

AGHALEE VILLAGE HALL

EXPENSES POLICY

Introduction

Aghalee Village Hall has a dispensation from the Inland Revenue allowing business travel expenses to be paid without the need to declare all payments on P11Ds (year end tax forms) as long as Aghalee Village Hall is complying with current tax legislation.

This policy outlines the expenses paid by Aghalee Village Hall.

Travel

In general, the full cost of business journeys is a tax allowable expense.

In situations where an employee or volunteer uses his/her own car/motorcycle for business travel, Aghalee Village Hall reimburses mileage at a rate of 40p per mile. This is in line with current tax allowances for staff and volunteers who do not exceed 4,000 business miles per annum. Aghalee Village Hall also reimburses bicycle mileage at a rate of 15p per mile to encourage use of alternative means of transport.

Aghalee Village Hall has no company accounts for taxis. Taxis are not used on a regular basis by Aghalee Village Hall staff and volunteers. When attending meetings it can be more cost effective for staff and volunteers to travel by taxi than by public transport once the time factor is taken into consideration and this can be reimbursed as long as prior approval is obtained for use of a taxi.

Policy:

- *Aghalee Village Hall reimburses the full cost of standard class business journeys. (staff and volunteers are expected to make use of any special reduced fares such as cheap day and period returns wherever possible)*
- *Staff and volunteers should be reminded that receipts should be provided wherever possible. This should apply to both cash claims and expenditure on a credit card. The claim must clearly indicate the purpose of the expenditure for both cash and credit card claims*
- *The Chairman is required to sign invoices for travel tickets e.g. Key Travel air fares, rather than the travelling staff*
- *Aghalee Village Hall pays a mileage rate of 40p following completion of journey details on an expenses form. Cars should only be used where public transport is considered inappropriate. Staff and volunteers should ensure they hold insurance cover appropriate for business use.*
- *Aghalee Village Hall pays a mileage rate of 15p per mile for business related bicycle usage*
- *Parking fees will be reimbursed but not parking fines or congestion charges.*
- *Staff and volunteers may use taxis provided they are authorised in the correct manner. Details of where journeys are to and from should be recorded when invoices are signed.*
- *First class rail fares may very occasionally be the cheapest available if a booking is made at short notice. Staff and volunteers are encouraged to plan travel requirements as far in advance as possible in order to avoid this, Where first class travel is used, documentary evidence that this was cheaper than standard travel will be required when the expense claim is submitted.*

Overnight stays

When staff and volunteers are required to stay away overnight for business purposes, the full cost of accommodation and meals, including accompanying alcoholic beverages, is allowable for tax purposes. In addition, the Inland Revenue makes an allowance for personal incidental expenditure such as newspapers.

Policy:

- *Aghalee Village Hall pays for overnight accommodation, including meals (but not alcohol) at a reasonable level (£10-20) when receipts are provided.*
- *Staff and volunteers are not required to pay for their personal incidental expenditure at reasonable levels within the Inland Revenue allowances (£5 in UK/£10 outside the UK)*

Working from home

The Inland Revenue requires there to be an objective requirement for work to be undertaken at home before travel to and from the office is allowable for tax purposes.

Aghalee Village Hall has some staff and volunteers who work at home for one or more days per week. No travel between these employees' or volunteers' homes and Aghalee Village Hall is reclaimable. Any other business travel is fully refunded.

Policy:

- *Employees and volunteers continue to have Aghalee Village Hall as their permanent workplace and travel rules relevant to this are applied*
- *Business telephone calls are reimbursed at cost if either an itemised call list is provided or a separate business line is used. If these are not available a mutually agreed sum for reimbursement will be paid. Utilities are not reimbursed e.g. heating or lighting costs*
- *Should any future staff and volunteers be likely to be based at home, each situation will be reviewed for objectivity on an individual basis before any agreement is entered into*
- *If staff and volunteers require tools to complete the work at home it is suggested that the Aghalee Village Hall stationery store can be utilised to ensure the work is covered.*
This includes
 - *USB keys (to take documents home)*
 - *A4 paper*
 - *Envelopes*
 - *Other agreed office stationery*

Any other expenses that someone feels they may incur as part of their work at home should be agreed with the Treasurer in advance of the expenditure being made or claimed.

Mobile Devices

Aghalee Village Hall has no mobile devices for which the organisation pays. Money paid to an employee to use their own mobile phone is taxable.

Policy:

- *Mobile phones are not issued to Aghalee Village Hall staff and volunteers*
- *Aghalee Village Hall does not pay for members of staff and volunteers to use their personal mobile for work use (this refers to the full cost of the phone; the cost of business calls can be claimed in the same way as business calls made on any other phone)*

Personal expenditure

There are occasions when staff and volunteers will need to make personal telephone calls from work, undertake personal photocopying or send personal letters.

Policy:

- *Personal phone calls – occasional brief calls are acceptable. On occasions where the call is of significant length, staff and volunteers members should reimburse Aghalee Village Hall at the rate specified by the Treasurer.*
- *Personal photocopying – small numbers of photocopies are acceptable. Any significant use should be reimbursed at the rate specified by the Treasurer.*
- *Personal letters – any personal mail sent through the Aghalee Village Hall system should be stamped by the sender and not Aghalee Village Hall.*

Sundry Expenses

Allowance for heat, light and telephone, Internet from home premises

It is agreed that a nominal amount per month will be paid to volunteer officers and assistants who work from home on behalf of AVH. This is as a small contribution towards heat, lights, electricity, telephone and Internet. These will be determined by the Treasurer and paid half yearly in arrears by cheque. For 2017/18 the amount is set at up to £10.00 per month, depending on the amount of work carried out at home.

Those entitled to this payment are: chairman, Vice-Chairman (if required), Treasurer (if required), Booking Secretary and Secretary/Treasurers Assistant.

Equipment

From time to time staff and volunteers may have to make purchases on behalf of Aghalee Village Hall using their own funds. These should be approved beforehand if possible by the Chairman, Treasurer or Secretary and will be fully reimbursed on production of receipts. If receipts are not available the Treasurer will decide if the payment should be made.

Bereavements

Flowers may be purchased using Aghalee Village Hall revenue.

Any claims for flowers etc should be agreed with the Chairman or Treasurer before purchase.

Inland Revenue Rules for Allowable Tax Expenses

Travel

Travel incurred on qualifying expenses is non-taxable. Qualifying travelling expenses are expenses which involve two types of business journey. The full cost of the business journey is non-taxable.

- I. Journeys which employees **have to** make in the performance of their duties;
- II. Journeys which employees make to or from a place they **have to** attend in the performance of their duties – but not journeys which are ordinary commuting or private travel.

Sometimes an employee may have to travel to a temporary workplace without that journey being significantly different from his/her ordinary commuting journey. Where that happens the tax rules deny relief in circumstances where, for practical purposes, a journey is very similar to the employee's ordinary commuting journey. Any business journey should, therefore, be compared to an ordinary commuting journey in order to decide the applicability of tax relief.

Employees who work at home

Most employers provide all facilities necessary for work to be carried out at their business premises. So where employees work at home they usually do so because it is convenient rather than because the nature of the job actually requires them to carry out the duties of their employment there. However, where it is an objective requirement of an employee's duties to carry out substantive duties at the home address then his or her home is a workplace for tax purposes.

No tax relief is available for travel between home and the workplace where there is no objective requirement for duties to be carried out at home.

Private travel

No tax relief is available for travel that is for private rather than work purposes. Private travel is a journey between:
an employee's home and any other place s/he does not **have to** be for work purposes; or
any two places an employee does not **have to** be for work purposes.

Overnight stays

Personal incidental expenses on overnight business visits are non-taxable as long as they remain within specified limits:

- £5 per night for visits in the UK
- £10 per night for visits outside the UK.

Personal incidental expenditure includes items such as newspapers and laundry. Expenditure can be averaged over the number of nights e.g. the allowance for a 4 night stay in the UK is £20 and this can be spent on any of the nights as long as the total allowance is not exceeded. This applies to each unbroken run of consecutive nights stay.

If the above limits are exceeded, the whole payment becomes taxable not just the excess. Unless an employer has a clear policy on personal incidental expenditure and enforces the repayment of any excess payments, the Inland Revenue considers any such payments taxable.