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<b>Review and Approval Table</b>				
<b>Approval Stage</b>	<b>Name</b>	<b>Dated</b>	<b>Approval</b>	<b>Need by Date</b>
Approver:	Alison Cackett			
	Jonathan Spight			

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<b>Change History</b>			
<b>Version number</b>	<b>Author</b>	<b>Date</b>	<b>Summary of changes</b>
1.0	Doreen Lee	06/11/2015	First version issued
1.0	Kenny Halls	05/09/2018	Second version issued

## Policy: UK Employees Business Expense

### 1. Scope and Purpose

The intended use of this policy is for Colart UK entities.

The purpose of this policy is to provide the guidelines for allowable and non-allowable business related expenses.

The policy does not contain examples of every instance where it may apply. Please refer to your manager for guidance and clarification.

### 2. Principles

The following principles have been considered when determining this policy:

- 2.1 To provide a simple and common approach for the authorisation of expenses associated with business related costs.
- 2.2 A requirement to balance the needs of both the Company and employees in a fair and consistent way.
- 2.3 To align with the expectations and commitments of the Colart Code of Conduct
- 2.4 To underline the importance of controlling business costs within Colart.
- 2.5 To ensure an employee is not out of pocket as a result of business travel.
- 2.6 To ensure that all expense claims are supported by original receipts, noting that credit card slips or statements are not acceptable.
- 2.7 To highlight that Company credit cards are only used in line with the Colart Company Credit Card Policy.
- 2.8 Abuse of the policy may result in the refusal of reimbursement and disciplinary action.

### 3. Employee Responsibilities

It is the responsibility of every employee to: -

- 3.1 Complete and submit personal expense claim forms within 30 days of the expense being occurred.
- 3.2 Provide details of the date incurred, description, total amount, VAT amount, GL account code, Cost Centre and Project code, where applicable.
- 3.3 Ensure completed forms are signed and dated by both the employee and authorised by your line manager. Delegated approval may be authorised in the case of holiday or extended leave.
- 3.4 Ensure all expense claim forms are supported with original VAT receipts, failure to provide an original receipt may result in a refusal for reimbursement. Credit card statements/ slips and receipt copies are **not** considered acceptable as support.
- 3.5 In the case where expenses are incurred for multiple Colart employees, ensure the most senior Colart employee in attendance settles the costs.
- 3.6 Submit late claims for escalation to the GLT for approval.
- 3.7 In the case where foreign currency cash is required, exchange the GBP amount in to the foreign currency required.
- 3.8 Where expenses are incurred in foreign currency, apply the following translation rates on the expense claim form:
  - **Credit card expenses** – Rate at which the credit card company has applied, generally a copy of the credit card statement will suffice as supporting documentation for the rate. Note that any other fees associated with the transaction will be reimbursable to ensure that the employee is not “out of pocket”.

- **Cash expenses** – Rate at the date in which the expense was incurred, that is, the date of spend.
- 3.9 In the exceptional case where a cash advance is authorised, provide all appropriate details to the Finance Manager, who will deduct from the amount from the expense claim. When applicable, any amounts which are owed to the Company will be re-claimed from the employee.
- 3.10 Ensure direct billings to the Company from hotels, restaurants etc. are approved in advance through the purchase order process.

## 4. Line Manager Responsibilities

It is the responsibility of the Line Manager to: -

- 4.1 Ensure that their direct reports are aware of and understand this policy.
- 4.2 Ensure their direct reports understand the expectations of the Code of Conduct in relation to this policy
- 4.3 Review and sign off on all expense claim submissions, ensuring compliance with this policy. A thorough review of the expense claim is expected from the Line Manager as his/her signature is an authorisation of payment using Company funds.
- 4.3 Ensure the expense claim includes, at a minimum, validation of the following:
  - The nature of the expense incurred is a business related expense
  - All expense claims are supported by receipts
  - Receipt details such as date, amount and VAT amount where applicable

## 5. Road Travel

### 5.1 Mileage Rates – Company Cars

The table below details the mileage rates to be used for business mileage in company cars for employees who do not receive a fuel allowance or fuel card.

These rates have been determined by HMRC as effective 01 September 2018 and are therefore in line with the HMRC rules and guidelines regarding fuel claims. The HMRC website will be checked every 3 months to ensure the current mileage rate is being used and this policy will be updated with any rate changes.

For reference the latest HMRC rates can be found at-

<https://www.gov.uk/government/publications/advisory-fuel-rates>

Engine Size	Petrol – Amount per mile	LPG – Amount per mile
1400cc or less	12p	7p
1401cc to 2000cc	15p	9p
Over 2000cc	22p	13p

Engine Size	Diesel – Amount per mile
1600cc or less	10p
1601cc to 2000cc	12p
Over 2000cc	13p

## 5.2 Mileage Rates – Personal Cars

The table below details the mileage rates to be used for business mileage in personal cars. These rates have been determined by HMRC as effective 01 September 2015 and are therefore in line with the HMRC rules and guidelines regarding fuel claims.

Type of Vehicle	First 10,000 miles	Above 10,000 miles
Cars and vans	45p	25p

## 5.3 Personal Vehicles

Personal vehicles are only allowed to be used when the following documents have been provided to HR:

- Copy of a current driver license or permit to drive
- Copy of proof of ownership for the vehicle, e.g. a registration certificate in the UK.
- Copy of insurance details indicating that the car is insured to be used for business purposes

Please refer to the Global Travel Policy for more information.

## 5.4 Fines and Penalties

Fines and penalties for any motoring offences including parking tickets, incurred whilst using personal, company or hire cars will not be paid by the Company and must be paid promptly by the individual. Failure to do so will result in the cost of the fine and the administration fee being recovered directly from the driver.

## 5.5 Parking

Reasonable parking costs will only be reimbursed when the expense is incurred whilst you are in a location that is not your “usual place of work”. If you have any doubts as to where your “usual place of work” is and what is reasonable, you should get approval from your Line Manager before incurring the cost.

## 5.6 Congestion Charges

Business travel within Congestion Charge zones will be fully reimbursed by the company, however it should be demonstrated that travel within the zone was unavoidable. A copy of the charge receipt must be attached to any expense claim for this type of claim.

# 6. Other Forms of Travel

## 6.1 Booking Flights & Trains

Where available it is mandatory to use the appointed online travel provider for booking all travel. Contact your travel organiser or HR department for details.

## 7. Hotel Accommodation

All hotel accommodation (other than where included in a conference package) must be booked within the price limits agreed by the company. Please refer to the Appendix 1 of the Travel policy or contact HR for a current list of agreed rates per night.

### Travel Insurance

#### Business Travel Abroad

UK staff that are required to travel abroad for business reasons are automatically covered for travel insurance by the insurance policy. The policy details are shown below:

<https://colart365.sharepoint.com/sites/workspaces/New%20Beginnings/Local%20Information%20-%20UK/UK%20Travel/AonProtect%20Assistance%20Card.pdf#search=travel%20insurance>

#### Business Travel within UK

- As above except that loss of personal belongings are not covered,
- All staff with private cars for business uses should ensure that they have private insurance to cover business use. These costs would not be reimbursed back by Colart.

## 8. Subsistence and Entertainment

Subsistence constitutes-

- Company meals while away from base on business
- Business lunches at base or an external location

### 8.1 Subsistence

All claims for business related meals must include the date, amount spent, VAT and names and details of other Colart personnel present (where applicable). Employees must be able to support and justify that the meal incurred was a business meal and for business reasons. If there are any doubts as to what qualifies for a business meal, prior authorisation and advice is to be obtained from the line manager. The following guidelines for meals are to be followed:

- Evening meal- an employee can claim back a reasonable amount each night when travelling away from home on business. It is the responsibility of the employee to determine what is reasonable. Alcohol can only be claimed with an evening meal and again it is the responsibility of the employee to determine what is acceptable. Further guidance on what is acceptable should be obtained from your line manager.
- Breakfast where not included in a hotel reservation- 15.00 GBP (or local equivalent) per person.
- For team lunches a request form needs to be completed, signed and returned to HR, indicating the individuals who attended the lunch along with the cost approval.

### 8.2 Entertainment costs

In order to be claimable, entertainment expenses must be ordinary and necessary expenses directly related or associated with the active conduct of business. It is important to properly document entertainment expenses and be able to substantiate the following:

- Date
- Place (Name and location)
- Description or type of entertainment
- The business relationship to the Company of the persons entertained (name, occupation, title, etc.)

If there are any doubts as to what qualifies as “business related” entertainment costs, prior authorisation is to be obtained from the line manager.

The claim must be supported by VAT invoices and the names of all participants (including company names) and the nature of the event must be detailed on the reverse side of the supporting invoices/receipts as well as detailing the information in the expenses form as shown within the appendix. These requirements are for tax purposes and must be adhered to, in order to provide evidence to the HM Revenue and Customs that the expenditure has been incurred wholly, exclusively and necessarily in the furtherance of the business.

### 8.3 Gifts Given/Received

This section should be read in conjunction with the Code of Conduct and refers to the claiming of expenses relating to client entertainment and is taken from the Group Bribery Act guidance. Note the documentation requirements:

Thresholds	Requirement	Approval	Where
Gifts	All gifts of any nature > £50 to be recorded.	£50 - £250 Leadership Level 3. £250-£1,000 Leadership Level 4. >£1,000 CEO	Finance register
Hospitality on site (in the ordinary course of business)	No record required.	Expenses approval required.	-
Hospitality off site up to £250 per person	If >£150 per person, record required.	Up to £250 per person Leadership Level 3 to approve.	Finance register
Hospitality > £250 but less than £1,000 per person	Record required	Leadership Level 4 to approve.	Finance register
Hospitality > £1,000 per person	Record required.	CEO to approve.	Appropriate written documentation.

The claim must be supported by VAT invoices and the names of all participants (including company names) and the nature of the event must be detailed on the reverse side of the supporting invoices/receipts. These requirements are for tax purposes and must be adhered to, in order to provide evidence to the HM Revenue and Customs that the expenditure has been incurred wholly, exclusively and necessarily in the furtherance of the business.

## 9. Other Allowable Expenses

- **Private telephone expenses-** If it is necessary to use a private landline or mobile telephone for business calls, the company will reimburse the costs of the calls. It is not necessary to itemise the list but it is suggested that you attach your phone bill and show how you have calculated your claim.
- **Professional subscriptions-** The cost of trade and/or professional subscriptions is not reimbursable from the company unless contractually documented or commonly viewed as key to carrying out the role in question. Examples of acceptable memberships or subscriptions subject to prior agreement, provided they are relevant to the role are membership of the, Institute of Chartered Accountants in England & Wales, The Institute of Environmental Management and Assessment, Institute of Directors. This list is not exhaustive.
- **Taxis-** Taxis from work to home are not an allowable expense and should not be claimed for except when travelling at unsociable hours and public transport is not an option. Prior approval from your line manager should be given.
- **Working Lunches** where lunch is ordered for an internal meeting – where ordering from HR/Reception team, a form needs to be completed to indicate which individuals attended the lunch along with the cost with authorisation/approval. If lunch is ordered personally or through the company credit card, the expense form would need to detail the information.
- **Incidental overnight expenses** - The maximum amount to claim is £5 per night for overnight stays anywhere within the UK and £10 per night for overnight stays outside the UK.
- **Health care membership** - please refer to your contract of employment or contact HR to check eligibility.
- **Cycle to work** – Please contact HR for more information on this scheme.
- **Childcare Vouchers** - Please contact HR for more information on this scheme.

## 10. Disallowed Reimbursable Expenses

The following expenses should be made through the raising of a purchase order, with Colart being invoiced and payment being made through the Accounts Payable process. Company credit cards should only be used in exceptional circumstances. If you are unsure what constitutes an “exceptional circumstance” approval and advice should be obtained from your Line Manager.

Note that these expenses will not be reimbursed via personal expense claims-

- Software
- Computers and other IT hardware
- Office furniture and equipment
- Books
- Office supplies – (Office supplies should be sought through company suppliers first)
- Advertising material
- Training

## 11. Corporate Credit Cards

Corporate credit cards will be issued to employees who incur frequent business expenditure or where expenditure is of a high value.

### 11.1 General Terms and Conditions

- a. Personal purchases are strictly forbidden with a company credit card.

- b. Where possible, payment of supplier invoices using the credit card should be avoided and only used with prior knowledge of the AP team.
- c. Corporate credit cards are not to be used to withdraw cash.

## 11.2 Responsibilities of the Cardholder

- a. It is the employee's responsibility for safekeeping of their corporate credit card. Any lost or stolen credit cards are required to be cancelled and reported to the Finance Cashier immediately.
- b. Credit card statements are received from the credit card provider on a monthly basis. They are then sent out by the finance team to individual card holders around the 10<sup>th</sup> of each month. A credit card expense claim form is to then be completed and sent back to the finance team by the card holder, fully authorised with receipts for each of the transactions that appear on the credit card statement, within 10 working days of receiving the statement.
- c. In the event of leaving the company, all credit cards are to be returned to the finance Cashier with all outstanding expenses fully approved and submitted.

## 12. Related Areas and Processes

Colart Code of Conduct

Colart\_Accounts Payable Policy

Colart Travel Policy

Bribery Policy