

F2: EXPENCES POLICY

1. Cognus will reimburse employees for reasonable expenses wholly, necessarily and exclusively incurred in connection with its business. Employees should not be either financially disadvantaged or advantaged because of genuine business expenses.
2. Employees are responsible for the payment of all expenses they incur, except where Cognus has direct settlement arrangements with suppliers in place.
3. Breach of this policy is a disciplinary offence. Deliberate falsification of a claim or the evidence needed to make a claim will constitute gross misconduct. This may result in summary dismissal. "Falsification" includes the failure to pass on any discount obtained in the course of incurring an expense.

Allowable Expenses

Travel - UK

4. Cognus will reimburse the reasonable costs of amounts necessarily expended on travelling in the performance of the duties of the employment, for example to events, external meetings, training etc.
5. This does not include travel between home and office unless the employee is recognised as being a "contractual home-based employee".
6. Employees should travel by the most cost-effective mode of transport taking into account journey time and the nature of the journey as well as the monetary cost.

Travel by employee's own car/motorcycle/bike

7. Travel claims for business use should be net of the travel mileage from home to the employee's standard working location. That is, managers and staff can only claim for additional mileage beyond that which they would normally expect to travel in their daily route to work and back.
8. The mileage allowance is set by reference to the HM Revenue and Customs (HMRC) rules on AMAPs (Approved Mileage Allowance Payments). These are currently as follows:

type of vehicle	first 10,000 miles	above 10,000
cars and vans	45p	25p
motorcycles	24p	24p
Cycles	20p	20p

9. The employee is required to keep track of business mileage incurred in the tax year (6 April to 5 April) to ensure the correct rates are used.
10. If an employee carries any other employees in their own car or van on business travel, that employee can claim 5p per passenger per business mile. The passengers must be employees and they must also be travelling on business journeys.
11. Where an employee uses their own vehicle, the employee should ensure that the vehicle is in good working order, fully insured, taxed and MOTd and that the driver is covered by breakdown assistance.
12. The department head may request the employee to print off a route planner to support the business mileage claimed by that employee.

Travel by taxi

13. Employees are expected to use taxis only when strictly necessary and where it is cost effective to do so. Employees should always obtain a receipt.

Travel by tube, DLR (Docklands Light Railway), bus or tram

14. Employees should retain tickets where possible. Where an employee's season ticket already covers the cost of travel, no further claim will be allowed. Where Oyster cards are used, the employee should provide evidence of the additional cost incurred, for example by printing off their online statement or by printing off the journey cost provided by the Oyster fare finder.

Travel by train

15. Employees should, as far as possible, travel standard class and should book their journeys sufficiently in advance to obtain the best possible prices.
16. First class train travel is acceptable if the journey from London mainline stations (not the employee's home address) is timetabled to last in excess of two hours and the employee needs to work, or at the manager's discretion, eg for very early starts, late returns, where standard class would be exceptionally crowded. Employees should retain all tickets and credit card vouchers.

Travel by plane

17. Flights should, whenever possible, be booked sufficiently in advance to obtain the best possible prices. Air travel should be by economy class. Employees should retain all tickets and credit card vouchers.
18. All air travel requires the written prior approval of a Director

Late night travel

19. In exceptional circumstances, and only in accordance with HMRC rules, Cognus may meet the cost of late night taxis or similar road transport provided all the following circumstances apply:
 - i) the employee is required to work later than usual and at least until 9.00pm;
 - ii) this occurs irregularly; and
 - iii) by the time the employee ceases work either public transport has ceased or it would not be reasonable to expect the employee to use public transport.
20. The number of such journeys must not exceed 60 in any tax year.

Overnight accommodation - UK

Hotel accommodation

21. Should be booked in advance at the best possible rates which should not exceed £80 per night (£100 within the M25), including VAT but excluding breakfast costs. Any booking in excess of that amount will need to be approved by a Director prior to booking.
22. Employees should take into account the location of the hotel as regards the cost of taxis, etc and the time required to travel to and from the hotel.

Staying with friends or relatives

23. An employee may claim an allowance of up to £25 per night. Receipts are not required but the employee must confirm that the overnight stay was necessary in connection with travelling on Cognus business.
24. An employee claiming this allowance cannot also claim reimbursement of actual accommodation and subsistence costs although they can claim personal incidental expenses (see below).
25. In all cases employees should retain all invoices.

Subsistence - overnight absence - UK

26. Cognus will reimburse reasonable out of pocket expenses incurred by the employee when it is necessary to stay away from home overnight on company. This will include the following:
 - i) hotel bills (see above)
 - ii) breakfast

- iii) lunch, evening meal and beverages - to an overall maximum of £50 per day (please note that the employee may incur costs in excess of £50 but may only claim up to £50).
 - iv) parking at hotel
27. If the employee is away for more than one night, the daily limits may be averaged across the number of nights that the employee is away.
28. In all cases employees should retain all invoices.

Invoices and Receipts

29. In all cases employees should retain all invoices.

Overseas trips

30. The rules above apply to overseas travel as well as UK travel. However, in some cases, it may be necessary to allow higher limits for accommodation and subsistence costs, subject to approval from the Managing Director. The intention is that the employee should be able to obtain accommodation and meals of an equivalent standard to that available to them in the UK. Please note that there is no scope for higher rates for mileage.
31. Air travel should normally be by economy class, or if outside Europe, by business class.
32. The maximum allowed for personal incidental expenses for overseas trips is £10 per day. This covers items such as telephone calls, newspapers and laundry. The total of any such costs must not exceed £10 otherwise no reimbursement will be allowed, ie the allowance should not be regarded as a contribution to such costs.
33. Where expenses are incurred in the local currency, the claim for reimbursement should either be for the actual sterling amount debited to the employee's debit/credit card or, where paid in cash, should be converted at the rate applicable on that day.
34. In all cases employees should retain all invoices.

Entertaining - business

35. All business entertainment costs require prior approval by a Director of the company.
36. In general, entertainment counts as business-related if its purpose is to discuss a particular Cognus project, maintain an existing business connection or to form a new business connection.

37. By contrast, entertainment of Cognus acquaintances won't count as business-related if its purpose is really social - even if there's some discussion of business-related topics in the course of the entertainment.
38. Amounts claimed should be reasonable and appropriate.
39. In all cases employees should retain all invoices. Please show names and organisation of all attendees on the expense claim.

Team Building, Reward and Recognition

40. The cost of team build, reward and recognition events may be paid on the prior approval of a Director.

Professional subscriptions

41. Employees may claim back the cost of the annual subscription for up to a maximum of two professional bodies, provided that each body is on the HMRC approved list and its activities are directly relevant to the employee's duties. Further subscriptions may be claimed as a tax deduction on the employee's tax assessment return, provided they are also on the HMRC approved list.

Eye tests and spectacles

42. Cognus recognises its obligations under the Display Screen Equipment (DSE) Regulations 1992 (Amended 2002). The company will contribute to the cost of an eye test for employees who use display screen (computer monitor) equipment for a significant part of their working day.
43. Cognus will contribute £25 towards the cost of an eye test conducted by a suitably qualified optician. If the test reveals that spectacles are required for exclusively VDU work the company will contribute £75 towards the cost of basic spectacles. This policy does not apply to contact lenses.
44. Cognus will only reimburse one eye test in any 12-month period.
45. Cognus will not contribute towards the cost of spectacles with any element of everyday use, in other words the spectacles must be exclusively for VDU use.

Procedures for making an expense claim

46. Expenses should be claimed and authorised on iTrent, using the standard Finance procedures in force at the time of the claim.

47. Ensure all bills (NB: must be originals) and debit/credit vouchers are numbered and attached to the form which should also show the items numbered accordingly to enable easy identification.
48. Ensure any overseas transactions in local currency are converted to sterling as above.