HERIOT WATT UNIVERSITY

Travel & Expenses Policy

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Responsible Office:	Finance

POLICY

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POLICY

1. Introduction

This Policy supersedes all previous documents relating to travel and travel related expenditure and applies to all travel and expenses necessarily incurred on University business. The Policy forms part of the University's Financial Regulations.

The Policy has been approved by the University Court.
Failure to comply with this Policy may result in disciplinary action. The Policy provides a definition of rules as they apply to travel and expenses – they are not guidelines unless stated.

The University reserves the right to make revisions to this Policy from time to time to reflect prevailing business influences, including changes in relevant tax legislation. Revised versions of the Policy will be published as and when required and will be posted on the University's Finance SharePoint site.

The Policy seeks to treat staff and other travellers with fairness and respect, balancing the need to give clear and consistent guidance whilst recognising people as individuals, whose needs may require different approaches in certain circumstances.

The University recognises that any Policy will not cover every possible eventuality in relation to colleagues' travel and expenses, and that personal circumstances may require alternative arrangements to be made. Where a colleague has a doubt or question regarding the costs they may incur on business, they should contact their local Finance Manager or the Group Financial Controller in advance and before any commitments are made. Any advice, and any related approvals, should be documented through an exchange of emails, and where relevant this communication should be attached to support expense claim forms. Reference is made in Section 1.6 to the arrangements to deal with the occasions where colleagues are dissatisfied with the application of this Policy.

In that context, **it is crucial that colleagues recognise, and reflect in their actions, the Key Principles referred to in Section 1.2** where they are incurring travel and expenses for which they intend to seek reimbursement.

The Policy has been primarily written to ensure compliance with HMRC rules, and to ensure a consistent approach is adopted, notably in respect of value for money considerations. The University recognises there will be circumstances where travellers may be giving up a considerable amount of their personal time (e.g. weekends or overnight travel) where consideration will be given to authorising expenditure not covered in this policy. Such 'exceptions to policy' must be preauthorised before travel by the Head of School or Department, and the Group Financial Controller.

1.1 Scope

The Policy applies to all University colleagues (being staff members on the University payroll) and students irrespective of the source of funding, and <u>including</u> funding provided by third parties for research projects. This is except where the third party's policy is more restrictive than the University's. In such instances, the 'lower cost' Policy must be adopted in relation to the travel and expenses for which reimbursement is being sought.

This Policy also applies to non-staff where they incur costs relevant or related to the University's operations, and to University Governors (which includes Court Committee members as well as Court members).

Unless contracted separately, the limits in this Policy also apply to individuals who are providing their services to the University on a self-employed basis, or via an arrangements with their own limited company (a Personal Service Company). All expenses incurred by these individuals must be included in the invoice submitted to the University or included in the fee agreed for the work undertaken by the individual.

The Dubai and Malaysia campuses, and the China office, are an integral part of the HWU Group. However it is necessary to recognise that there are significant differences in local tax, business and regulatory requirements compared to the UK which need to be reflected in local policy arrangements. Local Policies at these campuses and at the China Office are therefore in place (these have to be finalised). Notwithstanding these local variations**, the underlying core principles applied in relation to the Group Policy apply equally to the Policies in place at the overseas campuses and the China Office**. All other University subsidiaries, with the exception of the Edinburgh Business School (EBS), are covered by this Policy.

The Policy covers all travel and expenses expenditure relating to costs incurred by University Governors, colleagues, students and visitors on University business, and subject to reimbursement or payment by the University. **This includes reimbursement by way of the travel and expenses claims process, and where such expenditure is incurred through the use of Purchase Cards (P – Cards), Corporate Credit Cards and direct payment by the University to third parties and suppliers.**

1.2 Key Principles

The following key principles are embedded in the application of this Policy:

a) In line with tax legislation, the University will only reimburse the actual cost of expenses **wholly, exclusively and necessarily** incurred by colleagues in the performance of the duties of their employment;

b) Colleagues are expected to minimise such costs by achieving best value without impairing the efficiency of the University. They must also ensure that effective management and financial controls are in place, and that expenditure is incurred within budget;

c) These principles apply to other claimants (students and other non-staff), and where the costs incurred (including interview expenses) are to the benefit of the University;

d) All those incurring travel and expenses costs and applying for their reimbursement should recognise that they are utilising University funds and should take the necessary care in their use;

e) There should be no local customisation of the Policy to create separate School or Department arrangements. There is one Policy, and it applies to all parts of the University and all of its colleagues;

f) **All incomplete expense claims will be returned to Schools/Sections**. Expense claims should only be used to claim travel expenses, subsistence and other relevant costs;

g) **The costs in relation to purchasing equipment, goods or services can be reclaimed via an expense claim form up to the value of £25.** Claiming such purchases through the expense claim system does not take advantage of national contracts (which offer substantial discounts); does not allow for the efficient recovery of VAT; and also risks PAYE and NIC being levied where proof of business use does not meet HMRC requirements. Any purchases over £25 must be made through the University's procurement procedures.

h) **Purchasing Cards (P-Cards)** are issued for use by specified cardholders to purchase goods and services on behalf of the University. These cards are not intended for use in incurring business expenses whilst travelling. Corporate Credit Cards are issued for that purpose. P-Cards or purchase orders should be used to pre-book accommodation and transport using the

University's approved Travel Partner, and on a basis consistent with this Policy. There is a separate policy governing the use of P-Cards which can be found here.

i) Any expense not specifically referred to in this Policy is only an allowable business expense if qualifying as non-taxable by reference to HMRC rules, and only once specific prior written approval of the expenditure is provided to the Head of School or Department from the Director of Finance or the Group Financial Controller. The over-riding principle is that an employee/student should only be re-imbursed for any additional expense incurred as a result of being on University business.

j) As noted in Section (i), however, where **advice and approval has been obtained in relation to a claim for a specific expense, or a claim outwith the normal policy limits, the approval must be documented and retained**, and attached to the relevant expense claim form.

Where this Policy provides a degree of discretion on the part of the claimant, this should be exercised with due consideration for the effective use of University funds and School or Department budgets.

1.3 Responsibilities

Claimant

a) Colleagues incurring business expenses should be aware that they are representing the University on University business. They must therefore recognise the importance of exercising due and proper care in expending University resources and must be aware of the need to maintain the University's reputation.

b) All expenses incurred and claimed must comply with this Policy. In signing a claim form the claimant is confirming full compliance.

c) Where required, claims must be evidenced with supporting documentation and itemised VAT receipts. Credit and debit card transaction slips are not accepted as VAT receipts

d) Any attempt to submit a false claim will be treated as a disciplinary offence

Authorisers

a) Colleagues responsible for authorising claims should confirm that what has been claimed is consistent with this Policy and that value for money has been properly considered.
b) To minimise the risk of fraudulent claims, authorisation must be by original signature. All claims for reimbursement must be made on the appropriate form and be properly authorised.

1.4 Related Policies & Legislation

This Policy supports the University's Sustainable & Ethical Procurement Policy, and particular the need to minimise the University's carbon footprint.

Consideration must be given as to the necessity for travelling, and to minimise the University's travel impact on the environment (e.g. through the use of existing telephone/video conferencing facilities and public transport). If it is deemed necessary to travel, then the least carbon-emitting method should be used.

The **UK Bribery Act 2010** makes it an offence to accept or offer a bribe. A bribe can be in the form of a financial or other advantage and can include gifts, expenses or hospitality (*bona fide* hospitality or similar business expenditure that is *reasonable and proportionate* are not included). University employees must ensure that any gifts or hospitality either received or given do not affect, or are not perceived to affect, the outcome of business or research activities. This includes expenditure on expenses.

1.5 Tax

The Policy has been developed in the context of prevailing UK income and general tax laws. The HM Revenue and Customs (HMRC) web site provides details on tax matters as they relate to travel and expenses.

The University complies with its obligations to report any taxable expense reimbursements or benefits in kind provided to colleagues to HMRC, and to account for PAYE and NIC where necessary.

Please note that if expenses are claimed outwith the provisions of this policy, this may result in a tax and National Insurance liability for the member of staff, and the University. Any costs incurred by the University in this respect will be recharged to the appropriate School/Department.

If colleagues incur any business expense or wish to receive any benefit which is not included in this policy, or have a query relating to the Policy, they should refer in the first instance to their manager who will if necessary refer to the Finance team for guidance.

It is an individual colleague's responsibility to ensure that their own tax affairs are in order and that, where necessary, they complete accurate and timely tax returns.

1.6 Escalation Procedure & Exceptions

In the event that a colleague is dissatisfied in regard to the application of this policy, they should refer to their Finance Manager in the first instance. Thereafter, if they remain dissatisfied, they should contact the Group Financial Controller or Finance Director. Any arbitration by the Finance Director will be final.

Where a colleague wishes to incur travel costs or expenses out with the rules defined in this Policy, and in very exceptional circumstances, a submission should be made through a Head of School or Department to the Finance Director or Group Financial Controller by e-mail. Evidence of approval should be attached to the claim.

1.7 Policy Review

This Policy will be reviewed annually on the anniversary of its publication. Interim reviews will be carried out where there are changes in prevailing tax legislation or material changes in University systems and procedures. Reviews will be initiated by the Group Financial Controller.

2 – MAKING TRAVEL ARRANGEMENTS

2.1 Authorisation

The presumption exists that anyone travelling overseas on University business will receive authorisation to travel from the budget holder in advance of making any bookings or taking a journey. <u>In order for a claim to be paid, the budget holder must sign a travel authorisation form</u> <u>and must have authorised the travel prior to the booking or journey being made.</u>

Schools/Departments must ensure the traveller completes a [Travel Declaration (Assurance Services)]

2.2 Travel within the United Kingdom

2.2.1 Booking Travel

The University has an approved Travel Partner. Details can be viewed here.

The reasons for the University appointing a Travel Partner include:

a) overall University travel activity value for money is achieved;
b) appropriate insurance arrangements can be confirmed/put in place
c) the University can effectively exercise its duty of care in having the ability to trace colleagues in the case of emergency, such as terrorist attacks.

It is strongly recommended that UK travel arrangements are made via the Travel Partner, unless it can be clearly demonstrated that there is a material saving to be made by booking with an alternative supplier. Individuals who make their own arrangements must ensure that their expenditure complies with this Policy and must take personal responsibility for arranging alternative travel and accommodation arrangements in the event of unforeseen changes to their travel plans. The overall benefits to the University of using the Travel Partner are considered to outweigh any potential cost savings by schools/departments making their own arrangements, especially when taking into consideration the staff time invested in making the booking.

2.2.2 Travel Insurance

The University's travel insurance policy extends to all business trips on a blanket basis. The insurance provides for emergency medical care, reparation, personal effects, cancellation and curtailment.

Where the Travel Partner is used they will have the relevant contact details and knowledge of a colleague's itinerary and will therefore be able to immediately assist travellers in the event of any emergency or crisis (i.e. delays due to volcanic ash clouds and events such as 9/11) and to make alternative travel arrangements.

2.2.3 Booking Arrangements

In some cases, the Travel Partner can hold bookings for a limited time at the same price – details can be confirmed with the Travel Partner at time of making the booking enquiry.

Travel should be booked as far in advance as possible to give colleagues the widest number of options and ensure best value for money. Flights, trains and hotels in particular should be booked at least a week ahead of travel as costs often increase significantly at that point. Known travel peaks (e.g. Edinburgh Festival in August) should be avoided if possible.

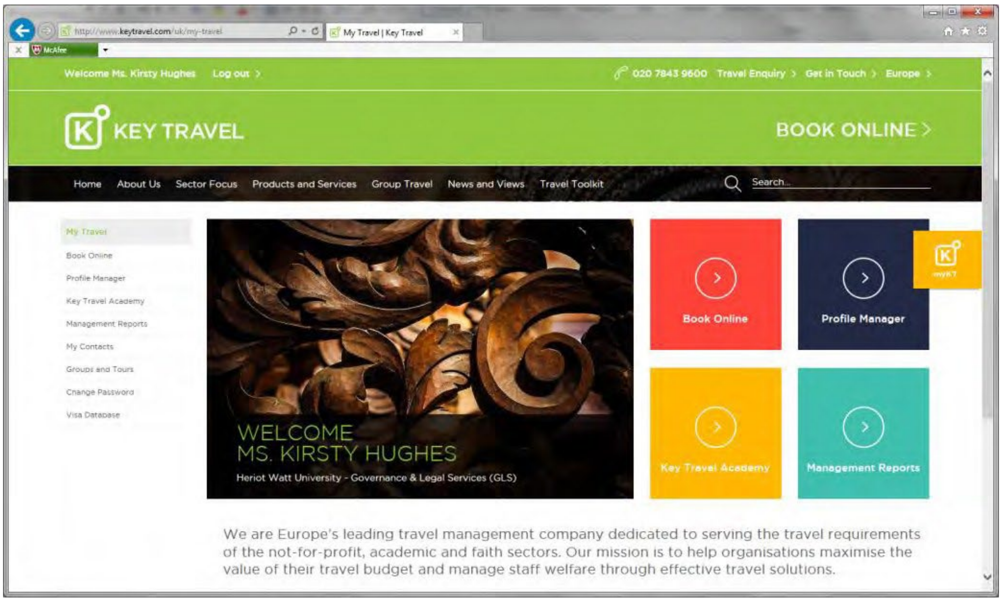
2.3 Travel outwith the United Kingdom

2.3.1 Regular Travellers

Staff who travel more than once per year are advised to complete a traveller profile form to speed up future reservations. Traveller Profiles can be completed online by staff who have already been set up within Key Travel's system as a booker, or in the case of travellers who have staff booking travel on their behalf, the booker can forward a link for the traveller to complete and submit their online profile.

To create a traveller profile on Key Travel's online system (KT Online), please click here and sign in.

Click on **'Profile Manager'** as shown in screenshot below:



Either click to create traveller profile or click to send on to traveller for them to complete.

2.3.2 Online Travel Declaration

If you are travelling from your home campus on University business (or mainly on University business) you will need to complete a travel declaration for most trips. For staff and students who are travelling within Scotland (if UK-campus-based), within the UAE (except Abu Dhabi) (if, Dubai-campus-based), or within Malaysia (if Malaysia-campus-based), and whose trip does not involve an overnight stay, and where no 'non-standard activities' are being undertaken, then a travel declaration is not necessary only when all 3 of these criteria are being met.

This form should be completed at least 5 working days prior to booking travel. Assurance Services are required to check travel prior to booking, as there are certain countries and travel that are prohibited for University business and they need to verify this is not applicable before travel is booked. In very extreme cases travel may be denied and if a travel declaration was not completed in advance of booking then it may not be possible to claim back these costs through the University's insurance.

The travel declaration provides the University with details of your trip for safety and security purposes and confirms that you will be covered by the University's travel insurance policy. Depending on your destination and the type of activities, travellers may be required to complete a risk assessment to confirm that all risks identified will be managed to an acceptable level and will allow the University's insurance policy to cover the traveller. The Travel Declaration form and process guide travellers through this.

Complete your Travel Declaration form here:

https://heriotwatt.info-exchange.com/TravelDeclaration

Before you travel

You must visit the UK Government's Foreign, Commonwealth & Development Office (FCDO) travel advice site and inform yourself of any issues in relation to your proposed travel by looking at the country advice for the relevant country or countries you intend to visit. Link here:

https://www.gov.uk/foreign-travel-advice

If you are not a UK passport holder then you must also check your own Government's travel advice in relation to the country or countries you are visiting, and you cannot travel against your own Government's advice (even if travel is allowed by the UK Government). Travel advice is usually found on your Government's website.

The latest Intranet information on Travel and Risk Assessments may be found here

https://heriotwatt.sharepoint.com/sites/AssuranceServices-Travel

2.3.3 Booking Travel

The approved Travel Partner must be used at all times for travel bookings when the ultimate destination of the journey is out with the United Kingdom, or the journey starts out with the United Kingdom.

THE KEY BENEFITS OF USING THE TRAVEL PARTNER ARE: -

- The Travel Partner has relevant contact details and knowledge of colleague's itinerary, therefore being able to immediately assist travellers with any alternative travel arrangements or assistance.
- The Travel Partner can often hold air bookings for 24-72 hours at the same price and can hold rail bookings for one day

Up-to-date information on travel booking and relevant documents, has recently been added to Procurement Services' SharePoint site and we require to ensure that relevant information and up-to-date forms such as the Travel Authorisation Form are now available via links within the T&E Policy.

Further information on placing travel requests/bookings with our appointed Travel Partner can be viewed here.

Guidance on forms to be used for requesting and obtaining necessary approval for travel (e.g. Travel Authorisation Form, Travel Risk Assessment form and Dubai Campus Visit Request Approval form), can be viewed here.

2.3.4 Travel Insurance Handbook

Travellers are provided with the Travel Insurance Handbook following submission of the online travel risk assessment.

2.3.5 Health Advice for travellers and reciprocal Healthcare Arrangements

The NHS provides travellers with important health advice, including details of countries outside the European Economic Area (EEA) that colleagues may be visiting which provide reciprocal health care to UK residents.

UK Nationals should ensure they have a Global Health Insurance Card (UK GHIC).

All non-UK persons who are nationals of a European country should ensure they have an up to date European Health Insurance Card (EHIC) as this will need to be presented to the medical institution. If a traveller is unable to present an EHIC card, this can adversely affect the health cover under the University health policy and could expose a risk to the individual of being personally liable for medical care costs.

All travellers who are entitled to the EHIC are required to ensure they have an up to date card when travelling the European Economic area. The UK GHIC and EHIC is free of charge and can be found here.

2.3.6 Vaccinations

The cost of vaccinations or other medications required in order to protect colleagues travelling to locations where specific diseases and conditions are prevalent can be claimed as a legitimate business expense.

The cost of medication for routine and pre-existing conditions - including headache tablets, anti-inflammatory medication, and cold and flu remedies - cannot be claimed through expenses.

2.3.7 Passports and Visas

The travelling colleague is responsible for all passport and visa requirements. **Costs associated with the issue/renewal of passports must be met by the employee and are not reclaimable** from the University. All travellers who are not British Citizens are responsible for ensuring that they do not travel against the advice their own government or embassy. Where a visa is necessary specifically for a visit to another country or territory, and that visit is for University business purposes, then all costs incurred in securing any necessary visa can be reclaimed as a legitimate business expense.

Before arranging travel, colleagues should:

- Make a note of their passport number, date and place of issue (or take a photocopy), and keep separately in a safe place;
- Check the passport expiry date – replacements should be obtained if there is less than 6 months remaining as this is a requirement for travel to certain countries and territories;
- Write the full details of next of kin in their passport;
- Take a second means of photo-identification with them;

While travelling, colleagues should:

- Keep their passport in the hotel safe and carry a photocopy with them;
- If a traveller's passport is lost or stolen overseas, contact the nearest relevant embassy immediately for advice and assistance.

2.3.8 Foreign Currency

Receipted commission and buy back costs incurred in purchasing foreign currency are a permitted business expense and can be claimed. We would advise staff and students not to exchange currency at the airport as the rates are uncompetitive.

3 – HOW TO CLAIM REIMBURSEMENT

There are legal and tax implications regarding re-imbursement of expenditure, and subject to the nature of the reimbursement there may be 'benefits-in-kind' implications which may require to be reported to HM Revenue and Customs.

As a consequence, and to mitigate any individual and University tax liabilities, only expenditure incurred **wholly, exclusively and necessarily** in the performance of duties for the University or to the benefit of the University may be reclaimed, as reflected in this Policy.

3.1 Making a Claim

a) All claims for re-imbursement **must** be made via the University ERP Finance System. Information about how to do this may be found here. and be properly authorised.
b) Expense claims submitted in the original currency will automatically be converted to GBP, MYR or AED as appropriate
c) **All claims should be evidenced by a** third party itemised receipt or an invoice, though other documentation may be considered. **Credit/Debit Card payment slips are not acceptable evidence**.
d) For a claim to be valid it must be correctly submitted within 3 months of the business expenditure being incurred for UK and Dubai employees and within 60 days for Malaysia employees.

3.2 Approving a Claim

- Claims can only be approved by the appropriate line manager/budget holder in accordance with the established delegated authorities.
- This person is responsible for ensuring the claim complies with this Policy.

3.3 Claim Review Process

RESPONSIBILITY LIES WITH THE CLAIMANT AND AUTHORISER TO ENSURE THAT CLAIMS ARE COMPLIANT WITH THIS POLICY. CLAIMS WILL, HOWEVER, BE REVIEWED ON THE FOLLOWING BASIS:

a) The Finance Department carry out regular spot checks on claims to confirm the Policy is being complied with. They will also be subject to internal and external audit.
b) The Finance Department can request an individual to provide further details on the purpose for which the expenditure has been incurred in order to ensure that the claim complies with Policy and that a 3rd party audit would understand the nature of the claim.
c) Claims may be referred to the Director of Finance or Group Financial Controller for review even if the approved signatory has authorised the claim.
d) Claims will only be accepted with appropriate receipts. In exceptional circumstances, and only with the provision of a full and acceptable explanation to the Group Financial Controller, will claims be accepted without supporting documentation.
e) If there is evidence of serial non-compliance, claimants and authorisers will be reported

to line managers and disciplinary procedures will be implemented.

3.4 Restrictions on Claims

- No personal debit/credit card interest or charges paid will be reimbursed.
- **Only service charges added on to the invoice/receipt or that can be evidenced in some other way (such as a credit card receipt) can be reimbursed.**
- No road traffic fine, parking ticket or any other motoring penalty paid will be reimbursed.
- The University will not reimburse any costs relating to personal travel, nor that of a spouse, partner or child of an employee who accompanies the employee on a business trip. Joint travel arrangements may be made through the University's travel partner, but only the cost relating to the employee will be covered with the employee having to re-imburse the University for the cost of family members. Any calculations required to eliminate spouse or partner costs from joint bills (e.g. for hotel room) must be documented and attached to claim forms.
- In rare and exceptional circumstances, the Principal may authorise spouses/partners to accompany senior management at University expense. This authorisation must be obtained prior to any travel arrangements being made. The Director of Finance or Group Financial Controller should also be notified to ensure that the benefit in kind is recorded for reporting to HMRC.
- On rare occasions, and where agreed in advance by the Head of School or Department, business trips can be extended for the purpose of taking annual leave. However the calculation of the costs which the University will incur must be agreed in advance with the relevant Finance Manager. To comply with HMRC rules the purpose of the journey must be substantially for business purposes. No cost of accommodation will be met in relation to the extended period for private purposes. The travel costs incurred should not exceed that which would have been incurred had the stay not been extended.

3.5 Personal Disruption

The University aims to be a good employer and has a range of flexible working and family friendly policies. More senior colleagues are expected to do the hours as necessary to fulfil the requirements of their contract of employment, within reasonable working hours. While there is no Time off in Lieu (TOIL) policy, or overtime for that group of colleagues, at times it may be necessary to work unsocial hours to fulfil that, and this should be agreed between the colleague and their manager. If appropriate, the colleague may be able to work flexibly, taking reasonable and appropriate time back for those unsociable hours. Further information about this can be found in Guidance to time off when working beyond normal pattern

3.6 Advances for Expenses

A request will only be considered when the employee concerned is travelling for a genuine business reason and solely on University business. All requests should be fully justified and be appropriate to the level of business expenses to be incurred. Every effort should be made to book accommodation and other travel related costs in advance obviating the need for an advance.

3.6.1 Limits

The minimum advance given will be £250 and the maximum advance allowable will be £5,000. Travel and accommodation should be booked through the travel partner or procurement card wherever possible.

3.6.2 Approval

Only the Head of School or Department or the relevant Finance Manager can approve requests for an advance. Contact Assurance Services for further advice.

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3.6.3 Payment

Advances will normally be paid in line with the University standard payment timetable which is available from the School/Department administrator or Finance Manager. The Finance department will make a reasonable effort to provide advances at short notice but it cannot guarantee these will be processed before departures. At least two weeks' notice is therefore required. All advances will be paid by bank transfer into the employees/students sterling bank account.

3.6.4 Repayment of Advance

All advances are treated as loans. On returning to their normal place of work, colleagues should account for the cash advanced by:

a) Offsetting it against their expense claim and, if a balance remains;
b) Repaying any unspent amount to Finance - Accounts Payable

Expense claims substantiating the advance should be submitted not later than 15 working days after the employee returns to their normal place of work.

If, within 16 working days after the employee returns to their normal place of work, the employee has neither submitted a claim, nor advised the Finance – Accounts Payable team that reasonable grounds exist for the delay, the University will deduct the full amount of the advance from the employee's net salary without further reference.

4 TRAVEL and ALLOWANCES

The University will only meet the costs of travel for business journeys and will not reimburse expenses in relation to journeys between an employee's home and their normal workplace.

Please note that this part of the policy does not apply to individuals who are on a formal secondment, and where they are not based at their normal work location. Separate arrangements will be put in place for these individuals as part of the terms and conditions relating to the secondment.

4.1 Air Travel

All travellers should ensure they have a valid passport prior to making any bookings. Furthermore the passport must be valid for 6 months after their proposed return date.

4.1.1 Class of Travel

There may be strong business reasons for travelling on a higher class of travel, approval of which will be considered on a case by case basis.

Only Economy Class (or equivalent) should be booked. In exceptional circumstances - for example pre-existing medical conditions and disabilities – booking a higher class of travel is allowable but only with the prior written approval of the Vice Principal following approval by the school/department.

A key consideration in making such a decision will be whether the class of travel is deemed to be essential for the performance of the applicant's duties of employment.

Travellers who request a medical condition be considered as justification for an upgrade to travel must log them with HRD.

It is University policy that travellers should book Economy Class even if the Research Funder provides an option to travel in a different class.

4.1.2 Travel to and from overseas campuses

Travellers must confirm in advance their intention to travel to overseas campuses with the Vice Principal in Malaysia or Dubai.

Where a multi-campus (Dubai and Malaysia) visit is planned it should be set up such as to minimise weekend downtime and unnecessary additional costs, including those relating to accommodation.

4.1.3 Tickets

Open Tickets - The use of 'open' tickets is discouraged as these are expensive and the traveller should seek alternatives.

Names on Tickets - It is essential that the name on the ticket matches the name on the Passport, e.g. name change due to marriage. Airlines may deny boarding if discrepancies exist. The correct first name, surname and title (as they appear on the passport), must be given at the time of reservation. Any irrecoverable costs arising from errors in providing this information will not be reimbursed by the University.

Passport Details - Travellers booking via the Travel Partner must forward their passport details prior to departure to cover Advance Passenger Information (API) regulations.

4.1.4 Pre-flight checklist

Photo ID - must be carried at all times when flying**.**

Boarding Card - Most airlines now offer online check-in on their individual websites using the booking reference and/or e-ticket number. Some airlines offer check-in using a Travel Agent confirmation. It is the traveller's responsibility to ensure they fully understand individual airline's check in procedures.

USA Flights – It is essential that an ESTA is completed at least 72 hours prior to departure. Complete the ESTA online **here**

All approved travellers must ensure if changes are made to their passport, they must re-apply for a new ESTA giving new passport details.

4.1.5 Airline Frequent Flyer Programmes

Frequent flyer programmes must not influence colleague's travel booking - flight selection must not result in incremental costs to the University beyond the lowest available airfare from that or another airline. The University will not reimburse membership costs of frequent flyer programmes.

Any air miles or other incentives (including discounted or free tickets and upgrade vouchers) which have been accrued through travel paid from University funds may not be used for personal journeys and must be applied for future travel on University business.

Where colleagues are in receipt of such incentives, they should notify their school or department finance teams in order that it can be logged.

4.1.6 Additional Flight Information

DELAYS/CANCELLATIONS/DENIED BOARDING COMPENSATION

Airlines may offer free tickets or cash allowances to compensate travellers for delays and inconveniences due to overbooking, flight cancellations and changes of equipment.
Travellers should not volunteer for denied boarding compensation when on University business.

Travellers who are involuntarily denied boarding should immediately obtain a free voucher from the airline, account for the free travel voucher on the expense report and ensure that the School/Section budget holder is given the voucher to use against future travel.

OVERNIGHT DELAYS

Travellers should consider the following:

- Is it more cost effective to incur the cost of a hotel room if securing alternative onward transportation is more expensive?
- How much time will the traveller lose and will this adversely affect business plans?
- How much money will the traveller lose if alternative flight arrangements must be made at the last minute at the full economy price?

FLIGHT CANCELLATIONS

When a trip is cancelled after the ticket has been issued, the traveller should inquire about using the same ticket for future travel. Travellers can re-use airline tickets if airfare eligibility requirements (as verified with Travel Partner) are met.

VOIDED/UNUSED AIRLINE TICKETS

There may be circumstances when travel plans change before the trip takes place. It is preferable in these instances to have the ticket voided rather than refunded. Voided tickets, because they are not reported as a sale, take less time to process. To expedite refunds, colleagues must notify the Agent of unused or partially used airline tickets to allow them to process the refund.

4.2 Rail Travel

All rail travel will normally be undertaken at Standard Class, although the budget holder may approve the use of First Class travel, including First Class Sleeper, **where it is evidenced as being cheaper than standard class (with Wi-Fi and meal 'add ons')**. In justifying higher grade travel due consideration should be given to time and costs savings. All such decisions must be fully documented and the details attached to the expenses claim.

There may be strong business reasons for travelling on a higher class of travel, approval of which will be considered on a case by case basis, by the Vice Principal.

4.3 Coaches / Private Hire

Details of local bus companies for private hires can be obtained by contacting Procurement Services, please e-mail: procurement@hw.ac.uk

4.4 Taxis

4.4.1 Taxis within the United Kingdom

Taxis should only be used where a public transport or airport/hotel courtesy bus is unavailable or not appropriate given the nature or purpose of the journey or due to mobility or safety issues. The use of cost effective public transport or airport/hotel courtesy buses are encouraged whenever possible.

Taxis for Late Working

The University will cover costs of taxis for late working subject to the following conditions:

- The employee is **required** to work until after 9pm, and
- Late working is neither regular nor frequent
  - Regular means a predictable pattern e.g., every Friday night.
  - frequent means more than 60 occasions per year, and
- Public transport has stopped or it would not be reasonable for the employer to expect the employee to use public transport (i.e. low level of availability or reliability of services at that time of night).

City Cabs taxis can be contacted on 0131-228 1211. Some schools and sections have accounts set up with Central Taxis and Orkney Taxis Their website provides an online booking facility and there is a free app available for iPhones and Android devices. Other taxi firms operating in Edinburgh can also provide services to and from the campus.

4.4.2 Taxis out with the United Kingdom

Wherever possible travellers should, at the time of booking their flights and/or hotels with the Travel Partner, pre-book their airport to accommodation/venue transfer.

Travellers should also consult with any local contact to establish the best mode of transport within the country, using their local knowledge and recognising the need to ensure traveller's safety. Where taxis are used in a foreign country, travellers should establish from either their hotel or accommodation provider, or a local contact, the name of a reputable taxi firm.

4.5 Ferry Travel

When using ferries, travellers should book in advance to ensure availability of space.

4.6 Accommodation

Travellers are entitled to be reimbursed for accommodation costs incurred in the course of the performance of their duties, provided that the accommodation arrangements made are in strict adherence with this Policy.

The University will only pay accommodation costs for the time spent on University business.

4.6.1 Accommodation within Edinburgh

When booking accommodation for visitors to the University, the University's on-site accommodation should be offered in the first instance. Details of rates and facilities available can be obtained by contacting the **Edinburgh Business School** on **ext. 3479** for Paul Stobart Building accommodation. Should rooms be unavailable, accommodation in proximity to the Campus can be booked but must fall within the rates noted below. Alternative accommodation may be booked if there are compelling business related justifications but this must be agreed by the travellers line manager.

4.6.2 Category/Class of Accommodation

The University will only permit the booking of a standard single occupancy while travelling both within the United Kingdom and Internationally.

4.6.3 Accommodation Allowance

The traveller should bear in mind the proximity to their destination when making a reservation.

The agreed maximum rates (inclusive of VAT and/or other local taxes) for normal accommodation bookings are as follows, and should include both the room and breakfast costs (where available): -

Location	Rate per night
London (within the M25)	£160 per room per night.
Rest of United Kingdom	£120 per room per night.
Rest of the World	£160 per room per night.

The cost of accommodation should be minimised whenever practicable. It is important that in all circumstances colleagues secure the best available deal. The budget holder may approve the use of more expensive accommodation where it can be fully justified by the claimant.

Factors that could be taken into consideration include where:

a) a conference is based in a hotel, or group of hotels,
b) or where meetings are to be held with research collaborators staying in a specific hotel

In both instances the justification must be that the alternative transport costs exceed the saving on accommodation.

4.6.4 Accommodation in Dubai

Travellers to the University's Dubai campus should make accommodation arrangements through the Dubai campus

4.6.5 Accommodation in Malaysia

Travellers should contact the Malaysia Campus for advice on the most appropriate accommodation.

4.6.6 Conferences

As noted in section 4.6.3, individuals attending a conference solely for the benefit of the University may stay in the conference accommodation if the cost is higher than the rates set above, provided that prior approval has been received from the budget holder.

4.7 Meals and Subsistence

4.7.1 Business Trips Involving an Overnight Stay

Where there is an overnight stay, a claim for subsistence/meals can be made. The reimbursement that can be claimed is limited to the amounts noted in the table below.

United Kingdom & International	Rate (MAXIMUM amount including VAT)
Breakfast (available only where accommodation has been booked on a room only basis)	£10
Other meals	£40

These limits apply whether the costs are incurred within or outwith the accommodation hotel.

4.7.2 Other Business Trips

Where colleagues are out of the office, without an overnight stay, for **more than 5 hours** and **at a distance of more than 5 miles** from their normal place of work, a claim for subsistence/meals can be made. The reimbursement that can be claimed is limited to the amounts noted in the tables below.

- **Between 5 and 10 hours**

United Kingdom & International	Rate (MAXIMUM amount including VAT)
Meals	£15

- **Over 10 hours**

United Kingdom & International	Rate (MAXIMUM amount including VAT)
Meals	£30

4.7.3. General Conditions

These amounts indicate the maximum subsistence payments that will be reimbursed. The amounts include VAT or other sales taxes.

No round sums claims will be permitted. The reimbursement will be no more than the costs incurred and itemised receipts must be attached to expense claims**.**

Individuals may, of course, choose to spend more than what can be claimed as business expenses, but the excess will not be reimbursed.

4.8 Alcohol

The University has a duty of care to its colleagues and will not support through financial reimbursement the consumption of alcohol. All such expenditure is deemed to be personal in nature and therefore cannot be reclaimed from University funds. This includes restaurant and bar bills, and alcohol purchased in shops or off sales/liquor stores.

It is important in this context to note the distinction between subsistence and hospitality. Subsistence relates to personal business travel. Hospitality is where University colleagues, for genuine business reasons, are required to entertain customers, suppliers or other third parties in the course of performing their duties. The Policy relating to Hospitality and Entertaining is covered in Section 6.

4.9 Other Expenses

4.9.1 Telephone and Internet/Wi-Fi Charges

Only the cost of business calls, substantiated by a log or itemised phone bill, will be accepted. No proportion of home rental, internet dialup or broadband subscription will be reimbursed. Where telephone charges appear on hotel bills these **must** be identified as business calls where reimbursement is sought.

Business calls on privately owned mobile/smartphones are claimable, but not any part or proportion of the ‘phone rental cost. Call details must be documented and submitted with expense claims. ‘Phone cards and top ups are not reimbursed by the University.

The purchase of internet access/Wi-Fi access is an allowable expense where supported by receipts, and where the access is being used for business purposes only. Such arrangements should be made to minimise the costs incurred and claimed from the University, including arrangements with network providers to minimise data roaming and call charges. The business reasons for accessing the internet/using Wi-Fi must be documented and attached to claim forms.

4.9.2 Gratuities

Unless a service charge is included within the bill, or where there is proof of payment from the service provider, then all gratuities are deemed to be of a personal nature and will not be refunded.

4.9.3 Interview Expenses (Non Staff)

Interview candidates may claim agreed travel and other costs on submission of the Visitors Expenses Claim Forms

All claims submitted by interview candidates will be subject to a reasonableness check prior to being authorised, and details of allowable expenses are shown in a link from the form. Either the Director of Human Resource Development or Head of School/Section must sign off such expenses.

4.10 Personal Incidental Expenses

Colleagues may claim an allowance for personal incidental expenses such as laundry, private phone calls, hotel movies, newspapers, light refreshments etc. where there is an overnight stay on the following basis:

- £5 for every night spent away on business in the UK
- £10 for every night spent away on business outside the UK

4.11 Professional subscriptions

The University will not normally bear the cost of subscriptions to professional bodies.

In exceptional circumstances the University will pay for subscriptions, but only where:

- payment of the subscription is referred to in the contract of employment, and/or
- it is a requirement that membership of the organisation in question is essential for colleagues to perform their duties of employment; and
- Subscription allows discounted rates for courses and conferences; this should be evidenced.

In such exceptional cases, where membership of the organisation is a condition of the employment, no tax or NIC liability arises and details need not be reported in personal tax returns.

Colleagues should note that subscriptions to professional bodies, and paid without University reimbursement, may qualify for tax relief if they are included in a list of HMRC approved bodies. A list of professional bodies approved by HMRC is noted here. If this is the case, the details should be included in annual tax returns to HMRC.

4.12 Staying with Friends

Where colleagues arrange to stay with friends or family whilst on University business, rather than staying in a hotel, colleagues may only make a claim for their actual subsistence costs incurred. Please note that only the colleague's personal costs may be reimbursed (for example, no claim will be allowed for meals/gifts for the colleague's family and friends).

4.13 Books and Publications

The University will provide books and publications which are necessary for the performance of colleague's duties.

All subscriptions to academic or other publications should be arranged through normal University purchasing procedures and not claimed through expenses.

Where such costs are incurred by the University, ownership is vested with the University, and the book or publication must be available to other colleagues and retained by the University upon termination of employment.

4.14 Caring Responsibilities

If the University requires a colleague to attend a function or conference outwith normal working hours, then caring responsibility (e.g. childcare) costs will be paid having obtained the prior authorisation from the Head of School or Department.

Additional tax/National Insurance costs on behalf of the employee for such pre-authorised arrangements, associated with the taxable benefit for the employee, will be met and recharged to the appropriate School/Department.

4.15 Pet Sitting Costs

'Pet sitting'/care costs will not be reimbursed by the University. They are not an allowable as they are not considered by HMRC to be wholly and exclusively a business expense.

4.16 Smoking and Tobacco Products/ Hospitality and Entertaining

Smoking and smoking related products are not a legitimate business expense and such expenditure will not be reimbursed by the University. This also applies to hospitality and entertaining**.**

5 - WORK RELATED DRIVING

The University has a responsibility to manage the risks encountered by its colleagues and students when they drive as part of their duties for the University.

5.1 Driver Declaration

The University is responsible for ensuring that at all times it has adequate risk controls in place across all aspects of its business. The University has a process in place to ensure it can manage and monitor that all colleagues and students are driving legally and are adequately insured. To capture this information all colleagues and students wishing to seek approval to drive University owned, hired, leased or personal vehicles are required to complete the online Driver Declaration Form.

Providing there are no queries regarding the declaration, licence and/or insurance information each approved driver will be provided with a **Driver Permit Number**. All drivers are required to renew their declaration annually.

IMPORTANT: - If there is any material change to a person's driving licence validity or their insurance cover then they should cease to drive on University business and re-submit the online drivers declaration form.

5.2 Personal Vehicles

Colleagues and students who wish approval to drive their personal vehicles for the purposes of

University business are responsible for the vehicle at all times and must:

Ensure their vehicle is legally roadworthy, maintained in line with the manufacturer's guidelines, has a current MOT and are insured to drive a personal vehicle for business purposes. The University does not accept responsibility for costs associated with making the vehicle roadworthy or for the costs associated with insuring a personal vehicle.. It is the responsibility of the driver to ensure that they have declared to their insurance company the business use of vehicle. Any associated cost is the responsibility of the vehicle owner.

Important: standard insurance policies only insure for journeys to and from colleagues **NORMAL** place of work, for example colleagues should advise their insurance company if their usual place of work is the Riccarton Campus but use their vehicle to travel to the Borders Campus or to other locations as part of their work. This also includes journeys to and from an airport where a personal vehicle is used.

5.3 University Owned and Leased Vehicles

The University has a fleet of owned and leased vehicles which are insured under a comprehensive motor insurance policy. Colleagues and students wishing to drive these vehicles must complete the driver declaration form as above.

All professional service vehicles must be parked on campus overnight unless a colleague is contracted to provide an out of hours service.

5.4 Hired Vehicles

For long road journeys, travellers should consider alternate means of travel such as air or rail rather than driving. In addition, for road journeys travellers should consider using a hired car rather than their own private vehicle as this could be the most cost effective option to the University. Details on how to book vehicle hire can be viewed here. In such instances, the relative costs must be assessed and the lowest cost option selected.

5.4.1 Class of Hired Vehicles

The class of hire car primarily depends on the number of people travelling, the period of hire, and required luggage capacity.

The hirer should rent the most economic option available with our nominated car hire firm with due regard to these factors, and any health and safety issues.

For example, solo travellers should normally rent mini or economy cars, while groups of travellers should hire intermediate or standard cars.

The University's nominated vehicle hire firms must be used for all UK and Worldwide vehicle hire. Details of these providers can be found in the link noted above. These can be booked directly or via the University's appointed Travel Partner. Concessionary hire rates have been obtained and motor insurance is covered under the University's insurance policy.

5.4.2 Hire Car – Fuel Costs

Travellers who hire a car should reclaim the cost of fuel. The mileage rates referred to in section 5.10 are not applicable. The expenses claim for fuel must be accompanied with VAT receipts.

5.4.3 Accidents involving hired, leased or owned vehicles

The driver/hirer is responsible for the vehicle at all times and is required to notify the University's insurers of any accident or incident that may result in a claim. Should there be any damage sustained to a vehicle on University business, full details of damage must be reported to the hire company, the University's insurers and into Shield^{HSMS}, the University's online accident reporting system (accessed through the Report a Hazard on the Staff Portal.

5.5 Vehicle Checks

All drivers must ensure that vehicles are roadworthy before the commencement of their journey.

Drivers of hired vehicles must check the vehicle before acceptance, and all damage must be itemised on the vehicle checklist. Additionally, all vehicles must be checked at the end of the hire and again any damage should be noted and agreed with the hirer.

5.6 Fines and Penalties

The University does not meet any costs or responsibility associated with fines or penalties. This is the sole responsibility of the driver/hirer.

5.7 Mileage Log Sheets - University Owned/ Leased Vehicles

Daily log sheets must be completed for each journey and/or change of driver. Log sheets must be returned to the Risk and Audit Service on a monthly basis. No private use of University owned/leased vehicles is permitted. Petrol should be purchased using a Purchasing card and not reclaimed through expenses.

5.8 Claiming Expenses

In order to claim mileage costs and other costs associated with driving such as car park charges, colleagues and students will be required to provide details of their driver permit number on the expenses claim form.

5.9 Business Mileage Allowances

Only mileage relating to University business journeys can be reclaimed through expenses.

- The University will not accept claims for home to work travel.
- No claims for fuel will be paid (except in relation to hired vehicles – refer 5.4)
- Where the business related journey does not start from the normal place of work, then the mileage to be claimed is the lesser of the journey undertaken or that from the normal place of work to the destination. For personal vehicles, travellers must record their cumulative business mileage (within each financial year) on their claim forms to ensure that business mileage incurred is reimbursed at the correct rate.

Mileage expenses will only be reimbursed to those who have satisfactorily completed and submitted the necessary forms detailed above, and all claims must be submitted via the ERP Expense System Page

5.9.1 University Owned Vehicles

Fuel for University-owned vehicles should be purchased with a Purchasing card and not reclaimed using a travel and expenses form

5.9.2 Personal Vehicles

The University will reimburse fuel for any business mileage an employee drives in his or her own car at the HMRC Approved Mileage Allowance Payment rates. The current UK rates in force can be found here

https://www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances/travel-mileage-and-fuel-rates-and-allowances

5.10 Car Parking

While travelling on University business, the University will reimburse parking costs such as 'pay and display' tickets, only where the driver holds a Driver's Permit (refer Section 5.1). All other parking charges, fines or penalties will not be reimbursed.

Parking at airports and similar locations should be in 'long stay' or its equivalent. **The use of short stay, fast track or valet parking is not permissible as a business expense and cannot be reclaimed from the University, unless it is evidenced to be a cheaper option or required due to mobility or safety issues.**

5.11 Road Tolls

While travelling on University business, the University will reimburse road toll costs, where the driver holds a Driver's Permit (refer Section 5.1) and the expense is evidenced by an itemised receipt.

6 - HOSPITALITY AND ENTERTAINING

Entertaining which is provided exclusively to colleagues is a taxable benefit in kind for those colleagues.

Business entertaining is not a taxable benefit in kind for colleagues who attend business entertaining events, however the expenditure incurred must be for genuine business reasons and required to entertain customers, suppliers, or other business connections, and carried out in the course of performing their employment duties**. In all circumstances, the expenditure must be wholly, exclusively and necessarily incurred for business purposes**.

It is important that hospitality is properly disclosed within expense claims and is not classified as subsistence (which is personal to the individual). The same principle applies in reverse – subsistence must be claimed as such.

Where hospitality or entertaining takes place on campus, the University's catering facilities must be used.

6.1 Acceptable entertainment is deemed as:

- Expenditure incurred from occasions arising to discuss a particular business project where non-University staff are in attendance;
- Expenditure incurred where the purpose is to maintain an existing business connection or to form a new one even though no business was actually done.

6.2 Unacceptable entertainment is deemed as:

- Expenditure incurred entertaining personal friends or business acquaintances where there is no business obligation to entertain them;
- Reciprocal entertaining between business acquaintances, even though some business topic happens to be discussed, if deemed to be really for social and not for business reasons.

6.3 Entertaining Colleagues and Students:

- It is recognised that Schools & Departments may want to organise annual parties, and induction or retirement events. These inclusive events should be agreed in advance with the Head of School or Department
- Expenditure should be modest and the events themselves should not occur on a regular basis. Colleagues and student entertainment must always be authorised by the budget holder in advance;
- For events held on campus, catering (including beverages) should where appropriate be facilitated by the University's internal caterers

- The limit for the University's contribution to colleagues and student entertainment is £50 per head per annum, this includes all annual parties at Christmas (or functions of a similar nature, such as an annual dinner dance). <u>The event must be open to all colleagues within the School or Department. In relation to students, this latter restriction does not apply.</u>
  - The £50 is an annual limit, so if more than one event is held per tax year then the total amount per head per annum must not exceed the limit;
  - Events which are not open to colleagues generally are fully taxable for the individuals in attendance;
  - The limit per head applies to only the number of employees who attend each event;

  - The cost per event includes venue hire, transport, entertainment (band etc.) food, drinks, accommodation etc. Please note that entertaining such as retirement events and team meetings will be a taxable benefit for the employee. The Head of School or Department may choose to meet the additional tax/ National Insurance costs on behalf of the employees, and in this case any additional costs will be recharged to the appropriate School or Department. Authorisation must be approved by the Head of School or Department in advance.

6.4 Claiming Business Entertainment Expenses

The following should be followed:

- When more than one employee is present, the most senior employee should submit an expenses claim for the event on behalf of the whole group. This employee may opt to designate another employee to claiming the cost of the entertainment but this must be agreed in advance;
- Prior to the entertainment being offered, the relevant Head of School or section must agree in advance if the amount in total is over £200 or £50 a head. All costs incurred must be reasonable and consistent with the basis for the entertainment being offered;
- **A ratio of no more than 3 employees/students to 1 guest is acceptable**;
- All entertainment must be supported with written evidence of payment. Receipts must be presented with all claims and all costs relating to the entertainment such as taxis, etc. must be coded on the expense form as entertainment;
- The names of all attendees, and the names of their employers, must be presented with the expenses claim;
- Where the University's own catering facilities are used, and the costs are to be charged internally, claimants **must also** comply with these requirements and always record details of all persons attending and the organisations that they represent on an Internal Catering Hospitality form (link to be inserted).
- Alcohol may be claimed where it is appropriate and consistent with the occasion. The cost incurred, for which reimbursement is sought, must be reasonable, and the amounts

consumed must not be excessive. Colleagues must recognise that they are representing the University on such occasions and must avoid damaging its reputation.

- The smoking products policy referred to in Section 4.16 also applies to hospitality and entertaining

The University reserves the right to reject or restrict claims regarded by it as being unreasonable.

6.5 Gifts

Gifts - such as flowers but excluding branded promotional items – provided for colleagues or external parties - are not an allowable business expense and can only be reclaimed or paid for by the University in exceptional circumstances, and at the discretion of the Head of School or Department.

7. RELOCATION

Specific references are made in UK tax legislation in relation to relocation costs. The HMRC rules are complex, detailed and specific; defining that there is tax relief on eligible expenditure only up to a threshold of £8,000. Any reimbursement made in excess of £8,000 is taxable in the hands of the recipient. There are also rules covering the taxes applied and ineligible expenditure.

Please refer to the separate UK Relocation Policy for details about who may be eligible for Relocation Allowances and the procedure for submitting and approving claims.

8. FURTHER HELP AND ADVICE

For help and advice in relation to this Policy, please consult with your Finance Manager or the Group Financial Controller.

ANNEX 1 - MALAYSIA CAMPUS - HERIOT-WATT UNIVERSITY MALAYSIA SDN BHD – (HWUM) (Effective Date 13 March 2017))

Malaysian T&E Policy

ANNEX 2 – DUBAI CAMPUS (LINK TO BE INSERTED ONCE APPROVED AND PUBLISHED)

POLICY

POLICY VERSION AND HISTORY

Version No	Date of Approval	Approving Authority	Brief Description of Amendment
V2..1	13 December 2022	UE	Amended to reflect the implementation of separate UK Relocation Policy and Visa Loan Scheme
v2.0	25 June 2018	Court	Replaces Travel & Expenses Policy 27 June 2016
v1.7	5 June 2018	ARC and Finance Committee	Recognition that 'Governors' includes Court Committee members as well as Court members / Addition of 'use least carbon emitting method if travel is required'
v1.6	May/June 2018	Submitted to ARC and Finance Committee	
V1.5	9 May 2018		One amendment added after meeting with CNJCC (item 26)
V1.4	27 April 2018	UE	Minor amendments (see cover sheet, items 24 and 25)
V1.3	9 April 2018	PSLB	Minor amendments (see cover sheet, items 22 and 23)
V1.2	13 March 2018	Finance Director	Amendments to reflect further feedback including UCU and reflecting latest HMRC legislation, limits and allowances.
V1.1	1 December 2016	Finance Director	Minor amendments to reflect post launch feedback
v1.0	27 June 2016	Court	Replaces Travel & Expenses Policy 17 November 2010