



## COMMUNITY PHARMACY HERTFORDSHIRE

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# EXPENSES POLICY

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## 1. Principles

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

## 2. Introduction

This document sets out in detail the Community Pharmacy Hertfordshire Expenses Policy that is to be applied from 1 April 2021. It supersedes all other policies, procedures and manuals relating to committee members or employee business expenses currently in issue.

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

In the event that an expenses 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 Chief Officer and 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 CPH Executive Team for consideration under the CPHs Governance Framework.

## 3. Policy

CPH will reimburse committee members and employees for reasonable business expenses incurred on CPHs behalf, which includes appropriate preparation and pre/post reading for meetings, whilst they are engaged in authorised business or training activities, provided they fall within the limits set by this policy.

Committee members including CPH 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. Committee 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 CPH 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 CPH 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 CPH by committee members and employees should be recorded in detail on a CPH expenses 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 Chief Officer will authorise and sign individual claim forms from committee members, officers and staff to confirm the appropriate approval process has been completed as outlined in the following sections.

The Treasurer will countersign individual claim forms from the Chair and Vice Chair and will authorise and sign the Chief Officer individual claim forms to confirm the appropriate governance has been completed as outlined in the following sections.

The Chair will countersign individual claim forms from the Treasurer and the Chief Officer to confirm the appropriate governance has been completed as outlined in the following sections.

### **4.1. Attendance at conferences/training on behalf of CPH**

Committee members, officer and employee requests to attend training/conferences on behalf of CPH must be approved in advance by the Chief Officer and the Chair or Treasurer. That approval must be reported back to the next CPH meeting to be minuted. Committee members and officers attending such events must provide a short briefing paper to be shared as soon as practically possible after the event. The briefing paper will be circulated to all committee members for information by email by the CPH office when received and shared at the next CPH meeting to share learning with committee members and any expenses incurred will not be paid until this has been done.

### **4.2. Payment**

Expenses 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 CPH office to allow claims to be processed. Expenses claims 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.
- Once the expenses claim is complete the claimant must sign and date the declaration on the claim form.
- The Chief Officer is required to question claims which fall outside of the policy and seek consideration from the Treasurer and/or Chair.

### **4.4. Deadlines**

Committee 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 ie. 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 tenth (10) day of the following month (ie. a claim outlining all CPH business expenses for that previous month (eg. March) should be

collated on to one form and submitted to the CPH office by the tenth (10) day of the following month (eg. 10 April). These will then be authorised as outlined in section 4 above and paid with the following month's salary (eg. April). All claims in any one financial year should be submitted within 10 days of that year end.

## **5. Allowable Business Expenses**

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

### **5.1. Locum expenses for CPH committee members**

- 5.1.1. Locum expenses will be paid to provide backfill where face to face meetings or virtual have been attended on behalf of the committee member at the request of CPH.
- 5.1.2. If a company has paid for a locum to cover the committee 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, committee members are still entitled to claim those expenses as they could have been profitably employed as a locum.
- 5.1.4. Where committee members attend a face to face meeting at the request of CPH then this can be claimed at the rate of £31.25 per hour (inclusive of VAT if appropriate) for the length of time required to be present at the meeting up to a maximum of £250 for one day.
- 5.1.5. Where committee members participate in a virtual meeting including virtual CPH meetings at the request of CPH then this can be claimed at the rate of £25 per hour (inclusive of VAT if appropriate) for the length of time required to be present at the meeting up to a maximum of £200 for one day. An additional maximum of one hour preparation for each virtual CPH meeting can be claimed equivalent to the virtual meeting fee of £25.
- 5.1.6. The figure for locum expenses includes recognition of all preparation or work time required outside of face to face or virtual meetings by committee members as well as travelling time, travel and parking expenses taken for a meeting.

### **5.2. Travel/transport**

- 5.2.1. All committee 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 their normal place of work ie. meetings/training etc as outlined within sections 5.2.3 – 5.2.8.
- 5.2.3. All business travel for committee members and employees should be by the most cost effective means. Committee members will only be reimbursed for travel outlined in sections 5.2.4 – 5.2.8 if travel is outside Hertfordshire as indicated in item 5.2.1.
- 5.2.4. Private vehicle: mileage is paid at £0.45/mile for the first 10,000 miles disregarding the engine size of the vehicle.
- 5.2.5. Committee members and employees must ensure that they hold a valid driving licence for the vehicle driven, the vehicle is licensed and that their insurance cover extends to business use. CPH will reimburse employees only for 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.
- 5.2.6. Parking and tolls: CPH will reimburse for the cost of parking and road tolls incurred on CPH business, but parking fines, towing away charges or fines for other traffic violations will not be reimbursed.

- 5.2.7. Rail travel: CPH will reimburse reasonable rail expenses (not first class) where motoring expenses are not incurred, and it is more practical and cost efficient to travel by rail.
- 5.2.8. Taxis: Committee members and employees 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 committee members and employees are required to attend a location on CPH 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 committee members make on CPH business can be reclaimed. Committee members must provide details of the telephone calls made by completing the expense claim form and attaching an itemised bill with the business calls highlighted where an expense is incurred.
- 5.4.2. The Chief Officer and office staff are provided with an office mobile telephone of which CPH pays the contract.

### **5.5. Miscellaneous**

- 5.5.1. Employees' requirements regarding attendance at meetings outside of office hours are outlined within their CPH employment terms and conditions.
- 5.5.2. Other legitimate claims will be considered on a case by case basis by the Chief Officer, Chair 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. Committee authorisation would be sought for any financial sum above £2500.
- 5.5.3. Committee members and employees' expenses will be declared to contractors in the CPH Annual Report.
- 5.5.4. CPH staff may purchase items for the CPH office whereby it is cheaper for the staff member to purchase the item than to order it online or through an account where the CPH bank card cannot be used up to the value of £50. This must be authorised by the Chief Officer prior to purchase and must be backed up if possible by a receipt.
- 5.5.5. CPH 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 Chief Officer who should seek consideration from the Treasurer and/or Chair prior to purchase and must be backed up if possible by a receipt.
- 5.5.6. CPH will pay for an eyesight test for staff (with the exception of those staff who are eligible for free NHS eyesight tests) at intervals no more frequently than every two years.
- 5.5.7. CPH office staff are provided with a laptop at the discretion of the Executive Team and paid for by CPH in order to support virtual working.

## **6. Officer Honoraria Payments**

An honoraria payment is made to CPH officers: Chair, Vice Chair and Treasurer to recognise the additional work that these members undertake over and above that is normally considered part of a committee member's duties as follows.

Chair: £4375 per annum, inclusive of:

- Virtual Executive Team meeting for two hours every month with an hour of preparation per meeting at the virtual meeting rate of £25.
- Public health meetings for maximum of three hours on a four-monthly basis at the rate of a virtual meeting of £25.
- Face to face appraisal (both annual and six-monthly review) with the Chief Officer for maximum of four hours.
- Clarification queries, emails, phone calls from committee members and CPH office and line management support to Chief Officer for equivalent of ten hours work every month at the virtual rate of £25.

Vice Chair: £2400 per annum, inclusive of:

- Virtual Executive Team meeting for two hours every month with an hour of preparation per meeting at the virtual meeting rate of £25.
- Clarification queries, emails, phone calls from committee members and CPH office and to lead subcommittee for equivalent of five hours work every month at the virtual rate of £25.

Treasurer: £1600 per annum, inclusive of:

- Virtual Executive Team meeting for two hours every month with an hour of preparation per meeting at the virtual meeting rate of £25.
- Approving payroll every month and adhoc financial queries for one hour every month at the virtual rate of £25.
- Developing Treasurers Report for CPH meetings for one hour every two months at the virtual rate of £25.
- Developing the Treasurers Report for the Annual Report for a maximum of two hours annually at the virtual rate of £25.
- Virtual finance meetings with CPH office for two hours every quarter at the virtual rate of £25.

A job description has been developed for each officer that clearly outlines their responsibilities and the amount of time they are being paid for. This payment is liable for national insurance contributions and taxable as employment income that is processed by the CPH office.

Officers' payments are in line with the rate of committee members' pay per hour and it is not expected that payments will increase unless the responsibilities of the officer or the committee members' pay increases.

Officers that do additional CPH work can claim via the usual process.

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

## **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 by 1 April 2022.