

## Employee Expenses Policy

### 1. Purpose

- 1.1 This Policy provides guidelines and rules governing expenses incurred by employees of SM Global Consultancy Ltd ("the Company").
- 1.2 The Company shall reimburse any and all expenses which are detailed in, and approved in accordance with, this Policy.
- 1.3 The aims of this Policy are:
  - 1.3.1 To ensure that all expenses incurred by employees are reimbursed in a fair and timely manner.
  - 1.3.2 To ensure that the Company complies with its legal and tax obligations.
  - 1.3.3 To prevent corrupt practices both internally and externally including, but not limited to fraud and bribery.
  - 1.3.4 To control costs and expenses within the Company.

### 2. Expenses

- 2.1 Employees may claim expenses for the following approved activities only:
  - 2.1.1 Travel.
  - 2.1.2 Accommodation.
  - 2.1.3 Subsistence.
  - 2.1.4 Entertainment and hospitality.
  - 2.1.5 Training.
  - 2.1.6 Membership of professional bodies.
  - 2.1.7 Business-related personal expenditure.
- 2.2 If you anticipate an expense that is not explicitly covered by this Policy or you are uncertain as to whether you would be eligible for reimbursement, you should consult with your Line Manager or Financial Controller before making the payment and/or claiming the expense.
- 2.3 Entertainment and hospitality expenses and any other expenses incurred in relation to third parties who are external to the Company should be treated with care at all times in light of the requirements of the Bribery Act 2010. All employees and associated persons must ensure that they are familiar with, and comply with, the Company's Anti-Bribery and Hospitality & Gifts Policies.

### 3. Rail Travel Expenses

- 3.1 For all journeys within the UK the following rules apply:

## Staffing Match

3.1.1 For all journeys standard / second class should be used.

3.2 For all journeys outside the UK or those beginning within the UK and ending outside the UK the following rules apply:

3.2.1 All bookings for such journeys must be made in consultation with The Financial Controller and standard / second class should be used.

### 4. Air Travel Expenses

4.1 Air travel within the UK shall be permitted only where the destination is not part of the UK mainland (e.g. Northern Ireland, Orkney Islands etc.), where air travel is cheaper than the equivalent permitted rail fare, or with the prior approval of the Financial Controller.

4.2 For all flights outside the UK or those beginning within the UK and ending outside the UK the following rules apply:

4.2.1 All bookings for such journeys must be made in consultation with The Financial Controller and economy class should be used.

### 5. Car Travel Expenses

5.1 The following mileage rates shall apply to all employees:

5.1.1 Company car drivers = 1600cc and less = 12p per mile;

Company car drivers = over 1600cc = 16p per mile

5.1.2 Private car drivers = 40p / mile for up to 10,000 miles in each tax year and 25p / mile for mileage exceeding 10,000 in each tax year.

5.2 Employees shall at all times pay for private journeys.

5.3 Employees may not claim for mileage incurred on journeys to or from their home and place of work.

5.4 Under no circumstances will the Company pay any fines arising out of any Road Traffic Act offences.

5.5 Company car drivers shall be responsible for arranging the servicing of their company cars. The Company shall reimburse employees for the costs of servicing company cars provided such costs are commensurate with average servicing costs within the authorised dealer network of the relevant vehicle manufacturer, or approved by the Financial Controller prior to Service.

5.6 Car allowance drivers shall be responsible for arranging the servicing of their cars. The Company shall not reimburse employees for the costs of servicing their cars. They should ensure they have a valid Insurance for commercial use on Company business and provide a valid Insurance certificate to the Financial Controller at each renewal.

5.7 Employees who are using their own car for Company business should ensure 5.6 is adhered to.

**6. Accommodation Expenses**

- 6.1 The Company shall reimburse employees for the reasonable costs of overnight accommodation. These must be pre-approved by the Business Director or Financial Controller.
- 6.2 Reasonable subsistence may be claimed for overnight stays. No set limits apply to claims for meals, however employees are expected to adopt a common-sense approach to such costs and the Company will not reimburse employees for any such costs which are deemed to be extravagant or unnecessary.
- 6.3 Reasonable subsistence may be claimed for occasions where an employee is working away from their normal place of work but not on an overnight stay. These must be pre-approved by the Line Manager or Financial Controller.
- 6.4 For subsistence claims arising under sub-Clause 6.4, no set limits apply to claims for meals, however employees are expected to adopt a common-sense approach to such costs and the Company will not reimburse employees for any such costs which are deemed to be extravagant or unnecessary
- 6.5 All claims for the costs of subsistence must be supported with full receipts and must be approved by your manager prior to being paid by the Finance Department.

**7. Entertainment and Hospitality Expenses**

- 7.1 The Company shall reimburse entertainment and hospitality expenses provided such claims:
  - 7.1.1 are for reasonable entertainment and/or hospitality which is not excessive, is otherwise commensurate with the practices of other businesses in our sector, and is in compliance with the Company's Gifts & Hospitality Policy and its Anti-Bribery Policy.
  - 7.1.2 clearly state a valid business purpose for the entertainment and/or hospitality.
  - 7.1.3 detail the time, date, and location of the event and/or hospitality.
  - 7.1.4 provide the name, status and employer (whether the Company or another business) of all persons entertained.
- 7.2 Where the entertainment and/or hospitality is for the benefit of Company employees alone, the expense shall be classed as "Employee Entertainment". Where the entertainment and/or hospitality is for the benefit of third parties including, but not limited to, customers and suppliers, the expense shall be classed as "Hospitality Entertainment". Hospitality Entertainment shall also include the costs of accommodation and meals where such hospitality is provided to third parties including customers and suppliers of the Company. In cases where Hospitality Entertainment is provided but the number of Company employees present exceeds the number of third party

persons present, the costs incurred by that excess shall be classed as "Employee Entertainment", with prior approval from the Financial Controller.

- 7.3 Where more than one employee is present it shall be the responsibility of the most senior employee present to pay any and all bills.
- 7.4 The Company shall be responsible for bearing the tax liability for all staff entertainment including in-house lunches and other reasonable staff entertainment (subject to the exception of the staff Christmas party which shall incur no tax liability up to an average of £150 per person. The Company shall bear the tax liability of any costs exceeding that level).

## 8. Training Expenses

- 8.1 The Company shall reimburse (or pay for in advance, as appropriate) the costs of any authorised training which is relevant to a given employee's job role.
- 8.2 The costs of travel and accommodation related to any such training shall be governed by the normal rules relating to business travel and accommodation set out in Clauses 3 to 6 of this Policy.

## 9. Membership of Professional Bodies and Associations

- 9.1 The Company shall cover the costs associated with employees' membership of professional bodies where such membership is required by law and/or is in the interests of the Company at its discretion.
- 9.2 In the event that subscriptions paid for the membership of professional bodies are taxable, the Company will not bear the tax liability for employees' membership of a professional body.

## 10. Personal Expenditure for Work Purposes

- 10.1 Reasonable telephone calls made for business purposes using an employee's personal telephone shall be reimbursed by the Company on submission by the employee of the relevant telephone bill.
- 10.2 Reasonable personal expenditure on equipment for business purposes shall be reimbursed by the Company provided such expenditure receives the prior approval of your Account Manager.

## 11. Claiming Expenses

- 11.1 Each employee is responsible for submitting carefully completed expense claims to their line Manager. For a claim to be valid, the employee must submit original receipts for all claimed expenses together with the appropriate completed expenses form.
- 11.2 Expenses claims must be submitted monthly, no later than 3 working

days after month end.

- 11.3 If an employee is unsure whether any planned or incurred expense is eligible for reimbursement, he/she should consult their Line Manager.
- 11.4 In the event that a purchase is made before consultation under sub-Clause 11.4 and a subsequent consultation reveals that the expense so incurred is not covered by this Policy, the employee who has made the payment/purchase will be required to cover the cost from their personal funds.

**This policy has been approved & authorised by:**

**Name:** Dan Carlin

**Position:** Business Director

**Date:** 18<sup>th</sup> December 2017

**Signature:**