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HERTFORDSHIRE LOCAL PHARMACEUTICAL COMMITTEE	
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EXPENSES POLICY

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1. Principles

- 1.1. All expense claims must be prearranged and based upon actual expenditure incurred in the course of LPC business activities provided that such expenses were approved in accordance with the requirements of the policy and exclusively for LPC benefit.**
- 1.2. Committee members and employees should not be out of pocket whilst acting for or on behalf of the LPC.**
- 1.3. Committee members and employees should neither gain nor lose financially as a result of incurring expenses on LPC business.**

2. Introduction

This document sets out in detail the Hertfordshire LPC expenses policy that is to be applied from 1 June 2014. It supersedes all other policies, procedures and manuals relating to committee or employee business expenses currently in issue.

This document is applicable to all employees and committee members of the LPC.

In the event that an expense claim is contemplated in respect of an item not included, or an employee or committee member has a query relating to the payment of expenses under this policy, the matter should be referred in the first instance to the Treasurer, who may thereafter refer to the full Committee and then PSNC for guidance if required.

Any breach of this policy will be treated as a serious offence and be referred to the LPC Executive Team for consideration under the LPC's Governance Framework.

3. Policy

The LPC will reimburse members and employees for reasonable business expenses incurred on the LPC's behalf whilst they are engaged in authorised business or training activities, provided they fall within the limits set by this policy.

LPC members including LPC officers, paid expenses via a monthly salary, are subject to Inland Revenue rules and guidelines as to what is allowable as a business expense. It is therefore important that all claims adhere strictly to the policy. Expenses defined as 'allowable' are those that are cost effective when weighed against the purpose of the business activity. Members are responsible for the settlement of any business expenses incurred and for reclaiming these costs through the process set out in this document. For the purposes of business expense reimbursement, allowable business expenses and travel are as described in section 5 of this document.

Payments made to LPC employees which are no more than reimbursement of vouched expenses, actually incurred by the employee in performing the duties of the employment, will not be treated as pay. Expenses which are not treated as pay must not only be actually incurred in the performance of the duties of the employment but must also be wholly, exclusively and necessarily so incurred. Expenses which are incurred by employees in travelling to and from the place of employment are not allowable for tax purposes and is not something that the LPC will reimburse as part of this policy.

In general, reimbursement of allowable business expenses will only be made on the production of receipts or invoices where appropriate.

4. Procedure for claims reimbursement

Business expenses incurred on behalf of the LPC by committee members and employees should be recorded in detail on an LPC expense claim form. Wherever possible original receipts, invoices or itemised bills must be attached to the claim form for all individual items claimed, other than mileage and day allowances (see section 5).

The Executive Officer will authorise and sign individual claim forms from members to confirm the appropriate approval process has been completed as outlined in the following sections. The Chair or Treasurer will authorise and sign individual claim forms from LPC officers to confirm the appropriate approval process has been completed as outlined in the following sections.

4.1. Attendance at conferences/training on behalf of the LPC

Members, officer and employee requests to attend training/conferences on behalf of the LPC must be approved in advance by the Executive Officer and the Chair or Treasurer. That approval must be reported back to the next LPC meeting to be minuted. Members and officers attending such events must provide a short briefing paper to be shared at the next LPC meeting and share the learning with members and any expenses incurred will not be paid until this has been done.

4.2. Payment

Expense claims passed for payment will be paid by BACS. Committee members and employees must, when requested, provide appropriate bank account details to the Treasurer or the LPC office to allow claims to be processed. Expenses claim will normally be processed for payment within 28 days following authorisation.

4.3. Authorisation

- Single items of expenditure or activity exceeding £500 should be cleared with the Chair and Treasurer in advance.
- Expense claims by members must be approved by the Executive Officer and/or Treasurer. All expense claims for LPC officers must be approved by the Chair or Treasurer (whereby the Chair is claiming expenses).
- Once complete the claimant must sign the declaration on the expense claim form.
- The Executive Officer is required to question claims which fall outside of the policy and seek consideration from the Treasurer and/or Chair.

4.4. Deadlines

Members claim forms must:

- accumulate expenses in excess of twenty pounds (£20) before submission unless it is the year end.
- submit claims within one month of the expenditure (unless otherwise agreed with the Treasurer i.e. claim under £20 or due to extenuating circumstances) for payment within one month. All claims in any one financial year should be submitted within one month of that year end.

Officers and employees claim forms must:

- accumulate expenses in excess of twenty pounds (£20) before submission unless it is the year end.
- submit claims from the previous month by the 10th day of the following month (ie. a claim outlining all LPC business expenses for that previous month (eg March) should be collated on to one form and submitted to the LPC office by the 10th day of the

following month (eg 10 April). These will then be authorised by the Executive Officer for LPC staff or Chair/Treasurer for LPC officers and paid with the following month's salary (eg April). All claims in any one financial year should be submitted within one month of that year end.

5. Allowable Business Expenses

Allowable business expenses, for the purposes of committee or employee business expenses claims are as described below.

5.1. Locum Expenses for LPC Members and Officers

- 5.1.1. Locum expenses will be paid to provide backfill where meetings have been attended on behalf of the LPC during typical business hours (9am-6pm Mon – Fri, 9am-5.30pm Sat) up to a maximum of £250 (inclusive of VAT if appropriate) per day.
- 5.1.2. If a company has paid for a locum to cover the LPC member's meeting, then the payment for this locum expense should be made payable to the party incurring the expense. Where this occurs, this claim should be backed up by a copy invoice.
- 5.1.3. If a practising pharmacist is on a day off, members are still entitled to claim those expenses as they could have been profitably employed as a locum (up to the maximum of £250 – inclusive of VAT if appropriate - per day). Where members are only attending a meeting that is for half a day (ie. four hours) or less then this can be claimed at the maximum figure of £125 (inclusive of VAT if appropriate).
- 5.1.4. The figure for locum expenses includes all preparation, travelling time and travel and parking expenses taken for a meeting.

5.2. Travel/ Transport

- 5.2.1. All LPC members will only be reimbursed for travel and transport if they are travelling outside of Hertfordshire. Costs for travel and transport are included within the locum expense figure outlined within section 5.1.
- 5.2.2. All employees will be reimbursed for travel and transport where they perform the duties of the employment while temporarily away from his/her normal place of work ie. meetings/training etc.
- 5.2.3. All business travel for members and employees should be by the most cost-effective means.
- 5.2.4. Private vehicle: mileage is paid at £0.45/mile for the first 10,000 miles to employee and members, outside Hertfordshire as per item 5.2.1, disregarding the engine size of the vehicle. Employees and committee members must ensure that they hold a valid licence for the vehicle driven, the vehicle is licensed and that their insurance cover extends to business use. The LPC will reimburse LPC employees insurance cover for business use if this is over and above their usual insurance fees but only if supported by a clear receipt from the individual's insurance company that outlines the additional fee.
- 5.2.5. Parking and Tolls: The LPC will reimburse employees and members, outside Hertfordshire as per item 5.2.1, for the cost of parking and road tolls incurred on LPC business, but parking fines, towing away charges or fines for other traffic violations will not be reimbursed.
- 5.2.6. Rail Travel: The LPC will reimburse employees and members, outside Hertfordshire as per item 5.2.1 reasonable rail expenses where motoring expenses are not incurred, and it is more practical and cost efficient to travel by rail. In exceptional circumstances employees and members, outside Hertfordshire as per item 5.2.1, may travel first class provided prior approval is obtained. Claims must be supported by receipts.

- 5.2.7. Taxis: Employees and members should avoid the use of taxis unless alternatives are not available or are impractical. Claims must be supported by receipts.

5.3. Accommodation

- 5.3.1. Accommodation may be claimed if members and employees are required to attend a location on LPC business and this location is sufficiently far away from home or normal place of work to make a return journey unreasonable.
- 5.3.2. Daily limits for overnight accommodation are up to £125 per room per night to include breakfast, without prior authorisation. If the location of the event requires a higher expenditure approval must be sought from the Chair and Treasurer.
- 5.3.3. If commitments require evening travel and/or accommodation, then a meal up to the value of £25 may be claimed if required.

5.4. Business Telephone Calls

- 5.4.1. The cost of telephone calls that LPC members make on LPC business can be reclaimed. LPC members must provide details of the telephone calls made by completing the expenses claim form and attaching an itemised bill with the business calls highlighted.
- 5.4.2. The LPC Executive Officer is provided with an office mobile telephone of which the LPC pays the contract. The LPC Executive Officer should not claim for LPC business calls unless there are extenuating circumstances for which prior authorisation before submission of the claim should be sought from the Chair and Treasurer.
- 5.4.3. Other LPC staff should use office telephones to make LPC business calls. If employees are required to make an LPC business telephone call outside of the office, they can make a claim as long as they provide details of the telephone calls made by completing the expenses claim form and attaching an itemised bill with the business calls highlighted where an expense is incurred. Whereby other LPC staff incur numerous business calls cost the LPC will review the need for an office mobile phone on a case by case basis.

5.5. Miscellaneous

- 5.5.1. LPC members requested to attend an evening meeting on LPC business will be reimbursed £50 and be provided with refreshments. Employees requirements regarding attendance at meetings outside of office hours are outlined within their LPC employment terms and conditions.
- 5.5.2. No expenses will be paid for conference call meetings undertaken by LPC members.
- 5.5.3. Other legitimate claims will be considered on a case by case basis by the Chair, Executive Officer and Treasurer. Claims for these requests should not be submitted without the prior approval of the Chair and Treasurer and must be backed up if possible by a receipt.
- 5.5.4. Members and employees' expenses will be declared to contractors in the LPC Annual Report.
- 5.5.5. LPC staff may purchase items for the LPC office whereby it is cheaper for the LPC staff member to purchase the item than to order it online or through an account where the LPC bank card can be used up to the value of £50. This must be authorised by the Executive officer prior to purchase and must be backed up if possible by a receipt.
- 5.5.6. The LPC will reimburse reasonable expenses associated with hospitality and cleaning specifically only these items: tea, coffee, milk, sugar, bin bags, washing up and cleaning materials. Any items to be bought not identified on the list must be authorised by the Executive officer who should seek consideration

from the Treasurer and/or Chair prior to purchase and must be backed up if possible by a receipt.

6. Officer Honoraria Payments

An honoraria payment is made to the LPC officers: Chair, Vice Chair and Treasurer to recognise the additional work that these members undertake over and above that is normally considered part of an LPC member's duties. This payment is liable for national insurance contributions and taxable as employment income that is processed by the LPC office.

The payment will rise in line with staff salary year pay reviews following a majority agreement by all LPC members in March 2016.

The Annual Report and Accounts are available to every contractor which outlines clearly the honoraria paid to officers of the LPC.

7. Inland Revenue

Failure to conform to these guidelines may give rise to personal tax charges on the individuals making the claim. The Inland Revenue requires under Self-Assessment that records of expenditure and mileage are kept for 6 years. Please ensure when completing expense claims that they are explicit as possible. The Inland Revenue may review them at any time.

8. Review

This policy will be reviewed and ratified every year in preparation for the committee's new meeting schedule that starts on 1 April.