

## 1. Purpose

This policy provides guidance and clarity to employees on appropriate business expenses and the method of authorisation. The aim of this policy is to simplify and standardise the claiming and payment of expenses.

GRAHAM are committed to being an inclusive workplace where all employees, customers and stakeholders can fully participate and contribute. We strive to ensure accessibility across all facets of our operations, including physical spaces, digital platforms, communication channels and services.

Our People policies are regularly audited against rigorous accessibility standards to ensure compliance and to support every employee.

Anyone who requires additional support or has any questions regarding accessibility can contact the HR team at [HR-JGC@graham.co.uk](mailto:HR-JGC@graham.co.uk)

## 2. Scope

The policy is applicable to all GRAHAM employees and has been drafted in line with the HMRC guidelines. Fixed term employees should contact HR before making any claim as restrictions may apply.

## 3. Policy Statement

Expenses will be reimbursed in full for all types of expenditure incurred provided that expenditure was, necessary (the expense is incurred during the course of employment and solely for the purpose of performing the job), reasonable (the individual is expected to treat company money as they would their own) and evidenced by an appropriate receipt.

## 4. Tax

### 4.1. Income Tax

Expense payments and benefits in kind received by employees have to be reported to HMRC on an annual basis. This is because tax law states that all such payments are considered in the first instance taxable.

The information reported to HMRC on the forms P11D are obtained from several sources, one of which is the expenses claim. You don't have to report some routine employee business travel and subsistence expenses to HM Revenue and Customs (HMRC). This is called an 'exemption'. To qualify for an exemption the company must only pay for the 'actual costs' of the travel and subsistence and therefore all claims must be evidenced with a receipt. Any un-receipted business expenses or pre-approved non-business expenses will be met by the employee concerned and will usually be collected via the employee's notice of tax coding.

### 4.2. VAT

The amount of VAT entered on the expenses claim will be recovered by the company from HMRC where appropriate as input tax on business expenditure. It is therefore important that the VAT included on the claim is supported by an appropriate invoice or

receipt wherever possible. The information must be retained for scrutiny by HMRC, any errors found may give rise to an assessment on the company for further VAT payment.

No VAT may be reclaimed by the company for business entertaining.

## **5. Responsibilities**

### **5.1. Employees**

It is the employee's responsibility to submit an expense claim to cover all expenses incurred on behalf of the company. Employees are permitted to submit one expense claim per month. Claims should be submitted within 3 calendar months of the expense being incurred.

All expenses should be claimed via Concur (the online expense system used by the Graham Group). In line with HM Revenue and Customs requirements, employees must ensure that adequate detail is provided for each individual expense on their claim to enable a reviewer to determine the exact nature of the expense and reason why it was incurred.

It is the employee's responsibility to ensure that valid receipts are attached to their submission. The company reserves the right to refuse reimbursement of claimed expenses where no receipt has been provided or the expense is deemed not to be a business expense.

In order to facilitate the refund of VAT to the Company, the following rules must be adhered to:

- The invoice or receipt must be attached to the expenses claim.
- The invoice or receipt must indicate the Company's name and address wherever possible.
- The period and nature of the provision of service must be indicated on the invoice or receipt.
- The price in local currency, i.e. GBP, must be clearly indicated.
- The VAT amount and VAT number must be included on the invoice or receipt.

In submitting an expense claim, the employee is deemed to have read, understood and complied with this policy.

## **6. Reimbursement**

Cleared expenses will be reimbursed on a regular basis. Expenses will be paid directly into the employee's bank account that they have entered into Concur. Note it is the employees' responsibility to ensure that valid bank account details have been entered and maintained in Concur.

## **7. Authorisation Of The Expense Claim**

All completed expense claims submitted via Concur will be automatically routed to the central expenses processing team.

Entertaining expenses and other ad-hoc or significant items may be routed by the central expenses team to the appropriate Head of Department for authorisation prior to payment.

Expense claims will not be paid if they do not comply with the expenses policy. Non-compliant claims will be returned to the employee with an explanation as to why they do not comply. The employee will have the right to contest this decision by providing explanatory information supporting the claim to the Group Chief Financial Officer.

## **8. Advances**

It is not company policy to issue advances unless in exceptional circumstances. For higher value business related expenses, the company may arrange for these to be processed through the Procurement department.

## **9. Business Travel**

### **9.1. General**

The Company will reimburse all reasonable business travel costs where employees are obliged to incur the costs in the performance of their duties. Journeys between an employee's home and their permanent workplace are not incurred in the performance of their duties. Therefore, any payment for a journey between an employee's home and their permanent workplace would be subject to income tax and national insurance contributions and should not be claimed as a business expense in any circumstances.

### **9.2. Air Travel (Refer to *PF21-PR21-01 Travel Planning Procedure*)**

Air travel is booked centrally via the company travel bookers, in line with the company policy;

#### **UK:**

All travel to be booked in Economy Class. Full use to be made of Advance purchase air tickets, Off Peak services and economy airlines.

#### **Europe:**

All European journeys should be booked in economy class. Full use should be made of advance purchase tickets.

#### **Cancelled Tickets**

Costs may be incurred if a booking is cancelled shortly before the travel date. The traveller must contact the travel booker as soon as the cancellation of the trip has been confirmed to avoid any unnecessary costs being incurred.

### **9.3. Rail Travel**

Other than in exceptional cases, rail travel must always be booked in advance via company travel bookers to take advantage of available discounts.

### **9.4. Season/ Annual Rail Cards**

The company policy is not to pay for season/ annual rail cards for employees.

However, the company will provide access to an interest free loan that will be deducted monthly from the employee's salary. If a season ticket loan is provided, it must be repaid in full within the allocated time period.

The card will remain the property of the company at all times and should the employee leave the company they will be liable for reimbursing any outstanding remaining balance either owed as part of a loan or the residual entitlement left on a fully paid card. Any outstanding balance or residual entitlement will be deducted from their final net pay and shall not constitute an unlawful deduction of wages. Should there be insufficient money in an employee's final pay they will be liable to reimburse the amount in full prior to their last day of service.

## **9.5. Oyster Cards**

Reimbursement for use of Oyster cards or travel cards for travel in London may be given provided the employee can prove that they were valid business journeys. The employee should attach to their claim a statement of journeys travelled, highlighting the business journeys, providing locations travelled between and the reasons for those journeys. These statements are available from oyster online weekly/monthly when an oyster card user registers with the service.

## **9.6. Business Mileage (Refer to *POL-034 Car Policy*)**

### **9.6.1. General**

All mileage claims must be submitted via Concur. Employees will be reimbursed for mileage incurred on approved Company business at the appropriate mileage rate in force.

A business journey is defined by HMRC as travel to a temporary place of work. A temporary place of work is a workplace an employee goes to only to perform a task of limited duration (less than 24 months) or for a temporary purpose. Note: No mileage claims can be made between home and a permanent workplace.

In general an employee's regional office will be their permanent workplace. There may be instances where an employee is on a temporary site and that is viewed as their permanent location (i.e. where the project will last more than 24 months or an employee is on a fixed term contract).

HR will confirm an employee's permanent location either at commencement of employment or in connection with a change of employee circumstances. Employees must make HR aware of any change in circumstances that could affect their permanent work location.

If an employee has any queries regarding their permanent base or what can be claimed they should contact HR.

### **9.6.2. Company Vans**

Employees with company vans should refer to the guidance in the car policy and the handbook for vehicle drivers for information on business mileage.

### **9.6.3. Car Details**

Employees are responsible for entering and maintaining valid and accurate car details in Concur. This applies to both company and private vehicles used for Company business.

## 9.7. Other Business Travel Protocols

### 9.7.1. Pool Car

Wherever possible the use of a pool car should be considered if it would avoid the need to pay other forms of transport which would incur a greater cost. Pool cars are for business use only.

No tax liability will arise on an employee using a pool car provided that the following conditions are met:

The car must be available to and used by more than one employee and must not ordinarily be used by one employee to the exclusion of others.

Any employee using a pooled car must record details of the starting and finishing mileage from the odometer together with details of the journey, in the log book which should be kept in the vehicle. Failure to comply with this requirement may result in a tax charge for the employee concerned and a NIC liability for the company.

Any private use by an employee must be merely incidental to the business use.

The car must not normally be kept overnight at or near the residence of any employee.

It is imperative that all the above tests are met in order for a pool car to maintain its tax-free status.

### 9.7.2. Taxis

Receipts must be obtained for all taxi journeys claimed, details of the purpose for the journey and destination must be provided.

### 9.7.3. Parking

If parking costs need to be incurred for a business purpose, then the least cost option should be used and then claimed; employees are not permitted to claim for private parking.

Costs incurred through the use of parking meters must be recorded and attached to the relevant expense claim. Details must include, date, details of where the car was parked and the name of the customer/ supplier visited.

### 9.7.4. Airport Parking

Car parking should where possible be pre booked as part of the travel booking procedure (***PF21-PR21-1 Travel Planning Procedure***). The company policy is to park in the most cost effective facility at airports unless in exceptional circumstances.

### 9.7.5. Tolls

Toll usage must be itemised, clearly showing business trip, client visited and receipts obtained for VAT purposes.

### 9.7.6. Fines

It is the employee's responsibility to pay all parking and speeding fines - it is not a claimable business expense and will not be reimbursed in any circumstances. If the company receives a demand for an unpaid fine relating to a company vehicle, in the form of a reminder, the debt will be paid immediately by the company and the fine will be deducted from the offender's post tax salary. Any

fine which is deducted from wages shall not constitute an unlawful deduction of wages.

#### **9.7.7. Congestion charges**

Congestion charges may be claimed if car travel in the designated area is unavoidable in the fulfilment of Company business, this should have prior approval from your line manager. Fines for non-payment of the congestion charge will not be reimbursed. Where fines are paid by the Company because you are a company car driver, the cost will be deducted from your post-tax pay. Any fine which is deducted from wages shall not constitute an unlawful deduction of wages.

#### **9.7.8. Car Hire (Refer to *PF21-PR21-01 Travel Planning Procedure*)**

Car hire should be pre booked as part of the travel booking procedure.

An employee must endeavour to refuel the hire car prior to returning it to the car hire company. Costs incurred for refuelling should be claimed via Concur.

## **10. Accommodation**

### **10.1. Overnight stays at hotels etc.**

Overnight accommodation will be provided only when there is a requirement to stay away for business purposes. Overnight accommodation is managed centrally by the company travel bookers. This will often include subsistence (meals). In the event that this is not included the employee should pay before leaving and claim the relevant amount.

Employees are expected to exercise care and judgement when incurring expenditure on hotel bills. The company will not reimburse excessive costs relating to hotel accommodation and/or subsistence.

Claims in relation to viewing of in-house films will not be reimbursed. The company will not repay any tips/ gratuity.

Laundry charges will only be reimbursed in special circumstances i.e.:

- Where the trip lasts longer than was originally expected
- The trip is for longer than 7 consecutive days in duration

Expenses will only be reimbursed for costs incurred by the employee, not expenses incurred by their spouse or partners.

### **10.2. Meals**

The Company will reimburse employees on business for the meals set out below. All expense claims must be supported by receipts and an adequate level of explanation. Reasonable levels of alcoholic beverages, for example a small glass of wine, consumed with an evening meal, may be included in the claim.

#### **10.2.1. Breakfast (for irregular early starters)**

The cost of breakfast will be reimbursed if:

- The cost of breakfast is not included in the rate charged for overnight accommodation, or
- The employee is required to travel before 6am on company business, which is not normal home to work travel.

### 10.2.2. Late Evening Meal Rate (irregular late finishers)

The cost of a late meal will be reimbursed if the employee meets all of the following criteria:

- Has to work later than usual
- Finishes work after 8pm and
- Has to buy a meal which they would usually have at home.

Employees are expected to exercise care and judgement when incurring expenditure on meals when working away from home.

**The breakfast and late evening meal rates are for use in specific circumstances only and not intended for employees with regular early or late working patterns.**

10.2.3. Where subsistence is for more than one employee or guest, the names of the other employees or guests present together with the names of their employer, must always be given for HMRC purposes. (Note: initials are not sufficient)

The most senior employee present for the meal must pay.

### 10.2.4. Lunch

Lunch away from the office is not claimable unless it is a working lunch with customer entertaining (names and name of employer to be stated on the claim). This is business entertaining and should be disclosed as such on the expense claim as per Section 11.1.

Snacks and beverages are not claimable unless they are customer entertaining (names and name of customer to be stated on the claim).

### 10.2.5. Away from Home Allowances

An employee may be offered an away from home allowance if they meet certain criteria. If an employee is in receipt of an away from home allowance they are not entitled to claim for any meals via Concur unless it is business entertaining. Refer to Away from Home benefits Policy POL-047

## 11. Entertainment

### 11.1. Business Entertaining

Business entertaining must be approved in advance by the Group Chief Executive Officer.

The most senior employee participating in the event must make the claim for the event.

If an employee's partner or spouse is present whilst entertaining they cannot normally be claimed for unless authorisation has been given by the Group Chief Executive Officer.

In all cases, the following must be provided to support the expense claim:

- Receipts
- The purpose of the event
- The names of the individuals involved
- The company to which they belong



- The names of the employees who attend the event

VAT on business entertaining is not recoverable; however, the company may be able to recover VAT on the expenditure deemed to be subsistence for GRAHAM employees, providing a VAT receipt is obtained.

Where there are more employees present than customers or the employees present do not have a reasonable business reason for being present then the entertaining should be classed as staff entertainment.

## **11.2. Staff Entertainment**

Where employees entertain other members of staff the cost must be shown separately from business entertaining and a full list of attendees, reason for entertaining and receipts must be provided. Prior approval must be obtained from your Group Chief Executive Officer before any staff entertaining is undertaken.

HMRC deem the reimbursement of expenses associated with Social Events as a benefit in kind, and is therefore subject to income tax and National Insurance. Unless the Social Event is an annual event and is open to every employee in the Company, then the expense will be taxable and subject to NIC.

## **11.3. Other Occasions**

Claims for functions are not allowable unless they are authorised in advance by the Group Chief Executive Officer or the Group Chief Financial Officer.

## **12. Other Expenses**

### **12.1. Professional Subscriptions**

The company will reimburse one professional subscription annually for each employee where they believe membership of the body will enhance the employee's or company's effectiveness. An employee must be a full member of the relevant professional body and have provided HR with the following information:

- Details of professional body.
- Date of achievement and renewal date.
- Proof of membership e.g. membership number.
- Receipt of full payment (annually).

Payment will be reimbursed through the company expenses claims procedure as per 7 above.

### **12.2. Eye Tests**

The company will pay for an eye test for employees who habitually use display screen equipment (DSE) as a significant part of their work. If an eye tests confirms that an employee requires corrective lens for DSE use then the company will reimburse towards the cost of glasses to a total of £60.

Where an employee already wears corrective lens reimbursement will only be given where a lens prescription has changed due to DSE use. An itemised receipt from the optician detailing the breakdown of the prescription will be required before reimbursement up to the value of £60.

Employees should contact HR in the first instance to ascertain if they are eligible to receive this benefit before arranging optical appointments.



If an employee is eligible then HR will provide a letter to be given to an optician. Payment for eye tests will only be reimbursed on production of a VAT receipt. Payment for corrective lens will be dependent on the results of the optician report.

### **12.3. Gifts & Hospitality**

The receipt of gifts and hospitality must be in accordance with the company's anti-bribery policy.

The company does not provide gifts to staff with the general exception of trivial gifts of flowers on the birth/adoption of a new child and serious illness. Any other exceptions must be agreed, in advance, with an Group Chief Executive Officer.

The company will make a gift to the employee in the event of their wedding:

0-5 years service £100

5-10 years service £150

10 years + service At the Directors discretion.

### **12.4. IT**

All IT systems hardware and software, including peripherals and accessories must be ordered from GRAHAM Systems. Under no circumstances may employees purchase any of these items and claim through the expenses system. Stationery should be obtained from the office.

### **12.5. Materials**

Site materials should be ordered via the procurement department and procedures.

### **12.6. Mobile Telephones**

A company mobile may be provided for business use, refer to mobile phone policy for more information.

### **12.7. Company credit cards**

The use of company credit cards should be for business expenditure only.

### **12.8. Petty Cash**

Petty cash floats should be used for the purchase of trivial items only. Petty cash is not a substitute for the expenses or procurement systems. Petty cash should be claimed via the petty cash excel based form.

## **13. Allocation & Cost Centre Codes**

The employee is responsible for coding their expenses correctly; lists of coding are available as drop downs in Concur. Coding should be reviewed prior to submitting. Failure to code correctly could result in a claim being returned to the employee and delay payment.