



NORTHAMPTON PRIMARY
ACADEMY TRUST PARTNERSHIP

Management of Purchases and Expenses Policy

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Signature of Chair:	Ulrika Dadley
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Introduction

The Trust wants to achieve the best value for money from all its purchases. This means getting goods at the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and there is a need to maintain the integrity of these funds by following the general principles of:

- Probity - it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust;
- Accountability - the Trust is publicly accountable for its expenditure and the conduct of its affairs;
- Fairness - that all those dealt with by the Trust are dealt with on a fair and equitable basis.

It is particularly important in the case of the Trust that any tenders where a Trustee or Officer may have a conflict of interest are managed with utmost probity, with declarations made to the relevant people.

Transactions with connected parties, including with directors or governors, should be at cost and not include a profit element, and be declared.

Routine Purchasing

Budget holders will be informed of the approved budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget, working with the School Business Manager, and to ensure that any expenditure is consistent with the objectives of the school.

It is necessary to take the principles of best value into account at all times although this is not necessarily the lowest cost. An explanation will need to be provided when the lowest cost quotation or tender is not accepted.

Any IT purchases over £2,500, including IT packages, need to be approved by the COO.

Any expenditure which appears to be of a contentious or novel nature should be referred to the COO for approval (if below £10,000) or the CEO (if above £10,000). A definition of such expenditure is that which might attract public attention. Examples of what could be novel and contentious would include bonus or ex-gratia payments for staff, contributions to charities, and payments to family or friends of staff.

Section 1 – Travel and Expenses

Overview

The purpose of this section is to set out which personal expenses can be claimed by employees and how to do this. It considers HMRC rules on such expenses. The policy also covers the steps staff must take to ensure they are adequately insured when using their own transport. This policy applies to all staff working for NPAT and any individual school within the Trust.

Aim:

- NPAT will reimburse employees for expenses incurred wholly, exclusively and necessarily in the course of their duties
- A consistent approach is adopted to ensure fair treatment for all staff
- To adhere to any statutory requirement, for example, HM Revenue and Customs ('HMRC') legislation

All Headteachers and NPAT Managers must ensure that their staff are aware of the contents of this policy and procedures, and the importance of invoices or receipts to substantiate each claim.

NPAT's expenditure on travelling and subsistence must be carefully controlled and monitored, and the most cost-effective means of travel and subsistence should be used, wherever possible, except in emergencies or in exceptional circumstances.

Comprehensive, well documented, systems must be established within schools to ensure that all travelling, and subsistence claims are pre-authorised and properly checked, recorded and monitored, so that they may be easily audited when required.

All claims for subsistence, mileage and reimbursement of other travel expenditure should contain sufficient detail to enable them to be easily and precisely monitored and audited. Receipts must be obtained.

Headteachers have delegated authority to approve travel and subsistence claims, subject to their being satisfied that the criteria for eligibility has been met.

It is expected that Headteachers and NPAT Managers lead by example and do not submit any claims that contravene this expenses policy.

1. General

- 1.1. Claims for reimbursement of travelling expenses, subsistence by persons travelling on NPAT or individual school business and other expenses, should be made on the Mileage & Expenses Claim Form to the School Business Manager. Employees are required to use the most cost-effective form of transport and reimbursement of expenditure is restricted to the allowance or the amount spent, whichever is less. The Trust will normally reimburse employees only for expenses that they actually and necessarily incur in the course of any business travel. Claims will be reimbursed by the school and not through the payroll bureau
- 1.2. It is the responsibility of Line Manager or Headteacher to authorise and ensure that expense claims for staff are accurate. All claims must be countersigned by the Line Manager or Headteacher before being submitted to the appropriate Business Manager.
- 1.3. Employees are responsible for ensuring that all the necessary approvals have been obtained, procedures have been followed and documentation has been fully completed, in accordance with procedures, prior to the event for which the claim is being submitted. Failure to do so may result in non-payment of the expenses.
- 1.4. Any fines or penalty notices incurred by an employee whilst travelling on NPAT business are entirely the responsibility of the employee concerned. Fines will not be reimbursed under any circumstances.

2. Insurance

All NPAT schools hold Occasional Business Use insurance with Zurich. However, it is important to note that this relates to exceptional use rather than regular use and it operates in the event that a member of staff is asked to use their car in an emergency or unexpected situation and does not hold business use on their personal motor insurances. An employee who uses their own vehicle for journeys on school or Trust business must ensure that their insurance covers them for business use.

Employees using their own vehicle for Trust business are responsible for ensuring they hold a current driving licence, insurance certificate and M.O.T. certificate (if applicable) and that their vehicle is roadworthy. The cost of business use cover is to be borne by the employee and is covered by the mileage allowance.

The motor insurance document should be endorsed to the effect that they are covered "for use on the employer's business". Any charge levied by the employee's insurers for such additional cover will be the employee's responsibility.

Random checks will be carried out by the School Business Manager to ensure that insurance documents comply with this policy.

3. Car Travel

3.1 The Trust will reimburse the costs incurred by employees of journeys undertaken for business purposes by road but excluding ordinary commuting. Where an employee uses their own vehicle for business purposes costs will be reimbursed at the current applicable rates.

3.2 Expenditure on items such as parking, road and bridge tolls when travelling on business will also be reimbursed when supported by receipts. It is the individual driver's responsibility to pay

any parking charges, road tolls and traffic congestion charges. Fines for non-payment will not be reimbursed by NPAT.

3.3 Mileage claims

Mileage allowances can only be paid for journeys on school business. Claims for travel between an employee's home (permanent or temporary) and the employee's normal place of work cannot be reimbursed. Mileage claims should show the following details:

- The date
- The starting point
- Each address or place visited
- Purpose of the Journey

Mileage allowances are paid in accordance with the HM Revenue & Customs guidelines, which are reviewed annually. Current rates can be found in table 1 in Appendix 1.

3.4 Exclusion of Ordinary Commuting

3.4.1 Travel between an employee's home, or any other place that is not a workplace, and his/her normal place of work is ordinary commuting and is not a claimable expense.

3.4.2 The Trust recognises that employees are sometimes required to travel to a secondary (temporary) place of work in the course of their duties. For example, this could be another school or the location of a meeting or conference. Therefore, claims will be accepted for the following types of journey:

- When travelling from home directly to a temporary place of work, whereupon reimbursable mileage will be based on the distance from the employee's normal place of work to the temporary place of work.
- When travelling from a temporary place of work directly to home, whereupon reimbursable mileage will be based on the distance from the temporary place of work to the employee's normal place of work.
- From the employee's normal place of work to a temporary place of work and vice versa.

3.4.3 HMRC stipulates that a place of work where an employee spends more than 40% of the time, is not a temporary place of work. Employees who may be affected by this rule should discuss the matter with the Chief Operations officer.

3.4.4 Employees working on split sites may claim mileage if they are required to travel between sites during a normal working day with prior agreement of line manager.

4. Rail Travel

It is accepted that travelling by train may be more appropriate than road travel on occasions if a clear economic, health and safety or time saving advantage can be demonstrated.

4.1 All rail travel must be made in standard class.

4.2 Purchase of Rail Tickets

Rail travel should be booked as far in advance as possible to take advantage of any low-cost options that may be available. Rail travel should be booked and paid for by the School's Business Manager or by a nominated person, to ensure compliance with booking policies. Employees should forward their booking request (to include reason for travel), to the Business Manager or nominated person as early as possible.

In exceptional circumstances, for example a late notice booking, an employee may book and pay for their own rail journey, if the travel has been duly authorised in advance. In such cases the cost of travel will be reimbursed through the expense claims process.

5. Taxis

Costs of taxis will be reimbursed only if one or more of the following apply and if supported by a receipt: -

- where the saving of time is important
- when heavy luggage must be transported to or from the place of departure on arrival
- where there is no other suitable method of public transport
- if a journey is made after dark or the use of public transport would involve a long wait in circumstances in which the person travelling would feel at risk; or where unfamiliar with location and associated Public Transport Links

6. Travel around London

Journeys in London should normally be taken by Underground/public transport rather than by taxi, except where conditions in item 5 apply.

7. Air Travel within the UK

7.1 Air travel should only be utilised where it represents a saving in a cost over other forms of travel; and/or where it represents a significant saving in time. All bookings should be economy class.

7.2 Air travel should be arranged as far in advance as possible to take advantage of advanced purchase discounts. All rail travel will be booked by the appropriate Business Manager to take advantage of online savings. Employees should forward their booking request to the Business Manager as early as possible.

8. Travel outside the UK

All overseas travel other than that associated with educational visits with pupils, must be approved by the Chief Executive Officer in advance. All bookings will be made by the appropriate School Business Manager.

9. Subsistence

9.1 In all posts, employees establish 'normal meal arrangements' and no employee should be claiming subsistence expenses on a daily basis as a matter of routine, i.e. if it is normal to eat in a restaurant or canteen, the employee is following his / her normal meal arrangements and therefore cannot claim subsistence. Where their normal arrangements are not possible, due to carrying out official duties, with the authority of their Headteacher or NPAT Manager, a claim for subsistence expenses may be made. The timing of a normal lunch period has no direct bearing on the entitlement to subsistence expenses. It is the nature of the meal and where it is taken that constitutes 'normal meal arrangements'.

9.2 The reasonable and necessary cost of accommodation, meals/snacks and beverages incurred by an employee whilst undertaking business away from the employee's ordinary place of work, will be reimbursed. Claims must be supported by relevant receipts and are subject to the limits shown in table 2 in Appendix 1.

9.3 The costs of other hotel 'extras' such as videos, newspapers, beverages not complementing an evening meal and private telephone calls, will not be reimbursed. No alcoholic drinks will be reimbursed.

10. Hotel accommodation

10.1 All hotel bookings should normally be made centrally in advance and full advantage should be taken of advanced purchase discounts where available. Five-star hotels must not be used.

10.2 Hotels should be selected based on lowest price and value for money and membership of loyalty schemes must not be considered. Limits for hotel bedroom rates can be found in table 2 in Appendix 1.

10.3 Staff should not normally stay overnight at the Trust's expense before a meeting when it is reasonable to travel on the day of the meeting. An exception to this may be made if to arrive in time for an event, the employee would be required to start their journey unreasonably early or if it can be demonstrated to be financially advantageous.

10.4 The employee should ensure that a purchase order is completed and authorised for all hotel accommodation in advance.

10.5 If a suitable hotel cannot be found within the price limits set by the Trust, authorisation should be requested in advance from the Chief Operations Officer.

10.6 Hotel invoices should be settled by the employee and claimed as an expense, if they have not been pre-paid by the Trust.

10.7 Claims for personal incidental expenses, e.g. newspapers, personal care (hair, manicure, spa, etc.), entertainment (pay TV, film rental, magazines, books, cinema), etc. are not permitted. Claims for laundry costs will be permitted where the employee is staying away for a period of four or more days.

11. Entertaining

The cost of entertaining suppliers or other business connections for genuine business reasons can be reimbursed. Claims for entertaining should be supported with records of the amounts spent, the nature of the entertainment, the persons entertained and the reasons for the entertainment. Such expenditure must always be authorised in advance by the employee's line manager.

12. Sundry Business Expenses

Reimbursement of the cost of tools, equipment, materials and services necessarily purchased by employees for the performance of their duties or the business needs of the Trust, can be made in exceptional circumstances. Relevant receipts must support the claims and any tools, equipment or materials remain the property of NPAT.

13. Car Hire

If an employee car is not available and a Hire Car is required, this should be agreed in advance with your direct line manager.

To minimise the cost to NPAT, the hire car should be re-fuelled before returning to the hire company. Fuel costs for hire cars will be reimbursed via an employee expense claim upon provision of actual receipts of fuel purchases.

14. Subscriptions

NPAT will reimburse those employees who are required to be professionally qualified or a member of a recognised Trade Association as a condition of their employment, if deemed appropriate by their direct line manager.

The following subscriptions are examples of those that will be reimbursed:

- Institute of School Business Leadership
- Professional Accounting Bodies

15. Gifts and hospitality

15.1 With the introduction of the Bribery Act 2010 the subject of Gifts and Hospitality is a particularly sensitive area as they are, by nature, potentially bribes. 'Bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of a commercial organisation, better to present products and services, or establish cordial relations' is not targeted for prosecution.

The recipient of any gift or hospitality should not be given with the impression that they are under an obligation to confer any business advantage or that the recipient's independence will be affected. The guiding principle is that they must be proportionate and whether we are giving or receiving a gift we should always consider these four points:

Genuine: Is this gift genuine, in appreciation for something done by the recipient, appropriate to the role that is performed by them and is not given following a request or any encouragement?

Independent: If I accept or give this gift, would a reasonable person have any doubt that I could be independent in doing my job in the future, especially if the person responsible for this gift is involved or affected by a decision that I may make?

Free: If I accept any gift or if I am giving a gift, would I feel free of any obligation to do something in return for the person responsible for the gift, or for his/her family or friends/associates?

Transparent: Am I prepared to declare this gift and its source, transparently, to my organisation and its clients, to my professional colleagues and to the media and the public generally?

15.2 Gifts and Celebratory Events for Employees

Small gifts, such as an arrangement of flowers can be given to employees with the approval of the headteacher or NPAT manager. Gifts must be made in recognition of a specific event (e.g. an employee's marriage or birth of a child) and adhere to the HMRC rules below:

- it cost you £50 or less to provide
- it isn't cash or a cash voucher
- it isn't a reward for their work or performance

- it isn't in the terms of their contract

16. Unused Accommodation/Travel Tickets

It is the responsibility of the employee to cancel hotels or rail travel that is no longer required. Claims for cancellation fees must include appropriate supporting documentation.

17. Implications for Taxation and National Insurance

By following the HM Revenue & Customs rulings regarding employee liability for Tax and National Insurance contributions - reimbursement of actual travel and subsistence costs should not attract any liability.

18. Submission of Claim Form and Payment

The Expense Claim form, duly completed and signed by line manager, should be submitted to the appropriate School Business Manager and will be paid by the school via Bacs. Only one claim form should be submitted each month. Please note that staff claims submitted more than six months after the expenses were incurred will only be paid with the express approval of the Chief Operations Officer. Full details of the authorisation and payment procedures can be found in Appendix 2.

Section 2: Procurement

Routine Purchasing purchases up to £30,000 can be requested and are authorised as per the scheme of delegation. A quote or price must always be obtained before any order is placed, and for expenditure between £5,000 and £30,000 three quotes must be obtained. The need for three quotes is not needed if a public procurement framework is being used and the approval of the COO has been obtained.

The Trust has preferred approved suppliers. However, if the purchaser considers that better value for money can be obtained by ordering from a supplier not regularly used by the school then this must be discussed and agreed with the COO with evidence of better value for money, or other reason, provided by the school.

All orders must be made via the accounting system, or exceptionally in writing followed up by place the order on the accounting system.

The School Business Manager will make appropriate arrangements for the delivery of goods to the school. On receipt a detailed check of the goods received should be made against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.

If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the School Business Manager will keep a central record of all goods returned to suppliers.

All invoices should be sent to the School Business Manager in a timely manner. The invoices will be passed for processing in the accounting system.

The School Business Manager will review the invoices due for payment. Payments by cheque are by exception. Payments will be created, the payment being authorised by two of the nominated signatories, and BACS payments must be imported to Lloyds Commercial Banking and authorised by two separate cardholders.

At least three written quotations should be obtained for all orders between £5,000 and £30,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained for audit purposes. Telephone or web-based quotes are acceptable if these are evidenced by either a fax, screen print or an emailed confirmation of the quotes has been received before a purchase decision is made.

All goods/services ordered with a value over £30,000, or for a series of contracts which in total exceed £30,000 must be subject to formal tendering procedures and approval by the Trust. Competitive tendering can be considered below this figure, in the interests of best value. Purchases over this figure may fall under EU procurement rules. Guidance on the OJEU thresholds can be found at: <https://www.ojec.com/thresholds.aspx>.

The following categories of expenditure do not require purchase orders, provided steps have been taken to demonstrate financial control and value for money:

- Catering food supplies
- Supply teaching
- Energy and other utilities

Forms of Tenders

All purchases over £30,000

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

Open Tender: This is where all potential suppliers are invited to tender. The School Business Manager must discuss and agree with the COO how best to advertise for supplier's e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs
- many suppliers would come forward or because the nature of the goods is such that only specific suppliers can be expected to supply the school's requirements
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders
- only one or very few suppliers are available
- extreme urgency exists
- additional deliveries by the existing supplier are justified

The tendering method must be agreed in advance with the COO and CEO.

Preparation for Tender

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

If a restricted tender is to be used, then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- implementation of the project
- explanation of how the tenders will be evaluated
- terms and conditions of tender and form of response

Aspects to Consider

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
- Is there scope for negotiation?

Technical/Suitability Qualifications of the contractor;

- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards;
- Quality control procedures
- Details of previous sales and references from past customers

Other Considerations

- Pre- sales demonstrations
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the school or Trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in the Finance Office prior to tender opening. Tenders received after the submission deadline should not normally be accepted and must be approved by the CEO.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders over £30,000 one of whom should be the CEO or COO.

A separate record should be established to record:

- the nature of the goods or materials to be supplied or the works or services to be provided
- the name of each supplier or sub-contractor quoting/tendering
- the date and time of receipt of each quotation/tender
- the date and time of opening of the quotations/tenders
- the amount of each quotation/tender
- evaluation criteria and results
- the name of the people in attendance at the opening of the quotations/tenders

This record must be signed by two people present at the tender opening.

Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.

Those involved in deciding must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and for school contracts over £30,000 a report should be prepared for the LGB Resources Committee highlighting the relevant issues and recommending a decision. For Trust contracts over £30,000 this report should be prepared for the Business and Finance Committee.

Where required by the conditions attached to a specific grant from the DfE/ESFA, the department's approval must be obtained before the acceptance of a tender.

The accepted tender should be the one that scores most highly when assessed against the evaluation criteria. All parties should then be informed of the decision.

Section 3 – Company credit cards

The NPAT Directors have approved the use of credit cards for schools and the central office. Before a school can apply for a card, it must be approved by their Local Governing Body (LGB) and a copy of the minutes confirming the card must be sent to the NPAT Chief Operations Officer.

Only the following staff can be Authorised Users of a card:

- Headteacher
- Deputy/Assistant Headteacher
- NPAT School Business Manager
- NPAT CEO
- NPAT COO

Under normal circumstances, a card is only issued to a permanent member of staff who has successfully completed their probationary period of employment.

The Trust will appoint a Card Controller to control the use of the cards and will oversee the following:

- Cards will be stored in the school safe at all times except when officially issued to an authorised user
- A duplicate of all cards will be kept in the Emergency Packs in case the Business Continuity Plan comes into effect
- Spending limits on cards are maintained by the Card Controller
- Cards must be signed in and out by the authorised user and the card controller. All elements of the signing in and out document must be completed.
- Cards can only be used in conjunction with the core purpose of the school and except for emergency needs; expenditure on the card should be within the approved budget and for purchases where it is not possible to set up a supplier for ordering purposes. Acceptable areas of use are detailed below.
- Cards must be signed out immediately before use and signed back in as soon as possible using the Procurement Card record sheet.
- Documentary proof of any goods purchased with the procurement card, including details of the nature and cost of those goods, should be returned to the Card Controller who is responsible for recording card transactions when the card is signed back in.

Expenditure incurred using a corporate credit card must be in accordance with the expenses policy which prohibits private expenses.

A monthly statement will be issued by the credit card provider and the total amount will be debited from the bank account by direct debit on the nominated date of each month.

Transactions should be reconciled to the credit card statements and bank statements monthly by the individual School Business Managers.

Credit card use should be monitored by the Finance Committee of the LGB on a termly basis.

Acceptable Use of the Procurement Card

- Hotel accommodation
- Train/plane tickets
- Museum/Theatre/Theme Park/Cinema Tickets
- Supermarket Food Purchases
- Internet Suppliers (stationery, IT, office expenditure)

If you are issued with a company credit card, you must comply with the conditions of use. If your working circumstances change or the conditions of use are not adhered to, the card will be withdrawn.

Under no circumstances should a company credit card be used for personal expenditure. Instances where this has occurred will be dealt with under the NPAT staff disciplinary procedure.

Upon cessation of your employment with the Trust, your credit card must immediately be returned to the card controller.

Procedure for Purchasing and Payment of items using a company credit card

Supplies, services or expenses requested

Part 1 of the credit card expenditure form (CCEF) must be completed by the purchaser providing the necessary information about whom the purchase has been requested by or for, the reason for the purchase and evidence that the best price has been achieved.

Authorisation Part 2 of the CCEF must be completed by the budget holder responsible for the account code to which the purchase is to be charged. This will ensure that the budget holder can maintain control of purchases charged to their codes and must be done PRIOR to the purchase being made.

For purchases over the value of £400, where you are the budget holder and the purchaser, it will be necessary for you to obtain a counter signature.

Purchase

The process used for purchases using the credit card is the same as for any other purchase – i.e. based on the order authorisation process – the credit card is simply the payment method. Once authorisation has been obtained the purchase can then take place. All supporting receipts and documentation must be attached to the form. If the credit card holder is not responsible for the purchase being charged, then the cardholder must see the supporting documentation.

Completion

Following the purchase completed forms must be retained by/returned to the School Business Manager as soon as possible to be matched against entries on the credit card statements each month.

The Cardholder should check and sign each monthly statement to confirm all expenses were wholly incurred carrying out duties for the NPAT.

Appendix 1

Table 1 - MILEAGE ALLOWANCE RATES

Car	£0.45 per mile up to 10,000 miles per year	£0.25 per mile over 10,000 miles
Motorbike	£0.24 per mile	

Table 2 - SUBSISTENCE AND MAXIMUM HOTEL RATES (Inc. VAT)

Breakfast (hotel)	£15.00
Breakfast (not hotel)	£10.00
Lunch	£15.00
Dinner	£25.00
Hotel accommodation (outside London)	£150.00
Hotel accommodation (London)	£225.00

Appendix 2

Employee expense claim form authorisation and payment processes

The person making the claim must complete the current format of the expense claim form, print and sign, numbering and attaching all receipts in the order as listed.

The date, description and reason for the expenditure must be noted in the claim, together with the gross value (including VAT).

Fuel receipts should be attached where a mileage claim is submitted. NPAT may recover VAT of fuel costs up to the current fuel reimbursement rate, these are shown in Appendix 3

Receipts must always support expense claims. The receipt must, where possible, be an original valid tax invoice. A PDQ slip/Cardholder voucher is not a valid receipt. Where a receipt has not been issued or has subsequently been lost, VAT cannot be recovered, and reimbursement is at the discretion of the direct line manager.

Punched train tickets or receipts should be submitted with the claim form to keep a record of trips taken for HMRC.

Expense claims involving either other Trust employees or third parties e.g. customers or suppliers must indicate the names of the other people included in the expenditure. To apply correct tax rules, it should also state whether those named are staff or '3rd party' and the nature of the event if applicable. In all instances, the most senior individual present must pay when such expenses are incurred.

Managers must not authorise expense claims that include expenditure to which they were party. In such cases the approval must be made by their Manager.

Claims may only be submitted after the date when the costs were incurred, except prepaid expenses (train tickets, hotel prepaid bookings etc.).

Employees should normally submit one expense claim per calendar month, relating to the previous month's expenditure. In the case of high levels/volume of expenditure it is acceptable to submit more than one claim per month. No expense claims should be submitted which include items aged six months or before.

The claim form must then be forwarded with the receipts to the Headteacher or NPAT Manager for approval and then to the School Business Manager for processing. The approving person is responsible for ensuring that the expenses have been incurred as part of a legitimate business requirement and for accepting the associated costs.

Claims that fail to disclose the correct information will be considered incomplete, the claimant will be advised by e-mail if any element of a claim is rejected. If there is a query that cannot be immediately resolved payment will be made of the balance of the claim and the unpaid receipt returned to the claimant.

All employee expense claims will be processed through the Purchase Ledger (not Payroll) and paid directly into the claimant's Bank Account using the BACS system. It is essential, therefore, that the claimant informs the School Business Manager of any changes in their bank details.

Disputes

In the event of alleged unfair treatment and/or disputes involving the amount of subsistence and/or travel to be reimbursed, representations should be made, in writing, to the Headteacher or NPAT Manager. If the issue is still not resolved, employees must use NPAT's Grievance Policy to progress the matter

Document Retention

After processing, expense accounts and supporting documents will be retained and stored by the School Business Manager responsible for the processing the claim. Expense accounts will be classified by name of individual concerned, with a retention period of ten years.

Appendix 3

Recovering VAT on employee expenses

The rules for recovering VAT on expenses are summarised below.

Invoices and receipts	Recoverable?	Explanation
I don't have a VAT invoice or receipt	No	VAT can only be reclaimed by the business if a valid VAT document is held. A booking, credit card or bank transaction confirmation does not qualify. Always ask for a VAT invoice/receipt from the supplier.
Invoices and receipts	Recoverable?	Explanation
I do have a VAT invoice or receipt	Yes, subject to the rules for VAT recovery for the types of Business Expense set out below	In addition to the specific rules relating to the type of Business Expense, a VAT invoice or receipt from the supplier is always required as evidence that VAT was incurred. If an amount of VAT is not shown on your invoice or receipt do not assume that VAT is included in the total, even if a VAT number is also quoted.

Business Expense	Recoverable?	Explanation
Accommodation	Yes	VAT incurred on the cost of accommodation for an employee whilst away from home and usual workplace on business is recoverable. VAT incurred on accommodation paid for non-employees cannot be recovered.
Business Entertainment	No	Business Entertainment is defined for VAT purposes as "hospitality of any kind" provided free to people who are not employees. It therefore includes providing hospitality to customers, suppliers and other third parties. Business Entertainment includes the cost of an employee acting as a host to a non-employee, as the sole purpose is considered by HMRC to be to provide hospitality to a non-employee. Business Entertainment also includes paying for a meal with a non-employee, although the employee's own costs could also be either Subsistence - if away from home and usual workplace on business – or Staff Entertainment. See also the Staff Entertainment section and the Subsistence section below.
Parking Fees	Possibly	VAT cannot be recovered for on street parking and in any event, it is doubtful a receipt will be provided.

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		Off-street parking at an NCP site and similar may include VAT so obtain and check the receipt for a VAT number. If there is one the cost can be treated as including VAT.
Staff Entertainment	Yes	Staff Entertainment is considered by HMRC to be an expense incurred for business purposes to reward or benefit employees. It includes staff parties and similar events as well as costs which do not qualify as allowable travel, subsistence and accommodation. These are an allowable expense if the cost is less than £150 per year per employee.
Subsistence	Yes	Subsistence means meal and similar costs incurred by an employee when away from home and the usual workplace on business. Any VAT charged can be recovered.
Taxi Fares	Possibly	Most taxi drivers are not registered for VAT and therefore will not charge VAT – but check the receipt for a VAT number. If there is one the cost can be treated as including VAT. Accounts with taxi firms may be subject to VAT which can be recovered subject to the journey being for a business purpose.
Train, bus and air fares	No	These travel costs are not liable to VAT in the UK, international air fares are also not liable to VAT.

Appendix 4

Credit card expenditure form

To: School Business Manager

Part 1: Transaction Details (completed by purchaser)			
* Purchases must be authorised and coded before completing transaction			
Supplier Name		Purchaser	
Total Cost (inc VAT)		Signed	
Product details		Date	
Evidence of Best Price Attached		Y/N	
Reason for purchase			
Part 2: Authorisation			
Name:			
Signed:			
Date:			
Part 3 Supporting documentation attached:		Y/N	
Details (i.e. receipts, booking or order confirmation):			
For Office use only	Initials	Date	
Matched to credit card statement			

Notes

Part 1 must be completed by the purchaser and will provide the necessary information about who the purchase has been requested by or for, the reason for the purchase and evidence that the best price has been achieved.

Part 2 must be completed by a delegated signatory. This will ensure that the school maintains control of purchases and must be done prior to the purchase being made.

Part 3 Once authorisation has been obtained from the budget holder, the purchase can then take place and supporting documentation to evidence the purchase such as receipts/booking/order confirmation must be attached.

Completed forms must then be sent to the School Business Manager, as soon as possible after the transaction has been completed. Purchases will then be matched against the relevant transactions on the company credit card statement.