance team.

Receipts

4.7 To comply with HMRC requirements expenses will only be reimbursed on production of receipts which support the claim.

4.8 The employee is expected to obtain receipts for all expenses they wish to have reimbursed. An receipt may take many forms (for example, a cash register receipt or a web receipt). A receipt must identify:

- The date of purchase
- The vendor name
- An itemised list and unit price of the purchased items
- The total amount paid
- The VAT number (where applicable).

4.9 It is not always possible to obtain a receipt. In the event of lost or missing receipts the employee should seek duplicate receipts or produce alternative proof of payment. If no proof of payment is available e.g. the underground or parking meter did not return the ticket the employee should provide evidence via an extract from a bank or credit card. If paid by cash, then this must be documented and attached to the claim.

4.10 The non-inclusion of a receipt or a document explaining the lack of receipt with the expense claim will mean that items are automatically disallowed.

4.11 VISA, Mastercard, debit or credit card counterfoils and credit card statements are **not** an acceptable form for proof of purchase. They can only be accepted if linked to a lost or unavailable receipt.

Travel

4.12 General principles

- All journeys away from what is considered an employee's normal place of work [their home] when carrying out necessary FS business will be regarded as business travel.
- Travel should be by the most efficient and environmentally effective means of transport consistent with the business objective of the trip and safety of the employee.
- Travellers are expected to consider whether the journey is essential or alternative options such as video or telephone call would be more appropriate.
- The forms of transport employees may use in order of preference are shown in 1.3

First Class Travel

4.13 Occasionally first class tickets are more economical overall as other services such as internet connection and food are included in the fare. Where this is the case, the employee should screen shots the comparable costs as evidence. Long train journeys e.g. to London may be first class to avoid more costly flights and overnight accommodation. Where this is the case, employees should book as far in advance as possible to obtain the best possible price.

4.14 However, generally, employees should not travel by first class or business class on any form of transport.

4.15 Travellers are welcome to upgrade from standard to higher classes at their own expense, but FS will only reimburse the cost of the standard fare.

4.16 If the employee has additional needs and this has been agreed with their Line Manager, first class travel may be permissible.

Use of own vehicle and claiming mileage

4.17 Employees are entitled to claim mileage when using their own transport for travelling on FS business.

4.18 When undertaking a journey on FS business the driver is responsible for ensuring the vehicle is in a roadworthy condition, licensed, insured for business travel and has a valid MOT certificate if appropriate.

4.19 Mileage should reflect the actual mileage driven using the most direct route unless the route is unsafe due to the time of travel or weather conditions. Mileage is automatically calculated by ExpenseIn based on postcodes and will reflect the most direct route. If that route is unsafe due to the time or weather conditions, it is possible to add on alternative postcode stops to reflect the journey.

4.20 As all FS staff are home-based, mileage claims will be based on the actual mileage from home to the business destination. Expenses from home to a hub for a business meeting is allowable. A business meeting must include a non-FS employee. Where attendance in a hub is requested by a Line Manager, expenses are allowable however if by personal choice then expenses are not allowable as currently defined by HMRC.

4.21 Rates payable per mile are in accordance with HMRC published guidelines:

- Cars & Vans - £0.55 per mile up to 10,000 miles, thereafter £0.25 per mile
- Motorcycles - £0.24 per mile
- Bikes - £0.20 per mile

4.22 If an employee carries any other employee in their own car or van on business travel, they can claim £0.05 per passenger per business mile. The passengers must be employees of FS and they must also be travelling on business journeys.

4.23 The mileage rate covers the buying, running and maintaining the vehicle such as fuel, oil servicing, repairs, insurance, car tax and MOT. It also covers the depreciation of the vehicle.

4.24 Full details of the journey, including date, reason for journey, starting and destination postcodes, should be entered into ExpenseIn. Without these an expense will not be created.

4.25 The cost of road and bridge tolls will be reimbursed if they form part of a business journey.

4.26 Parking costs incurred in the course of travelling away from home may also be claimed.

Taxis

4.27 Employees may claim reimbursement of the cost of a taxi or private hire vehicle fares when it would not be reasonable to take a connecting journey via public transport. Electric Taxis should be requested if possible. Taxis may be used for journeys:

- Where no other suitable transport is readily available
- When heavy or bulky equipment is being transported
- Where the saving of time is of paramount importance
- Where an individual has restricted mobility or other disability
- Where public transport is unavailable (either early in the morning or late at night) or deemed inappropriate (e.g. late at night where an employee would otherwise feel unsafe).
- Where a number of employees share a taxi and the overall cost is less than each taking public transport

4.28 Tips arising from a Taxi journey will not be reimbursed.

Fines and Penalties

4.29 Car parking fines, release fines, speeding and other motoring penalties are the responsibility of the individual and FS will not reimburse these costs.

4.30 FS will not reimburse costs as a consequence of the travel that are not incurred in travelling, but result from the circumstances of the employee, for example the cost of putting a pet dog in kennels while away from home or a babysitter.

Flights

4.31

Travel Time	Class
Up to 5 hours	Economy
Over 5 hours	Economy (but see below)
Over 10 hours	Business class (subject to confirmation from the budget holder/line manager)

- Where strict application of the class-of-travel rules would not be cost effective
- For short duty visits out and back in a working day - you are not entitled if you stay overnight
- When bookings are not available in the lower class and the timing or date of the journey cannot be changed
- If you will be required to work immediately on arrival
- On disability/medical grounds

Subsistence

4.32 FS will reimburse the costs of meals taken en route during business journeys away from their normal place of work where these meals have not been provided. Meal expenses must be for the individual traveller's consumption only.

4.33 Allowable expenses can include the cost of a meal and the cost of non-alcoholic refreshments. The maximum amounts [including refreshments with the meal] claimable for subsistence in accordance with HMRC published guidelines [Benchmark Scale Rates – BSR] are:-

4.34

	Maximum total
Breakfast [if not included]	£10
Lunch	£15
Evening Meal	£25

4.35 Tips will not be reimbursed, service charges which are not voluntary are allowable.

Accommodation

4.36 Standard of overnight accommodation

- Employees should ensure that accommodation is safe and of a reasonable standard – normally at three-star rating. Rooms should be sole occupancy, have en suite facilities, TV, tea and coffee making facilities and internet access. There should be adequate space and where it is necessary to work in the room facilities [light, desk, etc.] for doing this. The accommodation should have satisfactory personal security arrangements and adequate emergency procedures.
- FS encourages employees to book accommodation that is green certificated, where cost is not excessive in comparison to alternatives in the area. Using accommodation, which is run as a social enterprise, B Corps or is community owned is also strongly encouraged.

4.37 Mini-Bar / Movies

- Items of a personal nature such as alcoholic mini-bar drinks or video/movie hire will not be reimbursed by FS. Where these items are included on a bill the costs should be deducted by the employee prior to the submission of the claim for reimbursement.

4.38 Hotel Internet Access

- If Internet access is not included in the room rate, employees may claim internet costs when staying in hotels provided it is incurred for FS business [e.g. working on a presentation/report for the following day's business meeting]. The reason for internet access should be detailed on the claim.

4.39 Accommodation provided by a Relative / Friend

- An employee travelling on FS business and choosing to stay overnight with friends, relatives or colleagues instead of in a hotel, will be reimbursed for the actual cost of an evening meal [for himself/herself only]. No other expenses should be claimed.

4.40 Rates Allowable

- London, Edinburgh and Glasgow [including breakfast and VAT] - £180 per night
- Elsewhere in the UK [including breakfast and VAT] - £120 per night
- In the case of an overnight stay costing more than the allowable rate due to high demand, comparison rates for the location must be provided e.g. via a screen shot of hotel prices.

No Personal Gain or Loss

4.41 Trading Down of Travel Tickets

- 'Trading down' of travel tickets i.e. travelling by a less expensive travel class in order to claim an extra ticket for a family member or friend is not permitted.

4.42 Travel with Spouse/Partner/Family

- Where the employee is accompanied by a Spouse/Partner or other non-FS connected persons, the employee must only claim the appropriate share of each item of expenditure, consistent with that which would have been incurred if travelling unaccompanied.
- Costs incurred on behalf of an employee's spouse or partner will not be reimbursed.

4.43 Extended Travel

- Extended travel refers to travel trips which include time spent on non-FS business such as earlier arrival, later departure or gaps in business.
- Prior approval [evidenced by e-mail] for extended travel beyond the minimum days required for business purposes must be obtained from whoever will be asked to authorise the claim.
- FS will not reimburse the cost of accommodation, local transportation, meals or other costs in excess of the minimum days necessary for business travel or conference attendance.
- The costs related to an earlier departure and/or later return for travel may be reimbursed when the total cost of the travel is clearly documented and demonstrated to be equal to or lower than it would have been for the dates required for business travel.
- Savings in travel costs cannot be used to justify FS meeting other essentially private or personal costs (e.g. recreational trips) during the non-business extended days.

4.44 Personal Business Conducted during Period of Travel

- Incremental travel costs incurred for personal business during the course of a FS business trip, are the responsibility of the employee. Incremental travel costs include expenses that would not have been incurred on the business portion of the trip, except for the fact that the employee conducted personal business at some point during the trip.

Hospitality

4.45 FS can only provide hospitality to employees where there is a valid business reason

- Refreshments during a meeting – the provision of tea, coffee and biscuits (but no other food) can be reimbursed when the refreshments are bought for a business meeting. FS encourages employees to source food from social enterprises where possible.
- Modest working lunches for training events and formal minuted meetings are permitted where the timing and duration of the meetings unavoidably prevents attendees from having their normal personal lunch break.
- For FS to provide hospitality to employees without a valid business reason would normally result in a personal tax liability for the individual(s) involved, which FS will be obliged to declare to the relevant tax authority, exceptions to this would be out-of- the- ordinary, infrequent special celebrations to which all employees are invited.
- FS contributes £30 per employee towards a Christmas Party. Travel and accommodation to attend a standalone Christmas Party are not allowable.

4.46 There may be occasions when, for legitimate business reasons it is appropriate to provide hospitality to foster new business. The attendees and purpose of the meeting should be clearly noted on the expense claim form. Such hospitality should be modest, and alcohol should in general not be claimed. Business entertaining with which involves more than a light lunch should be approved in advance by the CEO.

Gifts to Employees

4.47 In general FS will not approve gifts given to employees using FS funds.

4.48 The gift of a perishable item such as a bunch of flowers, box of chocolates or basket of fruit given to an employee to mark a non-work-related significant life event i.e. illness or death of a close relative is claimable provided the value does not exceed £50.00. These costs must be approved in advance by the Chief Finance and Operations Officer/ CEO.

4.49 For gifts that recognise a personal occasion (e.g. engagements, retirements, maternity/paternity celebrations, weddings, birthdays and leaving gifts), FS policy is that these should be treated as personal expenditure.

Communication Costs

4.50 Employees are provided with a soft phone and mobile phone if appropriate. Consequently, FS will not reimburse telephone calls made on their home phone/ personal mobile.

4.51 FS will not pay for home internet or internet boosters. HMRC considers that home internet costs cannot be monitored for business/personal use and therefore have advised that these payments are taxable on the individual without exception.

4.52 Internet costs incurred whilst travelling may be claimed.

4.53 FS will provide employees with a mobile phone if there is a business need. The provision of a mobile phone will be in accordance with FS's IT procedures and will be from an approved supplier and will be of a standard specification.

FS Credit Cards

4.54 FS may arrange for a credit card to be provided to cover those types of expenditure which can't be easily co-ordinated by the Finance and Operations team and where it is not possible or practical to use the standard purchasing process [for example internet purchases, hotel accommodation in remote areas or deliveries of items to home based employees].

4.55 These cards are issued at the discretion of the CFOO and based on the need for operational efficiency.

Personal Credit Cards

4.56 Wherever possible, employees should avoid using personal credit cards to make purchases of items which are available through the Finance and Operations team. This practice can often represent poor value for money, it can imply that the purchase is made by the individual, and it may even nullify any manufacturer's warranty or guarantee.

Time Limit

4.57 Claims should be submitted as soon as possible after the month in which they have been incurred. ExpenseIn will send out a reminder 7 days before the last day of the month to assist. In any event, claims must be submitted within two months of the expense being incurred. This also enables verification to take place with greater ease.

4.58 Employees should also be mindful of FS's financial year end on 31 March. To adhere to approved accounting principles, all expenses for that year must be reported in the year in which they were incurred to ensure that the expense is appropriately captured in the financial statements.

Ownership

4.59 All items purchased with FS funds are and remain the property of FS. In the event that an employee leaves FS they must ensure that all such items remain with FS.

Freedom of Information

4.60 FS is not covered by the Freedom of Information Act however if it is distributing Government money which is subject to such an enquiry it may be required to disclose related expenditure information if required.

Claiming Expenses – Summary

4.61 FS Issued Credit Cards

- Items which can't be easily centrally organised by other means
- Hotel accommodation
- Tickets in respect of travel outside of Scotland
- Card statements are uploaded into ExpenseIn each month and the card holder notified to attach receipts.

4.62 Mileage Claims for vehicle mileage are made using the mileage functionality in ExpenseIn.

4.63 Expense Claims for personal work-related subsistence expenditure and travel are made using the purchase functionality in ExpenseIn

5 Roles and Responsibilities

- Employees are responsible for compliance with the Policy.
- The CFOO is responsible for updating the Policy and ensuring its compliance with HMRC regulations.

6 Training

- There is no training linked to this policy.
- Training materials relating to ExpenseIn usage can be found on the ExpenseIn page in MILO.

7 References

- https://www.gov.uk/expenses-and-benefits-travel

8 Review

8.1 This policy is reviewed, approved, and endorsed by the Board of trustees. It is updated when required by legislation, to ensure that it reflects statutory responsibilities, government guidance and best practice for FS, or every 36 months whichever is the soonest.

9 Document Properties

Title	Travel, Subsistence and Expenses Policy		
Type	Policy	Classification	Finance
Reference Number	19	Version - auto-generated	4.28
Status	Approved	Original Approval Date	18/11/2021
Author	CFOO	Approver	FS Board
Last Reviewed regardless of whether changed	31/03/2026	Next Review Date	31/03/2029