DIOCESE OF LICHFIELD

FINANCIAL ACCOUNTABILITY

Expenses Policy

LDBF FINANCIAL ACCOUNTABILITY

EXPENSES POLICY

2026 - Revised

Approver	Finance
Owner(s)	Director – Finance
Original Issue Date	1 January 2023 – updated 01 January 2026 **Amended 25 June 2026**
Next Revision date	1 January 2027
Revised By	Finance and Asset Management Committee
Related Documents	• Template Forms • Allowances Rates and reimbursements
Location of Electronic Copy	• HR • 'H' Drive: Policies Folder • Finance
Scope	This Policy applies to all LDBF and Subsidiary Companies employees plus those identified in paragraph 2. The LDBF reserves the right to amend this policy at its discretion. It does not form part of any employees' contract of employment with the LDBF.
Exclusions	Agency workers and self-employed contractors

Expenses Policy

Contents

Page

1.	Policy Statement	4
2.	Who is Covered by the Policy?	4
3.	Roles and Responsibilities	4
4.	Reimbursement of Expenses	4
5.	Guidelines on How to Claim Expenses	5
6.	Allowable Expenses	6

1. Policy Statement

The purpose of this policy is to guide employees and authorised volunteers who serve on committees, attend external events or meetings for the Lichfield Diocesan Board of Finance when claiming expenses which have been necessarily and reasonably incurred by them in the performance of their duties for the Lichfield Diocesan Board of Finance. This policy outlines the types of expenses that may be claimed and the procedure for submitting a claim.

In the event that this policy and the law conflict, the law shall take precedence. If employees have any doubts about their rights, they should discuss the matter with their manager. If this policy changes as a result of amendments to the law, the changes will be communicated to the employee through their manager.

This policy does not form part of your contract of employment, and it may be amended at any time.

This policy is effective from 01 January 2026 and shall not apply to any actions that occurred before this date.

2. Who is Covered by the Policy?

This policy is intended to apply to all employees of the Lichfield Diocesan Board of Finance (hereafter referred to as the LDBF) including full-time, part-time and fixed term employees plus authorised volunteers who serve on committees for the LDBF and other identified volunteers.

3. Roles and Responsibilities

Managers are responsible for ensuring that any expense is checked against the policy before authorising. In the case of volunteers, it is the responsibility of their supervisor to make them aware of this policy.

Employees and volunteers can expect to be challenged by their manager if their claim does not conform to the guidelines.

The Finance Team are responsible for providing advice under this policy and ensuring that the policy is up-to-date and reflects changes in employment law and best practice. The Finance Team is responsible for receiving and processing expense payments.

4. Reimbursement of Expenses

The basis of expense claims will be for actual expenditure, subject to any limits which might be set out in this policy. Limits will be reviewed annually. Individuals must pay for their personal expenses and claim them back.

Managers, employees and volunteers please note that authorising managers have no authority to vary this policy; claims for items not allowed under the policy will be rejected by either the budget holder or the Finance department.

Breaches of this policy, including the deliberate falsification of a claim or of evidence needed to make a claim, may result in action being taken under our Disciplinary Procedure.

The decision of the CEO/Diocesan Secretary is final on the issue of expenses, other than his/her own; there is no right of appeal.

Expenses will only be reimbursed if they are:

- Claimed using forms that are available from the Finance Team and submitted to your manager,
- Submitted within three months of being incurred; and within two months of the year end (31 December),
- Supported by relevant documents (for example, receipts, tickets, and credit or debit card slips – submitted in pdf as a single document); and
- Where required, authorised in accordance with instructions in force at the time the expense was incurred.

Any questions about the reimbursement of expenses are to be referred to your manager before you incur the relevant costs. Claims for authorised expenses submitted in accordance with this policy will usually be paid directly into your bank/building society account.

In exceptional circumstances we may, at our discretion, agree to reimburse expenses that have not been incurred or submitted in accordance with this policy. In each case you should provide full details of why it was not possible to follow this policy.

HMRC rules on taxable benefits must be adhered to and will supersede any agreements or current practices. Any individual agreements are subject to review and this may require the individual to provide periodic further detailed justification of the expenses incurred. Where an expense may be seen as a taxable benefit this may result in future deductions being liable. Employees need to be aware that this will result in their being individually responsible for paying tax on benefits in kind, which may apply retrospectively.

We reserve the right to request an independent audit of expenses in order to ensure that this policy and HMRC guidelines are being followed both in letter and spirit.

5. Guidelines on How to Claim Expenses

Expenses are to be submitted as soon as possible after they have been incurred and where an individual is likely to incur multiple lines of expenditure, group these together to submit one claim. Our Expense Claim Forms must be used for all expenses claims; these are available from HR or the Finance. Original (hard copy) or copied and scanned receipts (electronic) must accompany all claims.

All employee expense claims must be signed by the officer and authorised by the claimant's manager, or, if they are unavailable, a more senior manager or in certain cases by the Office Manager. The CEO/Diocesan Secretary's expenses must be signed off by either the Diocesan Bishop; The Director of Finance or the Chair of the LDBF. Authorising managers must ensure the claim for expenses is in line with this policy, or reject it for correction or further information.

Expenses are to be submitted by the claimant following signature by the manager to the Finance department regularly, monthly if possible, so that costs are reflected in our financial reporting when they are incurred.

This is particularly important at the end of the year when expenses for December and prior must be authorised and submitted within two months (end of February) of the year end (31 December). **All Claims must be in pdf, xls or doc format – links will be rejected.**

The Finance Team will endeavour to reimburse all expenses as soon as possible. The target for the maximum wait by employees for reimbursement is 15 working days from the submission of authorised expenses is received by Finance.

6. Allowable Expenses

6.1 Travel Expenses

We will reimburse the reasonable costs necessarily expended on travelling on the performance of the duties on LDBF time, for example to events, external meetings, and training. The expectation is that individuals will travel by the most cost-effective mode of transport taking into account journey time and the nature of the journey. The following is **<u>not</u>** included:

- Travel which is mainly for your own purposes,
- Travel between your home and normal place of work (allowable for volunteers),
- Travel which, while undertaken on behalf of the LDBF, is similar or equivalent to travel between your home and your usual place of work.

However

- All travel incurred by working a day you do not normally work can be claimed.

Hybrid working

- Travel incurred on a day that an employee would normally declare as working from home, will be treated as if the employee was in the office and normal rules apply and any normal travel to the office should be deducted. Arrangements can be made to swap in office days.

By Car

Where it is cost-effective for you to use your car for business travel, and you have been authorised to do so, you can claim a mileage allowance on proof of mileage in at £0.45p for the first 10,000 miles and £0.25p thereafter, until 5th April 2026. **From 6th April 2026, the rate for the first 10,000 miles has increased to £0.55p per mile**. These rates may be amended from time to time by the DBF. We reserve the right to apply a discretionary diocesan-recommended mileage rate based on changes in fuel costs as and when required.

A business journey is "a journey which employees make to or from a place they have to attend in the performance of their duties". This excludes private travel or ordinary commuting defined as travel between home and the permanent workplace.

When working out the mileage that can be claimed, employees are to deduct their normal home to work mileage. For example, if a business journey is made directly from home, on a usual work day which means that the employee does not undertake their normal commuting journey, the ordinary commuting mileage should be deducted from the claim.

Car travel outside the Diocese of Lichfield will be reimbursed at the higher rate for a maximum of 100 miles of the total return journey from the home base only. All additional miles will be reimbursed at the lower rate. Where longer journeys are undertaken, please consider using public transport whenever this is cheaper or appropriate.

You can also claim for any necessary parking costs which need to be supported by a receipt or the display ticket where possible.

Where an employee uses their own vehicle for work purposes, they must ensure that the vehicle is in good working order, fully insured (including coverage for business travel), taxed and a valid MOT (as appropriate) and that the driver is covered by breakdown assistance.

Other than in exceptional circumstances, when we may exercise our discretion to do so, we will not reimburse any penalty fares, speeding fines or parking fines that you may incur while travelling for the purpose of carrying out your duties. Although technology allows hands free; it is Diocesan Policy that whilst driving under no circumstances an employee should use their mobile for calls or texting. Only using as a sat nav is permittable.

In the event of an accident occurring while you are in the course of performing your duties, it may be possible (subject to confirmation from our insurer on a case by case basis) that we may be able to meet the cost of any excess of your insurance cover. However, the full cost of an accident will not be met by our insurance, you are expected to claim against your own comprehensive insurance and you are responsible for ensuring you have business use cover.

Shared Car Policy

Where it is necessary to travel in a step to try and encourage where possible car sharing it is recommended that the Diocese offers a Car Sharing rate of an additional 5p per mile as per the HMRC guidelines. This would be applicable where an officer can demonstrate that by car sharing, they have avoided an expense claim being made.

Using the Toll Road

Where it is deemed in exceptional circumstances to be more effective and efficient to use the Toll Road, then receipts should accompany any claim and also an explanation why the Toll Road was used. Ideally any use should be agreed in advance with your line manager. The LDBF reserves the right to refuse Toll Road claims if it is not deemed as an exceptional circumstance.

By Taxi

We do not expect you to take a taxi when there is public transport that would not greatly increase your journey time. However, when this is not the case, or the number of employees travelling together make it cost effective to do so, you can travel by taxi. A taxi may be taken when the employee is travelling with heavy baggage or equipment necessary to carry out their duties.

A taxi may be taken when the employee is travelling very early in the morning or late at night when there is no public transport available and for personal safety reasons.

A receipt for any taxi journey will need to be obtained for submission with an expenses claim form.

By Train

You will only be reimbursed for the cost of standard class travel unless alternatives are cheaper. You should, as far as possible, book your journey sufficiently in advance to obtain the best possible prices. Where there is a minimal booking fee this will be paid by the LDBF. Individuals need to retain all tickets or provide a receipt or booking confirmation email for submission with an expenses claim form.

Incidental bus/underground fares may also be claimed, regular visitors to London can use an Oyster Card or contactless payment card.

By Motorbike

Where it is time-effective for you to complete a business journey by motorbike and provided you are personally insured on your own insurance to undertake such journeys and you have been authorised to do so, you can claim a mileage allowance on proof of mileage. This must be in accordance with HM Revenue and Customs allowances and guidelines with the mileage rate being £0.24p (or as amended by HMRC from time to time) per mile. As a responsible employer we insist that for any business journeys undertaken, your motorbike is fully serviceable and that you wear an approved helmet and protective clothing.

By Pedal cycle

Where it is time-effective for you to complete a business journey by pedal cycle then in accordance with the HMRC guidelines this may be reclaimed at £0.20p (or as amended by the HMRC from time to time) per mile.

By Air

If you are required to travel by plane in the course of your duties discuss the travel arrangements with your manager in advance. Because the diocese is committed to significantly cutting its carbon footprint we do not travel by air on diocesan business unless unavoidable.

6.2 Subsistence

The following claims may be made when travelling on LDBF approved business, other than to the normal place of work. This is intended to reimburse the individual for additional expense. Reimbursement will be for actual expenditure incurred up to the stated limit shown below upon production of receipts. Reimbursement will only apply to events that have been agreed in advance with your manager. Please note the cost of alcohol will not be reimbursed unless specifically allowed below.

Breakfast (if journey started before normal daily departure time **and** no later than 7.00am)	£8.00
Lunch (additional cost over and above usual lunch costs)	£7.50
Dinner (if you work all day and are not able to able to get home before 9.00pm, or where a light supper has not been provided). One alcoholic drink (for example small glass of beer or wine) with the meal is acceptable providing it falls within the claim allowance.	£20.00
Dinner (if you are required to stay away from home overnight). One alcoholic drink (for example small glass of beer or wine) with the meal is acceptable providing it falls within the claim allowance.	£24.00 per day
Incidental Subsistence Expenses	
In addition to the subsistence allowances referred to above you may additionally claim for incidental expenditure on refreshments such as tea, coffee, water etc.	£5.00 per day
Overnight Allowance including Breakfast*	
Inner London	£180.00
Elsewhere	£145.00
Incidental Overnight Expenses	
In addition to the overnight allowances referred to above you may additionally claim for incidental expenses of a personal nature such as newspapers, laundry and private phone calls	£10.00 per night (UK) £20.00 per night (Overseas)

*Where it is not possible to find accommodation within this limit a higher rate may be agreed by either the Diocesan Secretary or the Director of Finance where best value is proven.

For the avoidance of any doubt, when the cost of attending an event (such as a conference) involving an overnight stay includes the cost of accommodation and/or meals, additional claims under this policy cannot be made for those items.

6.3 Entertaining – Hosting Expenses

We will reimburse the costs of refreshments provided at meetings and other entertainment costs incurred at or near the permanent place of work only if these costs have been incurred for the benefit of non-members of the organisation.
When making a claim, please complete the expenses form. In all cases costs will need to be fully supported by receipts. Where submitting expenses for hosting within the home receipts do not need to be provided but the following information will need to be submitted with the expense claim form and the amount will be subject to the caps below.

The maximum amounts that can be claimed are as follows:

- Costs of providing bed & breakfast for visitors to the diocese – up to £15 per night,
- The costs of providing meals to visitors up to a maximum of £10 per individual.

The following information should be included with the expense claim form:

- The name(s) of the attendee(s),
- The organisation which they represent,
- The purpose of the entertainment.

6.4 Eye Tests

We will pay for the cost of regular eye tests for employees that use visual display units as a significant part of their work (normally every two years). Where the optician deems it necessary for the employee to be provided with glasses solely for the purpose of working with the visual display unit and for no other purpose, then the LDBF will pay for the cost of basic frames and lenses up to a limit of £120 plus the cost of a standard eye test. Refer to the Eye Test Policy for further information.

6.5 Business Phone Calls and Mobile Phone Usage

Use of Home Phones

For those employees who make infrequent business calls on behalf of LDBF whilst away from their office phone, they may use their own home phone without pre-agreement of their manager. In such cases, the cost of the itemised business calls will be reimbursed on production of an itemised bill with an identifiable call charge amount. Such business call expenses are to be submitted via the usual monthly expenses claim forms.

Personal Use of LDBF Mobile Phones
The regular personal use of LDBF mobile phones must be pre-agreed with your manager, the Property Services mobile phone contract manager and the Finance Team.

For those employees issued with an LDBF mobile phone the cost of using their LDBF mobile phone for pre-agreed personal use is to be reimbursed by the employee, which is in line with HMRC rules. Once the employee has agreed a monthly contribution amount then the employee is to deduct the agreed amount from their monthly expenses, before submitting their expenses to the Finance Team.

The employee is responsible for monitoring their use of the LDBF mobile phone for personal use and if their monthly usage increases significantly then they are expected to inform the Finance Team and agree a higher contribution amount.

Where personal usage is outside of the inclusive call, text and data allowance, the exact costs of personal usage can be identified and reimbursed by the employee and if greater than the agreed contribution, an additional amount deducted from the employee's monthly expenses claim.

The monthly contribution amount cannot exceed the monthly contract cost apart from cases where personal usage is outside of the inclusive call, text and data allowance.

Where employees have declined to use the LDBF mobile phones for personal use and therefore do not make a monthly contribution, and then make unexpected and significant use of the mobile phone for personal uses, such cases will be addressed on a case by case basis, but you may be asked to make a reasonable one off contribution.

Personal Mobile Phone Business Usage Charges
If an employee chooses and agrees with their manager to use their personal mobile phone for regular business usage*, then the business usage charges when covered by an inclusive monthly contract allowance will not be reimbursed by LDBF under HMRC rules, which identify such use a benefit in kind and as such those payments are always taxable. For usage outside of the inclusive monthly contract allowance, then the employee is to provide a copy of the itemised bill with identifiable costs and submit the cost of the business usage of their mobile phone via the expenses claim forms in the usual way.
* For the purposes of this policy, '*usage*' covers all calls, texts and data.

For those employees who make infrequent business calls on behalf of LDBF whilst away from their office phone, they may use their personal mobile phone without pre-agreement of their manager. In such cases, the cost of the itemised business calls will be met on production of an itemised bill with an identifiable call charge amount, but as per the above paragraph, usage covered by the monthly contract allowance will not be reimbursed by LDBF.

Very rarely an employee may have the cost or a contribution made towards the cost of phone rental agreed by the CEO/Diocesan Secretary in writing. This is providing it is wholly, exclusively and necessarily incurred in the performance of their duties. For example the employee/office holder needs to be on-call or where an employee/office holder works at home under a home working arrangement. Once the employee uses the mobile phone for personal use, such payment would be considered a benefit in kind by HMRC and would be taxable.

In any case where there is regular use of a personal mobile phone for business use and you have chosen not to be issued with an LDBF work mobile phone (which has been agreed with your manager), then the total allowable reimbursement of '*out of pocket*' expenses will be capped at £20 per month. This cap equates to the monthly cost of an LDBF mobile phone sim only contract which gives unlimited calls and texts and a significant data allowance.

One-off instances of business use costs for a personal mobile phone unexpectedly exceeding the £20 limit will be dealt with on a case by case basis.

6.6 Subscriptions

Where it is necessary to be a member of a professional body the LDBF will reimburse the annual subscriptions. Employees may wish to pay these themselves and claim tax relief from the HMRC, however if the LDBF does reimburse for the fee then the employee is unable to claim tax relief on the subscription. Please check with your line manager first.

6.7 Postage

Please attach Post Office receipts or a log of letters sent and stamps used.

6.8 Stationery, In-Service Development and Other Expenses

Where possible, such expenses will be met directly by the LDBF using the normal payment procedure administered by the Office Manager. When claiming for the cost of films and developing, please name the event at which the photographs were taken.

6.9 General Expenses

There may be times when an employee incurs a particular expense that is not covered in the above policy. When an expense is reimbursed, HMRC has to be satisfied that the expense is allowable for tax purposes. Otherwise the reimbursement must be treated as additional taxable income. Under HMRC rules an expense can only be deductible if it is one that each and every holder of an employment would be obliged to incur and must be "necessarily" imposed on the holder of the employment by the duties of that employment.

If you are unsure whether a particular expense is reimbursable please seek advice either from the Finance Department or from the HMRC website (www.hmrc.gov.uk). Any expense not covered by this policy must be agreed in advance by the relevant budget holder.