

House of Commons and Parliamentary Digital Service

Staff Expenses Policy

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Purpose of this document

1. This document sets out the rules and processes which staff of the House of Commons Service and the Parliamentary Digital Service must comply with in respect of expenses incurred in the course of their duties, to ensure that HR policy, finance, and procurement rules are being followed alongside HMRC rules and regulations. It covers expenses relating to the following: travel by public transport for work purposes (other than normal home to work and return journeys); mileage; subsistence; car parking and congestion charge; hospitality and entertainment; and professional subscriptions.
2. This policy covers all staff of the House of Commons and the Parliamentary Digital Service. It does not relate to Members of Parliament. Members' staff, third parties, or individuals attending the House as a witness or as a job applicant.

Version control

3. This policy takes effect from 19th January 2017¹. It will be reviewed after three years of operation.
4. Any changes to this policy will be issued through staff notices.
5. This policy forms part of the House of Commons Finance Rules and the Staff Handbook.

Terminology

6. *Claimant* means the individual who has incurred the expense.
7. *Approver* means the Budget holding manager who is authorising the expense

General principles

8. Reimbursements will be made for actual expenditure where costs have been wholly, exclusively and necessarily incurred whilst on the business of the House in line with the Staff Handbook.
9. The preferred method of purchasing hotels and travel is via the House of Commons Travel Office.
10. All expenses covered by this policy should be paid for by the claimant and reimbursed using the self-service claim process.
11. For goods or items for the House self-service claims are the payment method of last resort and should generally be used only for small, unexpected costs that could not reasonably be met by any other means.
12. No claimant should be financially disadvantaged or advantaged by the proper application of this policy.
13. All Claims are to be made in UK Sterling
14. For some types of expense a ceiling is applied above which claims cannot be reimbursed.
15. Original receipts are required to support all claims, regardless of purchase/reimbursement method².
16. HAIS is used for all types of expense claims including expenses incurred on select committee business and delegation travel. In some cases, the claim will be entered by another member of staff on the Claimant's behalf (e.g. a Senior Committee Assistant).
17. Reimbursements cannot be made through petty cash.
18. Claims for expenses must be submitted as promptly as possible and in all circumstances within one month following the month in which the cost was incurred, otherwise they may be rejected.

January 2017

¹ Annex updated in July 2019 to incorporate a revised process for claiming expenses and worldwide subsistence rates

² Original receipts are no longer required. See Annex for revised process.

Approval of expenses

19. All types of expenditure must be agreed in advance by the manager responsible³ for the budget from which the cost will be paid regardless of the purchase/reimbursement method.
20. **By signing off an expense claim electronically, the Approver confirms that**
 - they authorised the expenditure
 - they have checked the claim with the receipts, and
 - the claim complies with House policy and is in accordance with both HR and Finance Rules.
21. Before undertaking any work away from the normal place of business (e.g. away from the Parliamentary Estate), claimants should discuss with the Approver the types of cost that may arise and how they will be met. Approval to incur these costs should be obtained in writing, for example by email, especially if costs exceed £50.
22. In circumstances where the Claimant is the budget holding manager, expense claims will be directed to their line manager for approval.
23. Every budget has a unique HAIS code which must be quoted on the expense claim.
24. If expenses are paid for via GPC, Travel Office, [FO35 form⁴](#), Procure to Pay (P2P) or any other method, the Approver is still responsible for ensuring that:
 - The expense complies with this policy and is in accordance with both HR and Finance Rules, and
 - They have checked to ensure that receipts have been provided.

Payment

25. Self-service claims will be reimbursed through the monthly payroll, except where the Claimant's salary is not paid through the payroll. If the Claimant is not on the payroll [FO26](#) needs to be completed and sent to the Accounts Payable Team. (E.g. Staff seconded from other organisations).
26. Please refer to [payroll cut off dates](#) to ensure payment is made when you expect.

Compliance with this policy

27. Failure to comply with this policy will be a disciplinary matter.
28. Claims, regardless of payment/reimbursement method, **must** be checked by the Approver to ensure policy and guidelines are being followed before approving the claim on the system.
29. Receipts must be provided by the Claimant and fully checked by the Approver before the claim is authorised.
30. Adherence to this policy will be periodically checked by Corporate Services.
31. These processes will be subject to periodic review by the Internal Audit Team.

January 2017

³ The manager responsible for the budget is the person who normally approves purchase orders and invoices. Typically this will be the cost centre manager, but it may also be, for example a committee clerk, delegation secretary or a project manager.

⁴ FO35 forms are used to charge internal expenditure to the acquiring team's budget. More information is available on the Intranet.

General guidance on the tax implications of staff expense claims

32. The general HM Revenue and Customs rule for the treatment of employment expenses is that if you are provided with anything other than pay, it counts as an expense or benefit, and the House of Commons **may** need to report it to HMRC. You **may** also be required to pay Income Tax or National Insurance contributions on the expense.
33. Employees must comply strictly with the requirements of this policy and follow procedures laid down in order to ensure expense claims can be paid without incurring a tax liability and that the House of Commons complies with HMRC guidelines. **If you are in any doubt, you are advised to check with the Finance Business Partner whether your claim will be taxable before committing to the journey and/or expense**
34. Some of HMRC's rules for employees' expenses are very restrictive and a number of tests have to be satisfied in order for the re-imbursment to be made without tax/NI being deducted. Detailed advice can be obtained via your Finance Business Partner and at <https://www.gov.uk/expenses-and-benefits-travel>.

SELECT COMMITTEE & DELEGATION ONLY - Expense Claims

Rules relating only to staff travelling with Members of Parliament (Select Committee travel and international assembly delegation travel) only

35. Individual Select Committees and delegations may decide to cover the costs of subsistence away from the Parliamentary Estate in one of two ways:
 - Reimbursement of actual amounts - receipts are required to be attached to the claim Or
 - Provision of a set fixed-rate sum to cover subsistence – no receipts required
36. In the case of Select Committees, both methods are processed by Senior Committee Assistants using the HAIS expense claims module.
37. Fixed rates for subsistence are derived from HMRC guidance. The cost of any subsistence provided or paid for by other means (e.g. using a procurement card) must be deducted ('abated') from the fixed-rate amount⁵.
38. For staff engaged in Select Committee business, reimbursement can be made for gifts, entertainment and climatic clothing subject to certain rules. Prior approval must be gained from the relevant committee clerk.
39. Full guidance on rules relating to travel and subsistence while on Select Committee business, is provided in a separate document *Select Committee Travel Guidance*. Equivalent guidance for international assembly delegation travel is set out in the *Administrative Guide* for UK members of the delegations to the Parliamentary assemblies of the Council of Europe, NATO and OSCE. Both documents are issued by the Chamber and Committee Team.
40. HMRC worldwide subsistence rates are published at the following site: <http://www.hmrc.gov.uk/employers/wwsr-bench-2013.pdf>

⁵ For international assembly delegation travel abatement will be applied as set out in the Administrative Guide.

STAFF CLAIMS – NOT INCLUDING SELECT COMMITTEE OR DELEGATION CLAIMS

Travel - General

41. For tax purposes, a journey is deemed to be 'wholly, exclusively and necessarily' incurred only when it is away from the permanent place of work and attendance is necessary to perform the duties of employment.
42. For most employees this means that only journeys away from Westminster can be reimbursed without being considered as a taxable benefit.
43. Travel between home and the normal place of work is commuting and therefore taxable. Expenses for travel between home and the normal place of work are not permitted unless there is a strong business requirement that has been approved prior to the journey being undertaken. If expenses are claimed this needs to be made clear on the expense form so that EPPS/Accounts Payable can ensure that the appropriate tax/NI deduction is made.

Public Transportation - Train/Taxis/Bus etc

44. Wherever possible, travel must be pre-booked through the House of Commons Travel Office or by raising a purchase order with a supplier.
45. In some circumstances this is not possible (e.g. a local bus journey), in which case the cost of the journey will be reimbursed on production of tickets, receipts or appropriate evidence such as a London Oyster card print out.
46. Where Oyster card top-ups are claimed, details of the journeys undertaken must be provided.
47. Staff must use the most efficient and economic means of travel whilst on official business, for example standard class rail or bus travel.
48. Taxis may be used only where they clearly meet the criteria of efficiency and economy in the circumstances, for example when a number of people are travelling together or when sensitive documents are being transported.
49. If a taxi is used, the following information must be provided:
 - o the start and destination address,
 - o where the taxi is shared, the names of the other passengers,
 - o if the taxi is used in lieu of [the late night transport service](#), the time of the journey

Private Transport - Car Mileage

50. When using a car for the first time on official business, **a member of staff must declare in writing that they know and understand the ownership and insurance requirements and that they meet those requirements.** This declaration should be provided with the relevant receipts when the claim is made.
51. Prior to using a private car on official business, written permission must be obtained by the Claimant from the Approver. When the claim is submitted this prior approval should be included with the relevant receipts.
52. In all cases mileage claims are limited to a maximum equivalent to the cost of the journey by public

transport. The Approver must not sign off claims in excess of this amount.

- 53. In all cases mileage can be claimed for the distance from the workplace (i.e. Westminster) to the destination or the distance travelled from the Claimant's home station to the destination, whichever is the lower. The Approver should not sign off claims in excess of this amount.
- 54. Motor mileage allowances will be paid only if the Claimant holds a comprehensive insurance policy which covers:
 - o Bodily injury to or death of third parties
 - o Bodily injury to or death of any passenger
 - o Damage to the property of third parties
 - o Damage to or loss of the vehicle.
- 55. The member of staff must show the Approver a copy of an insurance certificate or policy indicating that use of the vehicle in question for the purposes of the business, trade or profession of the member of staff (whether as policyholder or spouse/partner) is fully covered by insurance.
- 56. Mileage will not be paid unless the vehicle is owned, or leased, by the member of staff or her/his partner.
- 57. Private car mileage can be claimed at one of the following rates:
 - o Standard motor mileage rate
where journeys are not possible or are unreasonably difficult by public transport. This rate may only be claimed with the prior approval of the Approver.
 - o Public transport car mileage rate
where staff use their car for their own convenience.

The rates applied are as follows:

Standard rate:	First 10,000 business miles in the tax year	Each mile over 10,000 miles in the tax year
	rate per mile	rate per mile
	Cars and vans	25p
	Motor cycles	24p
	Bicycles	20p
Public transport rate:	rate per mile	
	23.8p	
Passenger supplement:	First passenger carried	Each additional passenger
	rate per mile	rate per mile
	2p	1p

Rules Relating To Car Parking and Congestion Charge

- 58. Staff using their own cars on official business where journeys are not possible or are unreasonably difficult by public transport and who have to use parking space for which charges are levied will be reimbursed the necessary additional expenditure involved. This also applies to the London Congestion Charge.
- 59. Receipts/vouchers must accompany claims for reimbursement.
- 60. Penalty charges incurred as a result of illegal parking will not be reimbursed.
- 61. Staff using their car for their own convenience will not be reimbursed for any parking charges, the London Congestion Charge or any penalty charges incurred as a result of illegal parking.

Subsistence

General

62. In order for subsistence costs to be claimable without tax consequences, an official business journey must be undertaken (see paragraphs 42 & 43).

Hotels

- 63. The preferred method of purchasing hotels and travel is via the House of Commons Travel Office. For all other expenditure the HAIS purchase ordering process (P2P) should be used.
- 64. Staff may claim reimbursement of the cost of accommodation when working on official business away from home or the House of Commons which is at least 5 miles away from their normal place of work, and where it has not been possible to book the hotel via the Travel Office.
- 65. **All overnight stays must have prior written approval, hotel costs will be reimbursed based on actual receipted expenditure**, but not exceeding the capped ceilings. (Please see below).
- 66. When the claim is submitted this prior approval should be included with the relevant receipts.
- 67. The following are capped ceilings for hotel costs. Claims should be for the lower of the actual costs incurred or the capped ceiling.

Guide prices for accommodation (UK travel)	Inner London	Elsewhere
	£140.00	£100
Overseas travel:	Capped ceilings accord with the benchmark rates published on the HMRC website. Worldwide subsistence rates: effective 1 April 2019	

68. If you cannot find a hotel within a reasonable distance of the destination at or below the capped ceiling you are advised to seek advice from your Finance Business Partner.

Incidental expenses and Meals (overnight business trips)

- 69. When an official business trip has been undertaken which has included an overnight stay, staff may claim reimbursement of the cost of meals when they have had to purchase a meal (or meals) at a **greater** cost than if they were at their usual place at work.
- 70. Subsistence cannot be claimed if meals are provided by a third party at no cost to the individual (such as at a conference, where food and/or accommodation are provided).
- 71. No reimbursement will be made for alcoholic beverages
- 72. Reimbursements will always be made based on actual receipted expenditure up to capped ceilings. (Please see below)

Cost for meals (in a single 24 hour period):	Inner London	Elsewhere
	£25.00	£20.00

73. Staff **may** also claim a personal or incidental expenses allowance of £5.00 per 24-hour period for out of pocket expenses (e.g. telephone calls home, newspaper) when staying overnight.

Meals Away From the Office

- 74. Staff may claim reimbursement of the cost of meals when they are on official duty at a location at least five miles from their usual place of work and they have had to purchase a meal (or meals) at a **greater** cost than if they were at their usual place at work.
- 75. No reimbursement will be made for alcoholic beverages
- 76. Subsistence cannot be claimed if meals are provided by a third party at no cost to the individual (such as at a conference, where food is provided)
- 77. Reimbursements will always be made based on actual receipted expenditure up to capped ceilings. (Please see below)

Cost of meals while working away from the normal place of work: <i>(at least five miles from normal place of work)</i>	Away from the office up to 5 hours	Away from the office over 5 hours up to 10 hours
	£4.25	£9.30

Hospitality/Entertainment

- 78. The House of Commons policy on Gifts and Hospitality may be found on the Intranet at [Gifts and Hospitality Policy](#).
- 79. This includes additional information regarding both the receipt of, and provision of hospitality.
- 80. In general,
 - o alcohol is not permitted (see also the [Managing Alcohol Consumption at Work Policy](#) for more information)
 - o prior approval must be obtained
 - o meetings at which only House staff are present are not normally reimbursed
- 81. For the purpose of claiming re-imbusement the following information must be provided:
 - o Where the hospitality was acquired from, e.g. House catering or external provider
 - o Names of attendees
 - o Authority to provide hospitality.
- 82. Internal catering costs must not be re-imbursed through staff expenses. Where internal catering and retail services are utilised, costs should be transferred using a [FO35 form](#). Please see the [Finance intranet page – H AIS forms](#).

Professional Subscriptions

- 83. Staff who are members of a professional body may reclaim the cost of one professional subscription to that body per year provided that it satisfies certain conditions which are set out in the Staff Handbook. In addition, to avoid the reimbursement being treated as taxable the organisation must be on '[list 3](#)', HMRC's list of approved professional bodies.
- 84. The Approver must not authorise any claim that does not meet this criterion.

Unlisted Expenditure- Exceptional

85. There are instances where expenditure has been incurred by an individual that needs to be reimbursed, and the expense does not appear listed in this policy. This type of expenditure should always be pre-agreed in writing with the Approver of the claim and advice taken where necessary to ensure that the expenditure follows the HR, finance, and procurement rules and is also in line with HMRC rules and regulations. Claimants should be aware that even if a claim is authorised by the Approver in these exceptional circumstances, it may still be subject to tax.

[Annex: The process for claiming expenses](#)

The guide below explains step-by-step how to complete a staff expense claim using HAIS.

[Making a staff expenses claim using HAIS: Quick Guide](#)

Annex Last Updated: July 2019