



HM TREASURY

**HER MAJESTY'S TREASURY
(HMT) & OFFICE OF GOVERNMENT
COMMERCE (OGC)**

**Travel & Subsistence,
Team Building Events
Long Term Detached Duty,
Relocation,
Official Entertainment,
Taxable Travel,
Miscellaneous Expenses
AND
Expenditure on Official Gifts**

MANUAL

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1. INTRODUCTION

- 1.1** Welcome to the HMT/OGC travel & subsistence manual. This manual provides details of the principles, rules and procedures relating to travel and subsistence for HMT/OGC staff. Information on booking travel and accommodation can be found in the frequently asked questions, [click here for link](#).
- 1.2** HMT/OGC will reimburse staff for expenditure necessarily incurred on travel and subsistence (T&S) in the course of official business. Staff are responsible for ensuring that no unnecessary costs are incurred and that HMT/OGC receives good value for money.
- 1.3** HMT/OGC will, subject to certain conditions, reimburse the relocation expenses of staff who, are subject to permanent or compulsory moves, provided that the relocation terms are cost effective compared with the alternatives and the reimbursement reflects the reasonable additional costs necessarily involved.
- 1.4** The guiding principle of T&S is one of reimbursement - T&S cannot be used to compensate staff for undertaking official travel. In any cases of doubt as to how the rules apply in a particular case, advice should be obtained from Finance Operations before expenditure is incurred. Any exceptions to the requirements set out below must be agreed in writing with Finance Operations. Otherwise any incurred expenses may not be reimbursed.
- 1.5** The first thing you should ask yourself though is: Do you really need to travel? We can all help by being smarter about when and how we travel. Carbon dioxide emissions contribute to climate change and we all need to do our bit to cut down. The Government is committed to carbon offsetting which involves calculating carbon dioxide emissions and converting them into a monetary amount. That money is then used to make carbon reductions elsewhere.
- 1.6** The Treasury will be contributing its offset into the Government Carbon Offsetting Fund (GCOF). The money will be invested in energy efficiency projects, clean air technologies and renewable supplies. This investment means that the equivalent amount of emissions will not be released into the atmosphere. But we can all do our little bit to help cut carbon dioxide emissions, by being smarter about when and how you travel. So don't leave your desk without making these considerations:
- i. is video conferencing an option for you? The list of HGR video conferencing sites can be found through Carisma. A recent survey by the Environment Agency showed that video conferencing could save 22 person years working time, £1.7m and 40,000 kgs of carbon dioxide.
 - ii. if you must travel, maximise the trip and include multiple tasks – who else do you need to see in that region? Could you stop on the way back to attend another meeting? Only the necessary people should travel to an event. Consider who needs to go and what the benefits will be.
 - iii. book travel using the formal booking process so that our travel impacts can be monitored and recorded.
 - iv. make sure you use the right accounting codes on your travel claims so that we can monitor our travel environmental impacts. Line managers need to check that the right codes are being used.
 - v. rail tickets can be very cost effective if you book ahead, especially if you travel off-peak and are prepared to be flexible. Travelling on timed trains is highly recommended as this can deliver very significant savings on the cost of travel.

- vi. where possible use Eurostar – it is cheaper than flying; emits one tenth of the emissions and is quicker. And remember to book a seat in carriages 4 or 15 where there are plug points so you can use your laptop.

Claims

- 1.7 Reimbursement of UK travel and subsistence expenses, including detached duty and permanent transfer costs, is to be claimed via the iExpenses module of Oracle Financials. Claims should be made as soon as possible on completion of the travel and always within one month. It is not necessary to collect a month's worth of claims before submitting a claim – claims can be made after each journey. Specific arrangements are available for anyone on long-term absence; please contact Finance Operations for advice. Failure to action a claim in iExpenses within 90 days will result in auto-deletion of the claim from the system. Any claims submitted after three months, other than through iExpenses, may be declined for payment and will, in all cases, require an explanation for delay in submission. The target for settlement of all properly authorised legitimate claims where the iExpenses module, including corporate card transactions,

Corporate Cards – for T&S use

- 1.8 A convenient method to pay T&S expenses is to use the facilities offered by the HMT's official corporate payment card. This card acts in the same way as a normal credit card when paying T&S related bills. Transactions incurred on the card will auto-populate your claim in iExpenses, making the claim process less onerous. These cards are currently not available to OGC staff who continue to use the Government Procurement Card for travel expenses.

Other miscellaneous expenses

- 1.9 Section 2 below outlines which miscellaneous expenses may be claimed through iExpenses. Other miscellaneous business expenditure should be handled in accordance with normal procurement arrangements (the use of the GPC card and/or purchase requisition process in iProcurement) and **must not be included as part of a T&S claim.**

2. GENERAL PRINCIPLES

- 2.1 When staff intend to claim reimbursement of any expenses incurred it is important to keep the following points in mind: -
- 2.2 HMT/OGC is responsible for meeting the cost of travel by its staff on official business. Official travelling means necessary travel for the purpose of official business, including
 - attendance at meetings in pursuit of official HMT/OGC business;
 - attendance at departmental selection boards;
 - attendance at promotion boards;
 - attendance at training courses; and
 - journeys made on recall to duty from annual leave.
 - special arrangements apply to staff with more than one work place (Section 6)
- 2.3 Official travelling does **not** include
 - travel between a person's home and normal place of work

- travel on first taking up duty and finally leaving the service
- and return home at weekends from a detached duty location.

2.4 Staff are responsible for the cost of their daily travel between their home and their normal place of work. If reimbursement of home to office travel expenses has been agreed by HMT/OGC claims must not be entered via iExpenses as this is classed as a taxable benefit and must be settled via the payroll in order that PAYE tax rules may be adhered to. Such claims should be submitted to Finance Operations on a T&S expenses claim form for verification before being passed to HR for processing via the payroll.

2.5 Finance & Procurement Division is responsible for the framework of rules and the specific rates payable are set in accordance with HMT/OGC's T&S dispensation, agreed with HM Revenue & Customs. (The dispensation exempts HMT/OGC from the requirement to produce, for each person claiming T&S reimbursement, an annual P11D statement. To lose the dispensation by lax application of the guidance would result in additional work for HMT/OGC as an organisation and for the individual who would be responsible for validating the P11D.) It is the responsibility of Line Managers to ensure that claims submitted comply with these rules and apply the rates correctly. Claims, which result in payments outside HMT/OGC's T&S dispensation, will result in the Department becoming liable to an income tax charge.

2.6 Within this framework, Line Managers are free to decide the best course of action for the performance of their business. All expenditure incurred will be met from their budget.

2.7 It is Government policy that, wherever possible, public transport should be used in order to reduce congestion and pollution on the roads. Nonetheless, it is still the responsibility of Line Managers to ensure that their staff use the most efficient and economical means of travel, taking into account the cost of travel, the cost of subsistence and savings in official time. More expensive means of travel may only be authorised when justified when there is a business benefit, or to meet the needs of staff with disabilities, and should be explained by way of a note in the notes field in iExpenses, which will assist in answering HM Revenue & Customs questions during an audit.

Remember to make the best use of taxpayers' money.

2.8 Under the dispensation, reimbursement of expenses claimed is on a receipted actual basis, but see section 2.10 below. All receipts in support of a claim must be attached firmly to the submission page, printed from iExpenses, and sent to GSS Accounts Payable. Credit card slips alone are not a substitute or replacement for the full receipt. If a credit card slip is attached to the claim form without the associated receipt, Finance Operations retain the right to return and refuse to pay the claim.

2.9 Actuals will also be paid to staff that stay in an Officers Mess or similar subsidised accommodation. Claims incorporating overnight stops also attract the right to be paid the Personal Incidental Expenses allowance. When staying with friends or relatives as an alternative to hotel accommodation, the overnight incidental expenses allowance is payable.

Remember to make sure that you keep your receipts if you intend to claim, without them a claim may be refused. In the event that you have mislaid or been unable to obtain a receipt you must ensure that you tick the relevant box on your iExpenses claim as this will ensure payment isn't delayed.

- 2.10** The expectation is that receipts will always be obtained as a matter of course and forwarded to support the T&S claim. This is a strict HM Revenue & Customs rule. If it is impossible to get a receipt e.g. for refreshments bought from a vending machine, toll charges and parking fees which were paid at a parking meter: -

The reason for the absence of a receipt should be clearly stated against the line item in iExpenses and the relevant box ticked accordingly.

- 2.11** If the reason is insufficient, Finance Operations reserves the right to disallow that part of the claim pending a resolution of the matter.

- 2.12** Actual accommodation costs above the indicative ceiling rates will be reimbursed where, exceptionally, it can be demonstrated that they could not be contained within the published ceiling. In these circumstances staff will be required to annotate their T&S claim that no suitable accommodation was available within the ceiling rate.

- 2.13** The claimant's Line Manager or designated alternate must, in all cases, approve the claim in iExpenses. The expectation is that a more senior grade within the claimant's Division/Directorate will approve the claim. Where this is not possible alternative arrangements will be put in place subject to Finance's prior agreement.

Claims may be rejected (and payment delayed) if they are not properly authorised.

- 2.14** The act of approval certifies that claims are accurate and ready to process. Finance Operations accepts no liability for inaccurate claims but will 'spot check' claims on the basis of a statistical sample. Where Finance Operations find inaccuracies, missing receipts etc., the claim may be rejected for correction/completion before it is paid. Finance Operations will retain all paid claims. Auditors (Internal, External and HM Revenue & Customs) will have access to these records as and when required.

Responsibility for accuracy of claims rests with the claimant and line management. The role of Finance Operations is to process claims in accordance with the guidelines and provide management information.

- 2.15** Novel or contentious applications of these principles remain subject to specific prior agreement and should be referred to Finance Operations, in the first instance.

- 2.16** A comprehensive travel service is provided under contracts with Carlson Wagonlit for the supply of rail tickets and all air, ferry etc. tickets. Any general problems with the service provided should be raised direct with or Carlson Wagonlit (0845 260 6147). In cases where you have not been able to obtain a satisfactory solution direct, please pass full details of the case to the Procurement Team in Rosebery Court (GTN 3040 46534).

3. TRAVEL EXPENSES

3.1 Hire Cars

Principles

- 3.1.1** The use of self-drive hire cars is encouraged where savings are generated over alternative vehicle use. For example, a Group C car will cost around £29.30 for a single day and with petrol at about 12p a mile, a journey of 150 miles will cost about £47.30 whereas the use of a private car claiming Motor Mileage allowance for the same distance would cost £60. When travelling by car it is important to bear in mind the driving time involved and the possibility of fatigue.

- 3.1.2** It is the responsibility of the 'authorising signature' to assess the relevant costs and benefits. For example, a hire car plus petrol would cost around £50 to £55 for a round trip between Norwich and London in a day, whereas the use of a personal car claiming Motor Mileage Allowance would cost about £90 to £100.
- 3.1.3** Cars should be ordered direct - not through Finance Operations or Procurement. However, you should contact Rajen Yagambrun in the Procurement team, who will arrange for you to use a car under the OGC contract with Arval.
- 3.1.4** The normal expectation is that a hire car would be in the Group C category (up to 1.8 cc e.g. an Astra or Focus). For hirings above group C, or the hirer is Range C or below (for any category), specific authorisation from the relevant senior Line Manager must be sought.
- 3.1.5** Arval PHH bills centrally for all hirings, and Finance Operations allocates the relevant part of the bill to the appropriate cost centre. **Please ensure that you fill up with petrol before returning the car. Failure to do so will mean that the hire firm will do so for you, but charge you an administration charge and VAT on top of the pump price. This roughly trebles the cost of the petrol.**
- 3.1.6** Under no circumstances should the Government contract be used to hire cars for private use.
- 3.1.7** Before hiring a car for the first time and once a year thereafter, as a condition of the insurance, Procurement will require validation of the hirer's driving licence. And should any significant change to the person's driving licence take place, Procurement should be informed immediately.
- 3.1.8** For insurance reasons, only HMT/OGC personnel over 21 years of age are allowed to hire cars for official purposes.

3.2 Travel by Private Vehicle on Official Business

Principles

- 3.2.1** Staff will only be reimbursed for expenses, which they actually and necessarily incur in the course of official travel using their own vehicle.
- 3.2.2** Payments may be made to allow staff to use their own vehicles provided there is a benefit to the Department and the mileage rate represent the most cost effective means of transport. At all times the following order of priority should be adhered to when travelling on official business: -

1. Public Transport
2. Hire car
3. Private vehicle

Eligibility

- 3.2.3** Reimbursement of motor mileage allowances may only be made for travel on official business as defined at [Section 2.2](#).

3.2.4 Mileage allowances are paid for the actual distance necessarily travelled, in excess of the costs of your normal home to work journey. Payment for the cost of travel between home and the permanent workplace (including week-ends) is fully taxable, and should normally be omitted from any claim for motor mileage. In other words, the miles normally covered by a return trip between home and the permanent work place should reduce the distance included on the claim form. For example:

- If an individual's normal journey to and from the office is 10 miles each way, when he/she is required to travel to an alternative temporary place of work such, he/she can claim the total mileage less 20 miles. HMT/OGC will reimburse the difference.
- If an individual doesn't use a car to get to work the costs of the travel to work are nil or negligible, then Motor Mileage Allowance can be claimed for the entire journey.

3.2.5 When claiming motor mileage you sign the acknowledgement on the iExpenses input screen that you recognize your obligations as follows: -

- You have insurance for business use and, in particular, that the insurance covers 'business' passengers;
- You possess a valid licence to drive;
- You maintain your vehicle in a roadworthy condition and, where appropriate, possess a current MOT certificate; and
- You service and maintain your vehicle according to the manufacturer's schedule.

3.3 Insurance

3.3.1 Motor Mileage Allowance will only be paid where staff hold an insurance policy which covers bodily injury to or death of third parties, bodily injury to or death of any passenger; and damage to the property of third parties, and permits the use of the car either in connection with the mileage allowance claimants' business, or the business of the employing department or agency. When first using their car on official business, staff must declare in writing ([Insurance 3.8](#)) that they know and understand the ownership and insurance requirements of HMT/OGC and whether they meet those requirements.

3.3.2 It is the Line Manager's responsibility to verify the insurance status of the claimant. Any material changes to the claimant's insurance provision should be notified to the Line Manager.

3.3.3 Finance Operations will carry out periodic spot checks to ensure that these requirements are being observed.

3.3.4 When opting to drive on HMT/OGC business it is important to remember the following health and safety best practice: -

- on long journeys you should ensure that you take a break of between 15 and 20 minutes every two hours;
- you should ensure that you familiarise yourself with the controls of any hire car before setting off; and
- you must never use a mobile telephone whilst driving, switching it off to avoid the possibility of distraction.

3.4 Mileage Limits

3.4.1 Motor Mileage Allowance is payable if a member of staff chooses to use their car for their own convenience and there is benefit to the Department in so doing. The allowance covers the full cost, inclusive of fuel. As with all such decisions, the full range of VfM options must be considered before using a personal vehicle. ([Section 3.2.2](#))

3.4.2 Passenger Supplement - when claiming motor mileage, an additional allowance is payable for all journeys, which include a passenger.

3.4.3 Equipment Supplement - when claiming motor mileage, an additional allowance is payable to those staff required to transport equipment as part of their official duty.

3.4.4 Rates of Allowance

Motor Cars	1 to 10,000 miles *	40.0p
	Over 10,000 miles *	25.0p
Motor Cycles and Motor Cycle Combinations	All mileage	24.0p
Passenger supplement	Per mile	5.0p
Equipment supplement	Per mile	2.0p

* Business miles in any one-tax year.

3.5 Travel by Rail, Sea, Air and Taxi on Official Business

Principles

3.5.1 Staff must make maximum use of travel facilities that offer best value for money e.g. day returns and season tickets.

3.5.2 Staff must endeavour to purchase all rail tickets through Carlson Wagonlit who are also responsible for the supply of air tickets (as this will help secure or increase the volume discounts HMT/OGC has with this organisation).

3.5.3 If tickets are purchased locally because sufficient time was not available to go through normal channels, receipts should be retained and submitted with the submission page printed from iExpenses.

Rail Travel

- 3.5.4** The normal class of rail travel for HMT/OGC staff on official business is standard class. Where there is a business justification for First Class travel, it is available to staff at all levels. First class travel may also be used on Services at peak times, or other times when trains are likely to be crowded. The reason for use of First Class travel should be explained by way of a note on the relevant line of the iExpenses claim.
- 3.5.5** When travelling by Eurostar staff are encouraged to book standard/economy tickets in advance. However, should there be an operational requirement (e.g. the need to work whilst travelling) 1st Class travel is allowed. The following fare options should be considered as they do provide the flexibility that may be needed when attending EC meetings, for example.

FIRST

The GOV fare is fully flexible, but like all Eurostar services are seat reservation mandatory. However you can travel on any train using these flexible tickets.

Eurostar also has 1st class semi flexible fares. The semi flex fares are 50% refundable before departure, but after departure offer no refund. Exchanges can be made before or after departure of each leg for a fixed fee of £22 per segment. So it is possible to book a semi flexible ticket to save money and still be able to re-book to another train departure for an additional fee, which would be cheaper than the higher fare.

STANDARD

You are not totally restricted if you choose to travel in STD class. Many carry an additional restriction though whether this be a 'midweek day return', 'minimum one night' or 'Saturday night away'.

STD class are also all non refundable but exchangeable before departure of each leg for a payment of £22. They are non exchangeable after departure of the respective leg.

3.5.6 OYSTER CARDS

Staff that use a 'pay as you go' Oyster card for business travel use should not top up the card for more than £15.00 at a time. A receipt should be obtained at the time of topping up, which can be submitted with the claim for reimbursement with a note detailing who was visited and explaining the business purpose. Alternatively, if the card has been registered, a statement can be printed by accessing the Transport for London website. Staff that regularly make business journeys requiring the use of an Oyster card should have their own card. Infrequent travellers may use a team card but must remember to maintain a record of the destination and purpose of the journey for tax and audit purposes.

The Oyster card should not be used for personal journeys, such as travel in the evening to attend the theatre.

Staff who have an Oyster card to pay for their home to office travel may use this for business purposes but will need to produce a receipt or statement, highlighting the specific journey, when claiming reimbursement.

Sea Travel

3.5.6 Exceptionally, staff may need to travel by sea. If first class facilities are available, these may only be used with **prior** authorisation at Director level or above.

Sleeping Berths

3.5.8 Staff travelling overnight on official business are entitled to:

- sleeping berths at HMT/OGC expense; and
- meal allowances as appropriate.

Air Travel

3.5.9 The class of air travel is governed by –

- the airlines' fare structure on the various routes
- the duration of the flight

It is expected that the guidelines in the following table will be applied, but these can be varied with line manager's approval.

Flight duration	Up to 2.5 hours	2.5 to 4 hours	Over 4 hours
Class	Economy	Business	First

It is expected, on value for money grounds, that staff will make use of premium economy or world traveller fares if these are available on the required route

Air Miles

3.5.10 Air miles and similar benefits earned through official travel should not be used for private purposes. Staff in receipt of air miles or other frequent flier scheme points can use them for official purposes to "purchase" enhanced facilities such as seat upgrades, and as members of such schemes, may use certain facilities such as special departure lounges and priority booking arrangements.

Overseas Visits

3.5.11 Information about the rates of allowances and advances is obtainable from Finance Operations and current Foreign & Commonwealth Office rates for overseas destinations are available on the HMRC website.

3.6 Visits to European Community (EC) institutions in Europe

3.6.1 Staff making visits to EC Institutions in Europe are entitled to receive travel and subsistence expenses in accordance with the normal rules. Certain EC institutions reimburse the member Governments' travel costs. When asked for, the reimbursement details for HMT/OGC are: Treasury Votes Cash Account, sort code 10-14-99, account number 15811000, Bank Identifier Code NWBKGB2L, IBAN GB82NWBK60104341414985. Staff are responsible for putting in separate **full** claims for expenses to the relevant EC institution: such monies are refunded direct to HMT/OGC. Under **NO** circumstances should staff accept reimbursement direct from EC institutions in either cash or a cheque made out to them personally.

3.7 Taxi Travel

- 3.7.1** Use of taxis is not an entitlement and official journeys should generally be made by public transport.
- 3.7.2** Taxi fares may be claimed where no suitable public transport is available, where travelling in an unknown locality, where heavy baggage is carried, or where the saving in official time is important. The approving Line Manager should ensure that these conditions are met and that the reason for the use of a taxi is included by way of a note on the relevant line in iExpenses.
- 3.7.3** Taxi journeys to and from home will not usually be reimbursed as it is part of the normal home to work and/or work to home travel. In exceptional cases reimbursement **may** be allowable, however, any such claims are likely to be a taxable benefit. Advice should be sought from Finance Operations prior to travel. In this instance, the fares should be reclaimed on a Miscellaneous Expenses Form and passed to HR Central Services who will forward it to the HMT/OGC's payroll provider (Logica CMG) for reimbursement through the payroll system.
- 3.7.4** Taxi fares may also be reimbursed to or from home to or from the office where the journey is either early in the morning or late at night and alternative methods of public transport are not available, or the requirements of the office are such that a member of staff is performing official duties significantly outside normal working hours. These payments are taxable but the tax liability will be met by HMT/OGC through its annual PAYE settlement agreement with HM Revenue & Customs. Staff should use the HM Treasury contract with Premier Taxis when booking, as this will ensure that the data is captured for tax purposes and a claim will not be required.
- 3.7.5** Use of a taxi for welfare reasons can also be reimbursed providing it is agreed in advance with the relevant budget holder.
- 3.7.6** When staying at a hotel on official business, taxi fares will only be reimbursed for official trips e.g. between the hotel and the temporary workplace or the station. Taxis for personal use will not be reimbursed.
- 3.7.7** HMT/OGC has two taxi accounts: Goldstar in Norwich and Premier in London. These accounts allow staff to book taxis in advance and have the cost of the taxi booked directly to their cost centre. In other words, there is no need to pay cash for the taxi journey.

3.8 Insurance

- 3.8.1** In the event of personal injury or loss of any personal effects whilst travelling on official duty, HMT/OGC staff should submit a claim to Finance Operations. Claims will be considered on a case-by-case basis having regard to normal terms and conditions of service. This reflects the general rule the government being large enough to bear its own risk and therefore does not insure commercially under Crown Indemnity.
- 3.8.2** In the event of loss of any HM Treasury property whilst travelling on official duty HMT/OGC staff should refer to the Departmental Security Officer's policy.
- 3.8.3** Where travel was booked through Carlson Wagonlit, HMT/OGC may be able to recoup certain limited costs through a free insurance cover provided as part of the contract, (this has no direct bearing on staff's claims). As stated above staff should submit a claim to Finance Operations in the first instance, but they may subsequently be asked to complete an insurance claim form to be forwarded to the insurers by Finance Operations.

- 3.8.4** It follows that staff should not submit any T&S claims for reimbursement of medical or other insurance premiums.
- 3.8.5** The only instance where the government will insure, as a rule, is where it brings value for money benefits - most notably that of buying in loss adjusters' expertise to negotiate claims, or when staff are on secondment or making visits to any FCO listed unsafe destinations.
- 3.8.6** When travelling abroad, because the department acts as its own insurer, this means HMT/OGC will reimburse costs not covered by:
- reciprocal health agreements between governments
 - commercial insurance provided by HMT/OGC's Corporate Charge card.
- 3.8.7** Accordingly, officers travelling abroad are advised to complete a Letter of Assurance that confirms the above arrangement. This is to assist with the provision of medical or dental treatment in countries where the authorities have concerns about payment of bills e.g. North America. It confirms that the individual is employed by HMT/OGC and travelling on official business and that the department will pay for essential treatment not covered by reciprocal health agreements or insurance. The cost of essential medical or dental treatment if not covered in part or full by health agreements with other countries (use of the European Health Insurance Card) or through the travel insurance provided if at least 50% of the travel has been booked using the Corporate card is then met by the cost centre. If the officer is injured or killed then cover is provided through either the insurance provided by the Corporate card or the Civil Service Compensation Scheme. Personal Property is covered either by the Corporate card or the individual's cost centre depending on the circumstances. If, however, a member of staff would prefer to take out specific travel insurance, prior Finance agreement should be sought.

4. SUBSISTENCE EXPENSES

4.1 Day Subsistence Expenses

- 4.1.1** Day subsistence expenses may, with appropriate receipts, be claimed on an actuals basis within the following indicative limits:

Period of Absence	Indicative limit London	Indicative limit UK Elsewhere
More than 5 hours and no official food provided - Snack	£5.00	£5.00
More than 10 hours and no official food provided - Lunch taken away from office premises	£12.00	£10.00
More than 12 hours and no official food provided - Dinner	£20.00	£15.00
More than 24 Hours and where breakfast is included in the accommodation tariff.	£37.00	£30.00

Note: If lunch is taken in 1 Horse Guards it is expected that the canteen facilities will be utilised

4.1.2 These expenses are payable to staff who carry out duties more than 5 miles from the usual place of work. The Period of Absence should be calculated on the actual time of absence based on departure time from home or office and time of arrival back at home or office, less the usual journey time from home to office.

4.1.3 Multiple periods of absence in any one-day may be aggregated where separated by less than one hour spent back at the office during which no meal could be taken.

4.1.4 Alcohol. The expectation is that the purchase of one alcoholic drink when taken with dinner will be reimbursed. The purchase of alcohol at lunch time will be at the employee's expense.

When travelling abroad, however, circumstances may arise, for example when taking a meal with overseas colleagues, in which hospitality will need to be reciprocated. In these circumstances the purchase of a moderate amount of alcohol will be allowable. A moderate amount of alcohol would be regarded as two or three units (about half a bottle of wine).

The purchase of an alcoholic drink bought in other circumstances, e.g. either in a bar at the airport whilst waiting for a delayed flight, may also be reimbursed. This will be considered on a case by case basis.

4.2 Overnight Expenses

4.2.1 Overnight expenses are paid where staff cannot reasonably be expected to make the return journey to and from a meeting or other detached duty workplace in the same day. There are three elements:

- i. Repayment of overnight accommodation on a bed and breakfast basis, based on actual expenditure up to a ceiling of:

London £140.00*	Elsewhere £100.00 *
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*Depends on the location of the hotel, not the meeting.

Hotels should be booked through Expotel who can take advantage of government rates at many hotels – see para 4.3.1 below

For overseas, the subsistence rates are subject to change in relation to currency movements. Finance Operations in Rosebery Court are able to advise on the rates on request. A rate of £5.00 per day applies in respect of non-alcoholic beverages.

Receipts must support all expenditure.

- ii. Expenditure to cover the cost of the remaining meals within the 24-hour period, within the indicative ceilings at paragraph ([DaySubsistenceExpenses 4.1.1](#)) above. Receipts will be required or an explanation for their absence annotated on the relevant claim line in iExpenses.
- iii. Personal Incidental Expenditure allowance of £5 (£10 overseas); no receipts will be required. This should cover such items as telephone calls home, newspapers etc. If these are charged to the room they must be deducted from the incidental expenses allowance before claiming the balance

e.g Allowance £5.00 less cost of calls and newspaper £1.60 = balance claimable £3.40.

- 4.2.2** These items are intended to cover all subsistence costs incurred within a 24 hour period - i.e. bed, breakfast, lunch, dinner and other out of pocket expenses. If meals are provided free (e.g. conference lunches) no claim should be made for that meal. Where the period of absence exceeds 24 hours but does not justify a further overnight stay, residual day subsistence ([DaySubsistenceExpenses 4.1.1](#)) may be additionally claimed in accordance with the normal criteria.
- 4.2.3** Staff remain entitled to the accommodation standards set out in paragraph [AccommodationStandards 4.4.1](#) below and three meals a day (including alcohol as set out in para 4.1.4). There may, exceptionally, be occasions when it is not possible to reach these standards within the limits set out above. Paragraphs [Paragraph 4.2.4](#) and [Paragraph 4.2.5](#) explain how to proceed in these cases. You will need to record the circumstances on your iExpenses claim and explain the steps taken to keep costs to a minimum. Line management approval must be obtained prior to travel if you are going to exceed the ceilings.
- 4.2.4** Where the cost of overnight accommodation exceeds the limits on expenditure shown in the first indent at paragraph ([DaySubsistenceExpenses 4.1.1](#)) above, you may claim your actual expenditure. Receipts, together with a note explaining why the indicative ceiling was exceeded, should be included on your iExpenses claim.
- 4.2.5** Where meals are claimed on an actual expenditure basis, and exceed the indicative limits in ([DaySubsistenceExpenses 4.1.1](#)) above, receipts, together with a note explaining why the indicative ceiling was exceeded, should be included on your iExpenses claim.
- 4.2.6** Where gratuities are a recognised part of the cost (e.g. in restaurants) they are reclaimable and should ideally be included in the receipt for expenditure. A reasonable amount in this instance is deemed to be 10%.

4.3 Discounted accommodation

- 4.3.1** All Directorates should book accommodation through Expotel.
- 4.3.2** Expotel has undertaken to find good quality hotel accommodation (usually at a discount) anywhere in the UK. Expotel also provide the same service for overseas accommodation. These facilities are available to all staff who need to stay away from home overnight on official business. The expectation is that unless there are compelling reasons to the contrary, Travelocity should be used by staff to book their hotels. To make a booking, staff should telephone Travelocity or email the booking form and provide the following information:
- i. Name of traveller
 - ii. Department and contact telephone number
 - iii. Location to be visited
 - iv. Arrival and departure dates
 - v. Price range

When reservations are made, a booking reference will be provided. This must be quoted on arrival at the hotel. Staff using this arrangement will be responsible for settling their own account at the hotel. If a change of plans results in the accommodation being unnecessary, it is important for staff to notify either Expotel or the hotel concerned as quickly as possible in order to avoid cancellation charges.

- 4.3.3** Where exceptionally it is not possible to use Expotel, bookings made with individual hotels are still subject to the general HMT/OGC expenditure guidelines.
- 4.3.4** Full guidance on Carlson Wagon Lit can be found at the CWT Portal.

4.4 Accommodation Standards

4.4.1 The subsistence allowances shown above should ensure that all staff can stay in accommodation which meets the following minimum standards:

- a single en suite room (with shower and/or bath), television and tea and coffee making facilities;
- space should be adequate and where necessary working facilities (e.g. a desk) should be available. A telephone is considered to be desirable;
- personal security and emergency procedures should be adequate;
- the surrounding area should be salubrious;
- adequate and reasonably priced restaurant facilities should be available either in the hotel or nearby and should offer a reasonably priced table d'hote menu.

4.5 Staying in an Officers' Mess

4.5.1 Staff staying in accommodation on an armed services site may claim the actual cost of the accommodation on production of a receipt.

4.6 Longer-term Lodging Allowances

4.6.1 As a guiding principle, entitlement to claim Overnight Expenses should expire after 30 consecutive night's absence from your designated place of work. Continued absence should be supported by the use of a 'Lodging Allowance'.

4.6.2 HMT/OGC Lodging Allowances are divided into two discrete types:

- i. for use by Line Managers in the furtherance of their work programmes.
- ii. in the pursuit of personnel management considerations (e.g. moving staff on long-term detached duty or permanent transfer). In these cases, the allowance will be used at the discretion of the relevant Director.

4.6.3 The guidance in this section is designed for use by Line Managers who need to make decisions on whether they wish their staff to use Lodging Allowance/Retention of Room Allowance. Staff covered by the second category will be notified directly by Personnel Services staff who will provide them with the information appropriate to the circumstances of their case.

4.6.4 Line Managers have discretion to decide, in individual cases, at what point entitlement to Overnight Expenses should cease and a longer term lodging allowance commence. This might be for a shorter period depending on the circumstances of the case. HM Revenue & Customs rules state that overnight expenses should cease after 30 consecutive nights after which Lodging Allowance must be paid.

4.6.5 In all cases where Line Managers decide to depart from the guiding principle set out in [paragraph 4.7.3](#) they will (for audit purposes) be expected to keep a note, which records details of the specific case and demonstrates the cost/benefit advantage to HMT/OGC. **(A copy of this note should be attached to your claim form.)**

- 4.7 Lodging Allowance (LA)** is payable at a rate of £42 per night (London) or £31 (elsewhere) for each night necessarily spent away from the home base by the member of staff concerned. This allowance then subsumes any daily subsistence expenses.
- 4.8 Room Retention Allowance (RRA)** is designed to relieve staff of the personal expense of retaining rooms while absent from a temporary place of work during weekend visits home, and is payable at the rate of £15 for each 24 hour period.
- 4.9 Meals taken on trains or boats**
- 4.9.1** If a meal is necessarily taken on a train during a period qualifying for Day Subsistence, the actual cost of the meal may be reimbursed (including one alcoholic drink (evening meal only)) providing that the Line Manager is satisfied that the cost is reasonable. The absence of a ceiling in this case reflects the higher than normal costs of taking a meal in this 'captive' environment.
- 4.9.2** If a meal is necessarily taken on board a ship during a period, which qualifies for subsistence, the standard subsistence arrangements will apply unless it can be demonstrated that the choice available was limited and expensive, in which case the previous rule relating to railway travel may be applied.
- 4.9.3** If, during the course of one day, it is necessary to take more than one meal on a train (or boat) the rules on qualifying periods for day subsistence will apply.
- 4.9.4** In each case receipts and a short explanation on the iExpenses claim will be required.
- 4.10 Training Course Expenses**
- 4.10.1** Other than the Personal Incidental Expenditure allowance (para 4.2.1 iii) there are no allowances under HMT/OGC's subsistence rules, which can be claimed as of right whilst attending training courses. Claims can only be considered for expenditure that was necessarily incurred in the performance of any official duty undertaken during the duration of the course. The following are considered to be acceptable (subject to the production of valid receipts):
- i. Transport costs to and from the course centre, if the course provider has not made arrangements.
 - ii. Costs incurred on official telephone calls or fax transmission costs.
 - iii. Costs of meals when not provided by the training supplier e.g. when the course is non-residential or when traveling to the training course itself (provided that the course is held more than five miles from the usual place of work).
- 4.10.2** If you are in doubt as to whether a particular cost can be reimbursed, you are advised to seek guidance before incurring the expenditure.
- 4.11 Miscellaneous Expenses**
- 4.11.1** Incidental expenses incurred, as part of official travel – e.g. phone calls, tolls and parking fees - should be claimed via iExpenses.
- 4.11.2** **Under no circumstances may other miscellaneous office expenses be claimed as T&S.** All official business expenditure is subject to HMT/OGC's standard procurement procedures, which include de minimis arrangements for items under £30.

4.12 Permanent transfer/long term detached duty

- 4.12.1** Staff who are to be permanently transferred and have to move home as a result may be eligible for reimbursement of removal expenses and to receive other allowances. Each case is treated individually as the circumstances of different members of staff vary widely. The HR Business Partner advises on this issue and Finance staff can provide advice on out-of-pocket expenses.
- 4.12.2** Long term (i.e. greater than two years) periods of detached duty, and expenses of relocation in excess of £8k are taxable. HMT/OGC will meet this liability.
- 4.12.3** If there is any doubt concerning an individual's tax position or the tax treatment of particular items of expenditure these may be referred to Finance Operations for advice and clarification.

4.13 Team Building Events

- 4.13.1** Expenditure on team building events (away days) should be reasonable and should be agreed by the relevant Director. In signing off expenditure, Director's decisions will be informed by existing subsistence rates whether an overnight stay is appropriate and other relevant factors.
- 4.13.2** Teams will also need to consider whether the away day may incur a tax liability. For taxable purposes, away days fall under the HMRC definition of **work-related training**. If the away day could be construed as intending to provide a reward or does not meet the definition of work-related training, this could be classified by HMRC as liable for tax as a taxable benefit, thus increasing the costs to the team.
- 4.13.3** In booking venues for team building events, staff should first consult our conference booking agent, First Option.

5. OFFICIAL ENTERTAINMENT

5.1 Working lunches

- 5.1.1** Working lunches can be justified for occasions, which:
- foster the expeditious conduct of official business. These may include meetings of staff or with other government departments;
 - enable senior managers to meet and talk to particular sections of staff who might feel distanced from central management.
- 5.1.2** **Budget Liaison Officers (BLO) are allowed to approve working lunches.** BLOs are responsible for defending the expenditure if challenged, and should ensure that meetings are not timed solely to justify working lunches.
- 5.1.3** In house restaurant facilities should normally be used for working lunches. For GSS staff based in Norwich, local arrangements apply.
- 5.1.4** The amount that will normally be reimbursed, inclusive of drinks, is subject to a limit of £10 per head, inclusive of VAT.
- 5.1.5** Procedures for ordering working lunch are to be found on CARISMA.

5.2 Official Entertainment

Entertainment at public expenses is naturally a very delicate subject and staff must always take care to ensure that their actions do not leave the department open to criticism. The facility to provide official entertainment should be used sparingly. Expenditure should be kept as low as possible, compatible with the occasion and standing of the guests. Necessary expenditure above the limits must be approved at Director level (or by the Directorate Coordinator with delegated authority).

5.2.1 Hospitality at public expense normally takes the form of lunch or dinner; casual drinks do not qualify for reimbursement. Only functions with external guests present will qualify for reimbursement.

5.2.2 Treasury staff in attendance at lunches or dinner should be dependent on a necessary business requirement to attend and there should be no element of reward in staff attending a function. The restriction on the number of Treasury staff not exceeding the number of visiting guests doesn't apply any longer.

5.2.3 The amount that will normally be reimbursed to senior officials extending hospitality to official guests is subject to a limit of: -

- £25 per head for lunch
- £35 per head for dinner

5.2.4 Applications for reimbursement must be approved by a Team Leader or above, except in the Perm Directorate where the Private Secretary will approve.

6. TAXABLE TRAVEL EXPENSES

6.1 If you can answer yes to any of the following questions you may be in receipt of a taxable benefit that could affect your personal tax position: -

- Are you claiming expenses for travelling from home to the office?
- Do you ever claim expenses for staying at, or close to your normal place of work?
- Are you on secondment from another department?
- Do you regularly work in more than one HMT/OGC location and claim expenses when travelling to the second HMT/OGC workplace?

6.2 Home to office travel expenses

If you are currently claiming expenses for home to office travel it is likely that you are in receipt of a taxable benefit. Please refer to the contact details at the end of this section and discuss your circumstances with a member of the finance team.

6.3 Accommodation expenses at or close to your place of work

If you claim expenses for staying in a hotel at or close to your normal place of work it is possible that you may be in receipt of a taxable benefit. Please refer to the contact details at the end of this note and discuss your circumstances with a member of the finance team.

6.4 Secondment

If you are on secondment it is unlikely that a taxable benefit will arise if the duration of your secondment is less than 24 months. If the secondment is for more than two years or it is highly likely to be extended, taking it over the two-year threshold, then a taxable benefit may arise and may be retrospective for the whole period. Please refer to the contact details at the end of this note and discuss your circumstances with a member of the finance team. For any proposed secondments, finance staff can provide advice during negotiations to ensure that the appropriate tax treatment is established at the earliest opportunity.

6.5 Two places of work

Members of staff who regularly carry out the duties of their role at more than one HMT/OGC location (eg Rosebery Court & 1 Horse Guards Road) will be deemed to have two places of work for tax purposes.

Key criteria:

- a. The attendance has to be regular (although not specified by HMRC this will usually apply if the attendance at one site is at least 40% of availability)
- b. The work at both locations has to involve the substantive duties of the role (visits to another location to attend a meeting or a seminar would not count. Any expenses incurred in these cases would not be subject to tax).

6.5.1 If the above applies to you and you are claiming reimbursement of expenses incurred in travelling to the second workplace you will be in receipt of a taxable benefit. In order that HMT/OGC can meet this tax liability on your behalf you should not claim through iExpenses but submit a separate T&S claim form, marking it for taxable expenses. This form will be passed to HR division for reimbursement through the payroll in order that the expenses can be grossed up for tax and national insurance purposes. Wherever possible, you should not use your Corporate card, if you have one, to pay for these expenses, as HMT/OGC is then unable to meet the tax liability at the point of payment. Should you do so you must report this to Finance Operations.

6.5.2 If you make use of HMT/OGC's corporate contracts to obtain rail tickets for these journeys you must report this to the finance team in order that action can be taken to meet the tax liability on this expenditure.

6.5.3 If there is any doubt regarding your work arrangements or work pattern please refer to the contact details at the end of this section and discuss your circumstances with a member of the finance team.

6.5.4 A personal tax liability is likely to arise if the above guidance is not followed.

6.5.5 If any of the above apply to you, or if you require further advice, please contact Alan Allsop, Sue Clarkson or a member of the finance team to discuss your situation. In most circumstances HMT/OGC will consider meeting the tax liability, but this should not be assumed.

7. ANY OTHER ISSUES

7.1 **Where travel and subsistence expenses have been incurred on official travel that** have not been covered by the foregoing sections, questions of reimbursement should be addressed to the Group Head of Finance Operations in Norwich.

7.2 Advance of Salary for the Purchase of Season Tickets and Bicycles

7.2.1 HMT/OGC may make advances of salary for the following:

- season tickets for travel between home and office;
- season tickets for car parking
- to assist with the purchase of a bicycle for travel to the office (maximum advance £1,000).

7.2.2 Applications should be sent to HR Central Services who will be forwarded to the HMT/OGC's payroll provider Logica CMG for payment.

Eligibility

7.2.3 An advance may be made to any member of staff who is employed on a permanent basis or on a fixed term contract.

7.2.4 Advances are not available to staff employed on a casual basis.

Conditions of Payment

7.2.5 Where advances are made to assist in the purchase of quarterly or longer tickets for travel by public transport, or a car parking season ticket, or a bicycle

- a further advance will not be made until an existing advance has been fully recovered;
- proof of purchase will be required. Staff should send the receipt to HR;
- advances will normally be paid with salary.

Conditions of Repayment

7.2.6 When staff apply for an advance, they must acknowledge acceptance of the following conditions:

- that the advance is solely for the purchase of a quarterly or longer season ticket;
- that the outstanding advance will be repayable on demand;
- although the intention is to allow repayment to be made in equal monthly instalments over the life of the season ticket (or in the case of someone on a fixed term contract, over the time of the remaining contract or season ticket whichever is the shorter), this is without prejudice to HMT/OGC's right to demand repayment at any time;
- that in the event of the member of staff ceasing to be a civil servant, any outstanding balance will be repayable immediately and without demand and may be set against any payments due to the member of staff including certain pension benefits.

7.2.7 Applications for an advance to purchase a season ticket or bicycle are to be made to HR Central Services. The form also provides authority for the appropriate deductions from pay.

Accounting Procedures

- 7.2.8** Recovery is affected by deductions from the member of staff's pay in equal monthly amounts
- deductions will commence in the month in which the advance is made
 - deductions will be calculated by dividing the amount of the advance by the length of the season ticket
 - odd amounts may be rounded up with an appropriate adjustment to the first or last instalment.
- 7.2.9** Income tax will continue to be charged on the basis of gross pay due, i.e. ignoring both the advance itself and the deduction in respect of the advance.

Premature Recovery

- 7.2.10** Repayment of the outstanding advance will be required immediately if the member of staff:
- ceases to be a civil servant - it may be necessary to make special arrangements to obtain immediate recovery of an advance which can no longer be recovered by deduction from pay.
 - surrenders the season ticket for any reason.

Other Miscellaneous Expenses

- 7.2.11** Other miscellaneous expenses that are not part of claims related to travel and subsistence should be submitted using the miscellaneous expenses claim form.
- 7.2.12** Such items of expenditure include claims for compensation for loss or damage to personal effects whilst in the workplace or on official business. If in any doubt please contact Finance Operations for advice before submitting your claim.

7.2.13 Evening Dress Allowance

Staff may claim an allowance of the actual hire costs or £75 towards the purchase of an evening suit or evening dress wear. This allowance, which is a taxable benefit paid through staff salary, must be claimed on a miscellaneous expenses form, attaching appropriate receipts.

8. Expenditure on Official Gifts

- 8.1** The purchase of gifts, using public money, should only be considered in exceptional circumstances. The cost of any such gifts should involve only modest expense. The purchase of gifts will normally only be appropriate where they are to be presented by senior officials when it is anticipated that a gift may be offered and it is considered necessary to reciprocate. Occasionally, it may also be appropriate to present a gift to a visiting VIP or to someone who has made a significant contribution to a piece of work sponsored by the Department, who is not an employee.
- 8.2** Expenditure on official gifts must be pre-authorized by the Group Head of Finance & Procurement, the Director of Finance & Procurement, in HM Treasury, or the Director, Finance & Planning in the Office of Government Commerce (OGC). The following information should be provided as soon as practicable after the expenditure has been incurred:
- The amount spent
 - The date of payment
 - The name and position of the recipient
 - A description of the gift

- The reason for presenting the gift; and
- A statement from the donor to confirm that the gift was given to the intended recipient

8.3 The current limits on expenditure on official gifts are as follows:

- To senior government officials or equivalent - £30
- To junior government officials or equivalent - £20 to £25
- To liaison officers/tour organisers or equivalent - £10 to £15

8.4 Any proposal to incur expenditure on gifts that are novel or contentious must be referred to the Director of Finance & Procurement, HM Treasury.

8.5 Expenditure on official gifts shouldn't be confused with expenditure on non pay awards. Schemes exist in HM Treasury (the bonus scheme) and OGC (bonus bonds) that should be used to reward good performance. Managers should use the relevant scheme to recognise achievement against a particular task, rather than purchasing gifts.

Note:

The purchase of gifts for colleagues, using GPC or Corporate Card, is not permissible. Such expenditure is personal and should be funded by way of a collection. Examples of gifts falling into this category are:

- Purchases of flowers for members of staff or their partners having a baby or in hospital for other reasons
- Purchases of gifts for weddings and other celebrations
- Purchases of birthday cakes