

POLICE FEDERATION OF ENGLAND AND WALES

Reasonable Expense Guidance

September 2018

1. Principal

1.1 Representatives and staff members should not be expected to incur any personal expense when undertaking their duties for PFEW. This policy seeks to clarify the position of PFEW and, in providing that clarity, to assist representatives and staff members in making legitimate claims whilst acknowledging that expenses are funded from member's contributions and so best value must be achieved at all times.

2. Overnight Incidental Allowance

2.1 The HMRC scale rate for incidental expenses is £5 or up to £5 for receipted expenditure.

3. Accommodation Allowances Per Night

3.1 Overnight accommodation can be reimbursed when it is not reasonable for an individual to make a return journey to and from an event, meeting or other location in one day.

3.2 The best value, lowest possible corporate or government rates should be used wherever possible.

3.3 Published rates are up to £120 including VAT for outside London and up to £220 including VAT for London.

3.4 The guidelines allow for higher rates with prior approval for exceptional circumstances (see item 8.1 below).

3.5 Where it has not been possible to meet the guidelines as above (for example due to a high demand for rooms causing an increase in prices) then the best value room available ought to be booked with a brief explanation detailing the reason for the price differential.

4. Meals

4.1 New scale rates were set by HMRC after April 2016, are as follows and are reproduced *purely for information* and to provide a basis for figures within this policy:

- Up to 5 hours - £5
- Up to 10 hours - £10

- Up to 15 hours - £25

Note: There are no tax implications if the scale rates are adopted. If the employee is away from home after 8pm then another £10 allowance is available.

4.2 For ease, under this policy members are able to claim **reasonably receipted** meals up to a **maximum daily allowance** of £50. For clarity, this is the maximum permissible claim under normal circumstances for the calendar day and covers all meals and drinks (including alcohol) taken within that calendar day. In line with HMRC regulations, up to two alcoholic drinks may be claimed under this policy without clarification. More than two alcoholic drinks may be claimed, by exception, however this will require a written explanation to be submitted to the approver explaining the context and necessity for the expense.

4.3 The receipt must be fully itemised in order to comply both with this policy and HMRC regulations. Where this has not been possible, a full explanation of why this is must be provided along with sufficient information for a decision on reasonableness to be made.

4.4 Claims will be assessed and approved by the relevant Treasurer or Deputy Treasurer. Where there is any dispute over the reasonableness of a claim, the relevant trustees will be the sole arbiter and decision maker.

4.5 The meal must be in furtherance of a member's duties and incurring such an expense should be unavoidable.

4.6 The policy allows for breakfast to be included with accommodation.

4.7 The policy also allows for minor variations in exceptional circumstances with prior approval (see item 8.1 below).

5. Hospitality

5.1 There is no set limit for hospitality provided, but in all cases best practice is for hospitality to be provided with **prior authorisation** where possible (see item 8.1 below) and for a **clear business purpose**, otherwise there are tax implications. Clearly there will be occasions where it is not possible to pre authorise hospitality, for example where a situation arises without notice. Under those circumstances it is acceptable to have post-authorisation. The clear business purpose should be such as to demonstrate a benefit to the membership of PFEW. Guiding principles for consideration include the potential consequences of providing, or not providing, hospitality together with the likely perception of any such hospitality.

5.2 Hospitality given and received **must** be recorded on the Gifts and Hospitality Register over a value of £25 per head.

5.3 Other members of staff or representatives attending **must** be named and included in the

Gifts and Hospitality Register.

5.4 Although there is no set limit for hospitality, any hospitality must be reasonable and receipted. As with item 3.4, claims will be assessed by the Treasurer or Deputy Treasurer and, where there exists a dispute over the reasonableness of a claim, the trustees will be the sole arbiters and decision makers.

6. Special Events

6.1 It is recognised that there will be certain events where higher than normal expenditure may be legitimately incurred. Examples might be the annual Bravery Awards ceremony or the National Police Memorial Day event.

6.2 It is important that due respect and deference to colleagues be shown at such events and this policy does not seek to restrict the ability of PFEW to act in such a manner.

6.3 However, the overriding principles of reasonableness as set out in this policy should still be followed. In particular, section 5 (hospitality) provides both for the proper governance of finances spent at such events as well as the flexibility to make such expenditure as is necessary to ensure PFEW does not fail in its obligations to mark such events.

6.4 Where a branch hosts a charity event or similar evening, it is entirely proper that they might accept gifts for the purposes of raffles or charity auctions. Those gifts will often hold a value in excess of those prescribed in section 4, above. Such gifts fall outside the scope of this policy and need not be refused on the grounds of this policy due to their nature and the reason for the gift being presented to the branch.

7. Mileage

7.1 HMRC mileage rates are used in all expense policies examined as follows:

	Car	Motorcycle	Bicycle
Miles per tax year			
Up to 10,000 miles	45p	24p	20p

Over 10,000 miles 25p 24p 20p

If a staff member or representative carries another staff member or representative in their own vehicle on a business journey, they are able to claim passenger payments of 5p per passenger, per mile.

7.2 Hire cars or lease cars used on company business and the associated fuel would be allowable if suitably receipted and authorised.

8. Prior Approval

8.1 The prior approval matrix is as follows:

Individual Role	Approver
Federation House Staff	Head of Department
Branch Staff	Branch Secretary or Branch Treasurer
Head of Department	Principal Officer (reporting to)
Chair or Vice Chair	National Treasurer or Deputy
National Secretary or Deputy	National Treasurer or Deputy
National Treasurer or Deputy	Chair or Vice Chair
Finance Director	National Secretary or Deputy
Branch Chair	Branch Secretary
Branch Secretary	Branch Chair
Branch Treasurer	Branch Chair
National Board Member	National Treasurer or Deputy

Pre-authorisation is a best practice, but clearly will not always be practical when some situations arise without notice. In those circumstances, post-authorisation is permissible, with a brief covering explanation.

9. Transparency

In order to show our continued commitment to openness and transparency we will undertake to do the following:

- Expenses will be published in line with PFEW's publication scheme when implemented. Care will be taken to redact any published data to protect the personal information of members, for example.
- Proactively publishing in this way is common practice among other organisations and has a number of benefits and efficiencies:

- It will allow us to better manage the flow of information proactively, to our own managed timescales and agenda
- It will negate the need to respond to Freedom of Information requests if the information is due to be published or is already in the public domain. This will free up staff time involved in researching and responding to individual requests which are increasing in volume.
- Proactive release of information allows context and messaging / explanations where appropriate
- It will encourage improved accountability around the use of credit cards and expenditure overall

10. Governance

- A breach of this policy may be considered a breach of existing governance policies and procedures and, as such, may be dealt with by the National Secretary under those procedures which are published under separate cover.
- Where necessary, and where appropriate, a breach may be referred to the relevant Professional Standards Department if it is believed such a breach may constitute a potential misconduct offence. The pre-existing policies emphasise the requirement to deal with any potential issues at as low a level as appropriate and a referral to PSD should only take place after careful consideration of this.