



Expenses, Gifts & Hospitality

PURPOSE

This policy outlines the Ark approach to expenses, gifts and hospitality, in line with Academies Financial Handbook requirements.

Date of last review:	April 2015	Author:	Head of Financial Reporting
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Type of policy:	<input checked="" type="checkbox"/> Network-wide <input type="checkbox"/> Set for school <input type="checkbox"/> Tailored by school	Approval:	Board
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POSITIONING WITHIN ARK OPERATIONAL MODEL

Component	Element
<input type="checkbox"/> Strategic Leadership & Planning <input type="checkbox"/> Monitoring, Reporting & Data <input type="checkbox"/> Governance & Accountabilities <input type="checkbox"/> Teaching & Learning <input type="checkbox"/> Curriculum & Assessment <input type="checkbox"/> Culture, Ethos & Wellbeing <input type="checkbox"/> Pathways & Enrichment <input type="checkbox"/> Parents & Community <input checked="" type="checkbox"/> Finance, IT & Estates <input type="checkbox"/> Our People	Finance administration

1. Purpose

1.1 This document outlines for all Ark school staff, our policy on expenses and business entertaining, as well as the policy on giving hospitality and gifts to staff, students and third parties.

2. Scope and definition

2.1 The policy applies to all Ark school staff and trustees of Ark schools as well as to volunteers, local governors, and to contractors/consultants when engaged on Ark school business (known as “Ark school staff”).

3. Policies and principles

3.1 Staff need to be aware of the rules and standards applied by Ark Schools regarding expenses, and the giving of gifts and hospitality. The giving of gifts and hospitality and other expenditure must be undertaken in an appropriate way; it must not risk any damage to Ark Schools’ reputation, in particular, its status as a charity in receipt of public funds.

4. General rules concerning expenditure

4.1 As Ark is a charity, and a custodian of public funds, all expenses, entertainment and related expenditure should be kept to a minimum.

4.2 Expenses which do not benefit Ark Schools or which are of a purely personal nature will not be reimbursed. Expenses will only be paid if they are ‘wholly and necessarily for the benefit of the business’, rather than the individual. Failure to adhere to this may result in tax demands on the individual and on Ark Schools.

4.3 Staff should not make a profit from expenses, neither should they be out of pocket from undertaking Ark business.

4.4 Wherever possible, expenditure should be incurred on the basis that the supplier will invoice following delivery. If this is unavoidable staff may incur out of pocket expenses when acting for Ark Schools for which they can claim reimbursement (in accordance with the procedure at paragraph 12 below).

4.5 Reimbursement will only be on the basis of actual costs incurred and supported by receipts. Ark Schools does not normally accept credit card slips, statements or photocopies of cheques as proof of purchase.

4.6 Receipts must always be kept. There can be no guarantee of reimbursement where receipts have been lost or are not submitted.

4.7 The onus is on staff to spend Ark Schools’ money wisely, appropriately and to the maximum effect.

4.8 Any attempt to submit a false claim form will be treated as a serious disciplinary offence.

4.9 Ark reserves the right to refuse an expense claim, or will require personal payment, if Ark’s policies have not been followed.

- All items bought with Ark School’s funds are, and remain the property of Ark. In the event that a member of Ark leaves the business they must ensure that such item(s) remain with Ark Schools.
- Where the cost of the expense includes VAT, you must provide your expenses claim and a valid VAT invoice/receipt.

5. Travel expenses

- 5.1 Ark expects that public transport will be used except in exceptional circumstances. There will be occasions when staff will need to travel on business in which case all reasonable travel expenses incurred will be reimbursed. It is the responsibility of the traveller to ensure that such costs are warranted, and minimised.
- 5.2 Ark is committed to reducing its carbon footprint and therefore business travel should only be taken if essential, and when there is no other reasonable option such as video conferencing or by telephone.
- 5.3 Prior to undertaking any business travel, authorisation must be given by the relevant budget holder.

6. Travel in London

- 6.1 It is expected that where cheaper public transport options are readily available, such as the underground or bus, these options should be used where ever possible. Where staff are travelling to places which are not within walking distances from an underground station, and/or transporting heavy items, then a taxi may be the most appropriate option.

7. National/International Travel

- 7.1 For national and international travel, standard class public transport should be used. Booking should take into consideration the most economical fares. Tickets, where possible, should be booked in advance to reduce costs. Meetings, if possible, should be arranged to enable you to travel at off peak times.
- 7.2 Private cars may be used if this is more convenient/cost effective, and will be reimbursed at the appropriate rate as set by HMRC (currently 45p per mile). The congestion charge may also be reimbursed, if relevant. This will not be paid where the travel is to the employee's normal place of work, unless in exceptional circumstances i.e. the transport of heavy or bulky items. Ark Schools will not be liable for any fines incurred i.e. speeding or parking, where private transport is used. It is the driver's responsibility to ensure that they have a valid driving licence, the vehicle has a valid MOT certificate as appropriate and it is properly insured for appropriate business use, including if applicable for passengers and business equipment.

8. Accommodation and subsistence expenses

8.1 Accommodation

If overnight accommodation is required, please book the most appropriate and the most economical hotels which meet standard business needs. Travel and accommodation should be booked using normal procurement processes.

If Ark staff are required to stay away overnight and choose to stay somewhere other than a hotel or equivalent (e.g. with friends or colleagues), Ark will not reimburse any notional accommodation costs.

8.2 Subsistence

Whilst on Ark business, reasonable living expenses will be reimbursed. This would include all meals plus incidentals such as reasonable telephone costs, but does not include any reimbursement for alcohol. A reasonable amount for an evening meal would be approximately £25 (excluding alcohol, which will not be reimbursed).

9. Mobile phones expenses

- 9.1 Ark Schools will provide and pay for a mobile telephone for Ark staff where this is required for their role. This should not be used for personal calls, although it is accepted that this distinction is not always fully appropriate (for example, you may call home to warn of delays due to work, and make arrangements to change plans caused by a delay).
- 9.2 Ark Schools reserves the right to charge individuals for excessive use of provided mobile phones for non-Ark business. If a personal mobile is used for Ark Schools' business then the direct call charges can be reimbursed on provision of the mobile phone bill.

10. Petty cash/advances

- 10.1 It is acknowledged that on occasions it will be necessary to pay by cash. If required, a cash advance can be given out by the Finance Manager to cover expenses. This must be entered into the cash book held in Finance. Once the expenditure has been incurred then the relevant receipts need to be submitted to Finance, along with a completed Petty Cash form, and the correct change.
- 10.2 If the expenditure has been incurred without a cash advance then a Petty Cash form needs to be completed and submitted to Finance for reimbursement, along with the relevant receipts. If receipts are not submitted, or a reasonable explanation for the absence given, then it cannot be taken for granted that the costs will be reimbursed.
- 10.3 Ark Schools' reserves the right to recover any uncleared cash advances from any monies owed or payable to you.

11. Giving hospitality to Ark staff

Any hospitality where all or the majority of attendees are Ark staff should, where possible, take place on Ark Schools' premises. There are two kinds of hospitality:

11.1 Business hospitality

Ark Schools can provide modest hospitality to staff where there is a valid business reason to do to. This mainly occurs as:

11.2 Refreshments during a meeting at the workplace

The provision of tea and coffee for genuine business meetings is permitted.

11.3 Working lunches/suppers

Modest working lunches and suppers are permitted where the time and duration of the meeting unavoidably prevents attendees from having a personal lunch break/supper.

11.4 Other staff hospitality

For Ark Schools to provide hospitality to other Ark staff without a valid business reason for doing so would normally result in a personal tax liability for the individual(s) involved, and Ark Schools would be obliged to declare this to the relevant tax authority. Exceptions to this would be out of the ordinary, infrequent special celebrations to which all staff at a school are invited.

12. Ark Grant

- The Ark Grant will be allocated to each school (£1500 for secondaries and £750 for primaries) to be spent on items where the use of public funds is deemed inappropriate. This would cover such items as purchase of a staff leaving gift; purchase of alcohol for staff; residential meetings for staff.

12.1 The use of such “unrestricted funds” will need to be accounted for separately in each school’s accounts and will be subject to audit review. Schools wishing to spend in excess of the amount above must seek written approval from the CEO, Director of Education or Head of Finance at Ark Schools.

13. Student Entertainment/expenditure

13.1 Student entertainment/purchases for students may be permitted with the authorisation of the Principal.

14. Giving Hospitality to Visitors

14.1 It may be appropriate for you to provide hospitality e.g. lunch or dinner where there is a valid business reason for doing so. Examples of this would include, providing hospitality for external examiners, visiting teachers and guests and visiting business contacts with whom Ark Schools either has or is seeking to develop a relationship.

14.2 If there are more members of staff than visitors receiving hospitality this could result in a taxable benefit in kind for the member(s) of Ark staff involved or for Ark Schools. If there is a tax liability, Ark Schools is obliged to declare it to the relevant tax authority.

14.3 If the hospitality takes place in a restaurant, then all tips added to the bill must be reasonable, and should not exceed 15%. If the restaurant has already levied a service charge, no tip should be given in addition to the service charge levied.

15. Giving gifts to Ark staff and to others

15.1 Gifts to Ark staff are personal costs, and must not be funded by Ark Schools; giving such a gift would risk conferring a taxable benefit on the recipient. Examples of personal gifts include gifts to mark special occasions such as birthdays. These cannot be classed as business costs and must be paid for personally.

15.2 The only exception to this rule is Comfort gifts, which can be given to a staff member who, for example, is away from work due to a serious or long-term illness, or who has recently lost a partner or close relative. Such gifts are at the discretion of the appropriate Budget Holder. Examples of gifts might include flowers, chocolates, or a basket of fruit. Monetary gifts should not be given. A suggested value would be about £25.

15.3 Reimbursement for purchase of the gift can be claimed via an expense claim.

15.4 Although there are no hard and fast rules about the frequency of making such gifts to the same individual, line managers must give careful thought to spending public funds in this way. Ark Schools’ standard policy is not to offer any gifts to customers or suppliers unless these are an integral part of the Ark Schools’ service, and available to the general public. An exception can be made in the case of a gift of low value, wherever possible, incorporating Ark’s logo, or to a visitor, who for cultural reasons, would normally consider such a gift an essential courtesy.

15.5 Donations should only be made with the approval of the CEO of Ark Schools or the relevant Principal.

16. Reimbursement of Expenses

16.1 Reimbursements of expenses incurred will usually be made by cheque or BACs payable to the bank account details held in the HR system.

16.2 Expenses should only be incurred once the expenditure has been approved by the relevant budget holder.

16.3 All expense claims should be submitted in a timely manner, within one month of being incurred. It is imperative that all outstanding expense claims are submitted before the year end (31 August) to ensure that they are accounted for in the correct year.

16.4 In the event of any discrepancies being identified subsequent to the payment of the expenses by Ark Schools, you must repay the overpayment immediately.

17. Relevant policies and forms

- Petty Cash Claim Form
- Expenses Claim Form
- Procurement and Tendering Policy

18. Changes to the policy

Ark Schools reserves the right to make changes to this policy at any time.

19. Queries relating to policy

If you have any queries relating to this policy, please contact your line manager who may escalate your query to the Principal or COO, as relevant.