

MAXIUM

Expenses Policy

Effective October 2016

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1 Introduction

This policy applies to all employees of Maxxium UK Limited (“Maxxium”) as of the 1st of October, 2016. It is a framework that covers how an employee can claim and be reimbursed for reasonable and authorised expenses that are incurred while doing business for Maxxium.

Note that elements of this policy are subject to change due to HMRC policy changes, these will be communicated on the front page of Concur expense in the first instance and updated in policy thereafter.

Please also refer to the following company documents available on Jostle:

- [Maxxium Employee Handbook](#)
- [Maxxium Alcohol Policy](#)
- [Line Manager Handbook](#)
- [Company Car Policy](#)

2 Employee and manager responsibilities and expectations

As an employee, we expect you to:

- Behave honestly, responsibly, and within the guidelines of this policy
- Submit expenses as soon as possible and with enough details to explain why the cost was incurred
- Keep all receipts and provide [VAT receipts](#) (not just credit card slips) so we can reclaim VAT and comply with HMRC requirements.

As a manager, we expect you to:

- Train your employees on how to claim expenses on Concur
- Check that purchases comply with the policy
- Approve them promptly
- Ensure they’re claimed promptly.

If employees don’t comply with policy, we can delay reimbursement or reject claims. Persistent or deliberate non-compliance may result in disciplinary action.

3 Fraud, bribery and corruption

Maxxium has a zero tolerance approach to bribery – in compliance with relevant anti-bribery laws in all the regions in which we operate. Offering or accepting a bribe, or behaving corruptly in anticipation of a bribe or advantage is not acceptable.

For more information on fraud, bribery and corruption please see the [Maxxium Employee Handbook](#).

4 Expense processes and policies

4.1 General

All claims should be backed-up by receipts cross-referenced to the claim form.

Barclaycard statements should always be attached along with receipts to the claim.

Descriptions should be clear enough to demonstrate to the tax authorities that we have treated each item claimed appropriately.

Coding should be complete and accurate. The finance services team can assist you with any questions on coding.

Where one expense is to be paid for a number of people (i.e. a dinner bill) then the most senior Maxxium employee must pay.

The person authorising the expense form is responsible for accepting the claim on behalf of Maxxium and ensuring that:

- It is in line with the Travel and Expenses Policy
- Descriptions are adequate and coding is correct (including treatment of Staff and Business Entertaining).

4.2 Receipts

In Concur there are three choices:

4.2.1 VAT receipts

In order for the Company to reclaim VAT when applicable a valid VAT receipt must be provided to support the claim. VAT is not reclaimable on taxis or any type of Business Entertaining (e.g. meals) even with a VAT receipt. Certain types of expense do not attract VAT, and therefore it is not reclaimable – air fares, public transport, newspapers.

A valid VAT receipt must have the following information:

VAT receipt over £250 (inc VAT)

- A unique invoice number
- The seller's name or trading name and address
- The seller's VAT registration number
- The invoice date
- The tax date (the date of supply which is also known as tax point – if different from the invoice date)
- Your name or trading name and address (i.e. the customer)
- A description of the goods or services supplied to you

Simplified VAT receipt under £250 (inc VAT)

- The seller's name and address
- The seller's VAT registration number
- The date of supply (tax point)
- A description of the goods or services supplied

4.2.2 Valid receipts

Even if VAT is not applicable, a valid receipt must still be provided to support any claims. A valid receipt must contain the vendor's name, date of transaction and the value of transaction.

4.2.3 Missing receipts

Whilst staff should make every endeavour to retain receipts, Maxxium understands that receipts can occasionally be lost.

Where an expense is missing a receipt, an additional charge of 60% of the cost will be added to your cost centre (therefore affecting your budget) to cover the additional tax required to be paid by Maxxium for reimbursing an expense with no receipt.

For example, a hotel bill totalling £500 where the receipt has been lost will result in £800 being charged to your cost centre.

When a receipt has been lost, where possible, please submit the credit/debit card statement showing the amount paid and whom it was paid to.

If staff persistently submit expense claims with no receipts then disciplinary action will be considered.

4.3 Timing of reclaiming expenses

Reclaiming expenses in a timely manner is extremely important in order for Maxxium to ensure expense reports are up-to-date and accurate. As payment of any Barclaycard balance is paid via direct debit from your bank account it is also important for you to claim your expenses in a timely manner so that you are not out of pocket when the Barclaycard direct debit is taken. Any failed direct debits will incur additional fees which are not reclaimable, and the debt must be repaid to Maxxium in a timely manner, if there are three instances of failed direct debits in a 12 month period the card will be cancelled.

Ideally, all expenses should be claimed within one month of the cost being incurred to ensure employees are not out of pocket. After three months, additional approval will be required in order for the expense to be reimbursed.

Limits are as follows:

Receipts up to 3 months old	Standard practice – reimbursement is subject to approval by your Line Manager.
Receipts 3-6 months old	Additional approval needed by the Finance Director
Receipts over 6 months old	Additional approval needed by Managing Director

If additional approvals are necessary then this may also delay the payment of your expense. If staff repeatedly submit expense claims with receipts over six months old these may be rejected at the discretion of the Managing Director or Finance Director.

4.4 Timing of booking travel and accommodation

Ideally, all travel and accommodation should be booked as soon as you know it is needed.

In any circumstances where travel is booked less than two weeks in advance, pre-approval from your line manager is necessary before the travel/accommodation is booked. This approval should be via email and the email must be attached to the expense form when it is claimed. Line managers must provide to their functional director, on a monthly basis, a report of all travel booked with less than two weeks' notice with clear reasons.

4.5 Classification of spend within claims

The classification of expenses is important to ensure the correct tax treatment and accounting within Maxxium accounts.

Misclassified claims can result in delay in payment. It is the employees responsibility to understand the spend classification when preparing the expense claim, and their line manager's responsibility to check claims prior to approval. Any misclassified spends will result in the claim being sent back to the employee for correction. The finance services team can assist you with any questions on coding.

The most common categories of misclassifications are as follows:

Team meeting/Entertaining Maxx UK – costs can only be classified as a team meeting if a business meeting between colleagues actually occurred. For example

- If you were conducting a 1-2-1 offsite and bought coffee, snack or lunch then this should be coded to team meeting not entertaining Maxx UK.
- Restaurant bill coded to entertainment Maxx UK instead of team meeting where the comments clearly states team meeting.
- Drinks at the bar being coded to team meeting instead of Entertainment Maxx UK.

Hotel invoice –

- Claim needs to be broken down as per invoice Room, Restaurant, Parking, entertainment for drinks etc.

Entertaining customers –

- When entertaining customers the bill needs to be split between entertaining other and entertaining Maxx UK with the name of the guest supplied.
- If your spouse was with you to specifically attend a function then your costs should be charged to entertaining Maxx UK whilst your spouse's costs should be charged to Entertaining other.

5 Allowable expenses and limits

5.1 Travel

5.1.1 Flights

Select the cheapest available fare that meets the required flight times and destinations. In order to minimise the cost to Maxxium, a reasonable degree of flexibility on timings and destination airports is expected.

Fully flexible fares should be avoided, unless there is an urgent need to travel and no alternative exists – prior approval from your line manager must be sought via email and attached to your expense claim form.

Flights should be in Economy unless the sector flight time exceeds six hours when Business class is permitted. Where Business class is being booked, the appropriate Director should approve the selected option in advance.

5.1.1.1 London

Whilst in London, it may be necessary to arrive and depart from different airports.

A guide price for return flights from Glasgow or Edinburgh to London is £250.

Please also take into account travel to/from the airport. When flying into Gatwick or Heathrow, Gatwick Express and Heathrow Express tickets should always be bought online in advance in order to obtain the best possible prices.

5.1.2 Train

Employees should book their journeys sufficiently in advance to obtain the best possible prices, preferably pre-booking your tickets to travel on specific (timed) trains.

You may only book an open ticket if you have no way of knowing what time your meeting will finish. In this case, you should still book a restricted (set time) ticket for your outward journey.

Where the journey time exceeds three hours, first class reservations will be acceptable. This does not include any time spent waiting for, or changing, trains or getting to the train station, even if this is from your home. For journeys of less than three hours, first class reservations should only be made when second class is not available or is more expensive. A screenshot of the booking page to show this must be attached to your expense claim form.

5.1.3 Taxis

Taxi fares may be claimed where no suitable public transport is available, where the cost of public transport would exceed the cost of a taxi, where public transport is infrequent or where the saving in time outweighs the extra cost.

All taxi journeys must have a valid receipt signed by their driver in order to be reimbursed. Where card payments are accepted, both the card receipt and driver receipt must be retained.

5.1.4 Uber taxis

Uber taxis can be very cost effective and convenient and employees are encouraged to use this service when available.

The guidance for Uber taxis follows that of regular taxis above.

When making a claim for a journey in an Uber taxi, please log into your account and print the journey summary as your receipt.

5.1.5 London tube/Oyster card

Employees should retain tickets where possible. Where an employee's season ticket already covers the cost of travel, no further claim will be allowed.

Oyster cards are the most cost effective way of travelling around London as it offers daily capping.

Where Oyster cards are used, the employee should provide evidence of the additional cost incurred, for example by printing off their online statement or by printing off the journey cost provided by the [Oyster fare finder](#). Maxxium will not reimburse claims for general top-ups of Oyster cards.

Visitor Oyster cards can be obtained [here](#) for a one off cost of £3 (reclaimable).

5.1.6 Sea travel

Exceptionally, staff may need to travel by sea. The principles of rail and air travel apply.

5.2 Car travel

5.2.1 Car hire

For car hire, either ask your administrator to organise this or personally book it directly with Lex.

Instructions for hiring a car can be found in the [Company Car Policy](#).

5.2.2 Business fuel

Where an individual has opted out of the Company private fuel scheme, business miles can be reclaimed at the rates set out in the [Company Car Policy](#), depending on car engine size and fuel used.

The mileage reclaim should clearly show the purpose of the journey and the start and end points, with an accurate mileage total. Where possible the name of each individual and company visited should be recorded, although where this is impractical a more general description is acceptable, for example 'eight account visits in Edinburgh per call plan' where the call plan can be used to substantiate the claim if required by HM Revenue and Customs. Round sum claims are not acceptable.

A journey to your normal place of work is not a business journey; therefore you cannot reclaim mileage for this journey.

When a business journey begins or ends at home and is substantially similar to your daily ordinary commuting journey, then this should not be regarded as a business journey and a business reclaim would not be possible. Maxxium considers a journey to a customer / supplier is the equivalent to an ordinary commute if the extra distance involved is less than five miles.

5.2.3 Personal car usage

A company car or pool car should always be used in the first instance. If this is not possible then it may be necessary to use your personal car. Guidance relating to business fuel above still applies where a personal car is used for business.

Note if you are in receipt of a car allowance as part of your remuneration package you should not claim personal car mileage as the wear and tear of a vehicle is covered within this payment, in this instance you should claim per Business Fuel rule above in 5.2.2.

Mileage allowances are paid for the actual distance necessarily travelled, in excess of the costs of your normal home to work journey.

For example, if you are office based and live in Perth and are travelling to Edinburgh then mileage allowance will be paid from Stirling to Edinburgh only.

Allowances are set by HMRC and are as follows:

<u>Transport Method</u>	<u>Annual mileage</u>	<u>Rate</u>
Motor cars	1 to 10,000 miles	45p per mile
Motor cars	Over 10,000 miles	25p per mile
Motor cycles	All mileage	24p per mile
Cycle	All mileage	20p per mile
Passenger supplement	Per mile	5p per mile

5.2.4 Parking and tolls

Where possible, do not use car parks/toll booths where payment is made by throwing coins into a bucket as there is no record of this and therefore it will have to be claimed back as a missing receipt (therefore adding 60% to the cost).

If the cost plus 60% is still less than an alternative then please explain this on your expense form.

As an example, some airports have short stay car parks where you can pay on exit. If this was £2 but using another car park with pay stations would be £4 then it is acceptable to use the cheaper car park and explain this on your form. In this case, the total cost would be £3.20 (with 60% tax added on). If the other car park was £3 then it is more cost effective to use this car park.

5.2.5 Carwash

The allowance for carwash is **up to £5.00 per calendar month** (Company Car and Cash Allowance drivers only). A separate receipt is required for each individual month - *e.g. you cannot submit one receipt for £10.00 and claim that it relates to two months*. (Finance use the dates on the receipts to determine which month the carwash relates to). Any expense relating to the cleaning of cars, up to this amount and **supported by a receipt**, will be reimbursed. No receipt will mean no reimbursement. (Please note that if you use your Barclays Corporate Card to obtain a carwash and lose your receipt, we will reimburse providing you attach a copy of your Barclays statement to your claim). If the policy isn't adhered to, then the revenue will class this as a Benefit in Kind and will tax accordingly. This would add approximately 60% to the charge.

Screen wash, Oil and Anti-Freeze - Full reimbursement (*when supported by a receipt*) for all Company Car and Cash Allowance drivers. (Please code to **Carwash/Oil**)

5.3 Accommodation

5.3.1 Hotels

Travellers should book the lowest cost hotel available at time of booking which suits requirements, but for guidelines the acceptable maximum limits are:

London	£150 (including breakfast and VAT)
Rest of UK	£100 (including breakfast and VAT)

Any hotel costing more than the above limits per night (or on average per night) must be approved by your line manager in advance of booking.

For Europe and worldwide travel, the booker should consult with their host for competitive local hotel rates and book through them.

5.3.2 Staying overnight somewhere other than a hotel

Employees can stay with family or friends if approved by the Line Manager in advance. An amount of up to £25 per night is claimable through expenses to cover any specific costs incurred.

Examples of this would be thank you flowers for your host, a bottle of alcohol for your host, a takeaway meal for your host or a laundry bill for your bedding.

For the expense to be claimed, receipts must be **provided along with name, address and post code of host.**

The cost should be coded to '*Friends and Family*', and the name and address etc. of your host recorded in the description.

5.3.3 Incidentals

These are items of minor expense associated with an overnight stay away from home, including laundry, mini-bars, calls from hotel telephones, newspapers and magazines, in-room videos, gym and pool fees and similar costs.

Maxxium will reimburse up to £5 (excluding VAT) for each night away in the UK and £10 overseas if a valid receipt is provided. This is to be applied cumulatively, so for example up to £15 will be reimbursed for a three-night stay in the UK.

The limits above are the absolute maximum – tax rules state that if an employee exceeds this then the full amount becomes taxable and therefore Maxxium will not reimburse any of the incidental cost if it is over the limit.

5.4 Meals and drinks

The guidelines below are based on HMRC guidelines on reclaimable limits for meals and drinks when employees are working away from their normal place of business. Journey time including travel, work and meeting. If the value of your meal exceeds the below limits the residual value should be coded to Entertaining Maxx UK within your claim.

Meal rates from 6 April 2016

<u>Minimum Journey time</u>	<u>Maximum meal allowance</u>
5 hours	£5
10 hours	£10
15 hours	£25

Where the £5 or £10 allowances are paid, a further allowance may be paid of up to £10 where a qualifying journey lasts beyond 8pm, therefore a maximum of £35 may be claimed per 24 hours. So if away for five hours and it's after 8pm then you can claim £15; if away for 10 hours and after 8pm then you can claim £20 and if away for 15 hours and over and after 8pm you can claim £35

5.5 Phone and internet

5.5.1 Mobile phones

Where you have been given a company mobile, minimal and sensible personal use is allowed.

5.5.2 Internet/Broadband

Costs for using this service can only be reclaimed when required for business purposes. Most hotels and trains offer wifi or devices can be connected to your company mobile.

Sales staff who do not currently have a Broadband/Telephone line provided by the company are entitled to reclaim **ONLY** the Broadband element up to

£19.99 per month (*when supported by a valid bill*).

5.5.3 Phone calls from hotels

Company mobile should be used whenever possible.

5.6 Other

5.6.1 Tipping

Tipping in normal circumstances (e.g. waiters, taxi drivers, etc.) is reclaimable where the payment can be substantiated with a receipt, credit card voucher or statement. The amount should be no more than 10% of the bill.

If it is not possible to obtain a receipt or card voucher to back up the tip, the reclaim should be posted to Staff Entertaining (Entertain MX UK), and the Company will pay additional tax arising (which will be charged to your budget).

5.6.2 Staff gifts – maternity, retirement, etc.

Gifts for employees may be reclaimed on expenses with the prior approval of your line manager.

The suggested gift for occasions such as new babies or milestone birthdays is a bouquet of flowers amounting to around £40.

For occasions such as retirement or long service awards, speak to your director or the HR department.

5.6.3 Other gifts, prizes, incentives, etc.

In certain circumstances, with line manager pre-approval, you may buy gifts for Maxxium employees related to performance, incentives or prizes for competitions and reclaim these

via expenses. Additional tax will be payable on these and therefore will add 60% to the cost of the item.

To account for this additional tax, a [PSA form](#) must be filled out and sent to Financial Accountant.

In certain circumstances, with line manager pre-approval, incentives may be purchased for non-Maxxium employees, such as shopping vouchers for bar staff if they hit sales targets. Additional tax will be payable on these and therefore will add 60% to the cost of the item.

To account for this additional tax, a [TAS form](#) must be filled out and sent to Financial Accountant.

5.6.4 Professional subscriptions

Employees may claim back the cost of the annual subscription for a maximum of two professional bodies, provided that each body is on the HMRC approved list and its activities are directly relevant to the employee's duties. If you have any further subscriptions, these may be claimed as a tax deduction on your tax assessment return, provided they are also on the HMRC approved list.

5.6.6 Clothing Hire

Clothing hire/purchases are not covered by Company expenses, unless otherwise advised (and pre-authorized via email by your functional Director).

5.6.7 Raffle/Prize Draw Tickets

The company will reimburse raffle/prize draw tickets purchased whilst representing Maxxium at hospitality events up to the minimum entry level, which must be charged to Charity.

i.e. 3 prize draws @ £10 per ticket = total claimable £30

Any claims for tickets purchased for a third party or above the minimum level must be approved by your departmental Director. If approved, it should then be split between Entertaining MaxxUK and Entertaining Other and full details of event and specific guests must be provided. Should an individual win a prize, they will have the option of donating the prize to the company and seek reimbursement of the ticket, or retaining the prize and self-fund the ticket.

6 Exceptions

The following expenses will not be reimbursed:

- Parking fines
- Barclay card late/missed payment fees and associated interest
- Loss or theft of goods – please check the company insurance policy for these things
- Congestion charge fines
- Speeding fines