



Travel and Expenses Procedure

1. Introduction

- 1.1 Hanover acknowledge that its employees may incur expenses in the carrying out of their role. The purpose of this policy is to ensure that employees are properly reimbursed for legitimate business expenses and to ensure that these expenses are treated appropriately for tax purposes, in accordance with HM Revenue and Customs' Rules.

2. Expense Claim Procedure

- 2.1 Hanover will reimburse employees for actual expenditure that is incurred in connection with authorised duties that employees undertake in the course of their employment.
- 2.2 All claims are submitted via the HR Self-Service Portal and should set out the reasons why the expense incurred and include original receipts or invoices with the date and time of the transaction (unless claiming for mileage). When claiming for travel expenses on public transport, original tickets showing the departure point and destination of the journey, are required where possible. Credit and debit card statements will not be accepted. Employees must deduct their normal cost of commute to work from any public transport claims.
- 2.3 Expenses claims must be submitted within 60 days of the expense being incurred. If this is not practical, written approval for any extension will be required from the approving manager. Hanover reserves the right to withhold any payment where written approval has not been sought.
- 2.4 Hanover may reject claims for expenses without payment if completed incorrectly or insufficient supporting evidence has been provided. It will be the responsibility of the claimant and the manager who is signing to ensure that the required evidence is provided.
- 2.5 All claims should be submitted by the 15th of the month via the self-service portal for manager approval. Once approved the expense claim will be sent to the payroll team for payment via BACS.
- 2.6 Records of personal travel claims should be kept for two years following the end of the relevant income tax year.

3. Travel Expenses

- 3.1 Employees should:
- consider whether travel is necessary or whether the task could be completed by telephone or video conference
 - choose the most cost-effective methods of travel

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- ensure that planned travel is approved by the manager.

4. Car Mileage

Use of personal vehicle

4.1 It may be appropriate and cost-effective for employees to use their own vehicle when travelling on business, for example when travelling with several employees or, where there is limited public transport to the destination, or the journey time is significantly shorter than using public transport. Any use of a personal vehicle on business is subject to the employee:

- holding a full UK driving licence;
- ensuring that the vehicle is roadworthy and fully registered; and
- holding comprehensive motor insurance that provides for business, evidence of which is required to be sent to the Risk and Assurance Team for approval;
- employees should consider whether car journeys are necessary and when in any doubt this should be discussed with the line manager.

4.2 Hanover accepts no liability for any accident, loss, damage or claim arising out of any journey made on business and is not liable for the cost of any insurance policy related to an employee's personal vehicle.

4.3 To claim a mileage allowance payment, employees should set out the distance of the journey undertaken on the expenses claim. Hanover will pay a mileage allowance of 45p per mile for business mileage under 10,000 miles and 25p per mile for mileage over 10,000 miles, or such other rates as are set out from time to time by HM Revenue and Customs. These rates apply whether the vehicle is petrol, diesel, hybrid or electric.

	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year	Passenger rates
Cars and Vans	45p	25p	Passenger rates are 5p for first passenger, then 2p for each subsequent passenger.
Motorcycles	24p	24p	Same as above
Bicycles	20p	20p	na

4.4 Hanover will pay for tolls, congestion charges and parking costs incurred as part of the business journey, where applicable, but not parking fines.

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Interim arrangements for fleet car users

- 4.5 During the transition period to move to all employees using their own vehicle and whilst we plan for the return of vehicles business mileage is claimed at 45p per mile in line with HMRC guidance.
- 4.6 Hybrid cars are treated as either petrol or diesel for this purpose.
- 4.7 There will be no reimbursement for 'ordinary commuting'. Ordinary commuting is the journey employees make between home and their workplace or designated workplace for mobile workers. Employees must deduct their commuting miles from any claims submitted.
- 4.8 There will be no reimbursement for non-business-related travel. This includes the journey between an employee's home and normal / designated place of work, when making multiple journeys in one day the equivalent home to office mileage should be deducted from the total mileage claim in accordance with HMRC guidance.

5. Rail Travel

- 5.1 Where travel has been agreed, any travel paid direct by the employee will be reimbursed through the expense claim process, for which a receipt must be provided. A deduction should be made for employee's normal cost of commute before submitting a claim.

6. Meal Allowances

- 6.1 When on a business trip away from the employee's home/normal work town, Hanover will provide a meal allowance.
- 6.2 Subsistence for breakfast/snack may be claimed for overnight stays, where the employee is driving and required to break the journey for health and safety reasons or where the employee is travelling and unable to provide their own breakfast/snack such as on public transport).
- 6.3 Employees will be expected to meet the cost of their own lunches when on duty, unless otherwise provided as part of conferences, learning events, meetings etc. This will be communicated on the event or conference invite. This reflects expectations applicable to employees who are not travelling and who provide their own meals.
- 6.4 An expensed evening meal may be taken were in relation to overnight stays for reason of business. Otherwise, it may only be taken when an employee expects to return home after 20:00 hours following a full day's business travel. Allowances for meals are set out in the table below.

Type	Allowance
Breakfast / Snack	£7.40
Full Evening Meal including Drink	£22.10

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- 6.5 If employees are required to undertake business travel and costs are incurred on a meal (food and soft drink) after starting the journey, employees may claim:
- **£5 (five-hour) rate** - where business travel has been undertaken for a continuous period of at least five hours and have incurred the cost of a meal;
 - **£10 (10-hour) rate** – where business travel has been undertaken for a continuous period of at least 10 hours and have incurred the cost of a meal or meals;
 - **£25 (15-hour and ongoing at 8pm) rate** - where business travel has been undertaken for a continuous period of at least 15 hours and lasts beyond 8pm a supplementary rate of £10 can be paid to cover the additional expenses necessarily incurred as a result of working late; and
 - **£5 for an overnight personal allowance** - business travel has been undertaken and required to stay away from home overnight in Scotland and personal incidental costs are incurred, such as for laundry.
- 6.6 The maximum amounts above are inclusive of drinks. Hanover does not cover the cost of alcoholic beverages. Where employees are required to start early or finish late on a regular basis, the over five-hour and 10-hour rate, whichever is applicable, will be paid provided that all the other qualifying conditions are satisfied.
- 6.7 Employees should supply or attach receipts and invoices for all accommodation and meal expenses other than for the overnight personal allowance, where no receipts are required. Employees can be reimbursed for a meal once only. If the cost of an evening meal or breakfast is included in the cost of overnight accommodation, employees will not be entitled to meal allowances in respect of those meals.

7. Accommodation

- 7.1 Overnight accommodation will only be approved when significant travel has to be undertaken. Where overnight accommodation is authorised and booked, this should be the most cost effective option possible. We do have guest bedrooms which can be used if this is suitable but is not compulsory. The reasonable cost of an evening meal will be reimbursed which must be supported by a relevant receipt.
- 7.2 As a guideline for business travel, employees should book accommodation equivalent to three-star standard or less where possible. Employees may book hotel accommodation of up to £120 maximum in a major city and £100 elsewhere aiming to ensure best value for money.
- 7.3 It is the responsibility of the employee to ensure that any accommodation reservations are cancelled within the required cancellation period if they are no longer required.
- a. A Hanover company credit can be used to book accommodation, and this should be arranged via the employee's manager.

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8. Credit card

- 8.1 Hanover credit cards are to be used for business purposes including but not limited to reasonable travelling expenses and reasonable accommodation costs.
- a. Employees should provide the finance team with all receipts including VAT receipts, within 30 working days of the date on which the account statement is received.
 - b. Employees are not permitted to use the Hanover credit card for personal use. Any unauthorised personal transaction via the Hanover credit card will automatically be deducted from the next salary payment. This is an express written term of the contract of employment. Under no circumstances should a Hanover credit card be taken on holiday or abroad.
 - c. When using a Hanover credit card employees are an ambassador of Hanover therefore employees should deal with all transactions courteously and professionally.
 - d. On termination of employment, the Hanover credit card should be handed in to the manager on the employees last date of employment.

9. Use of Mobile Phone

- 9.1 Hanover mobile phones are provided to fulfil the duties of the role professionally and efficiently and to be used strictly for business purposes, only except in the case of an emergency.
- 9.2 Hanover reserves the right to monitor Hanover issued mobile phone usage to ensure compliance with Hanover's policy on use of equipment and any personal use will be recharged back to the employee.
- 9.3 Employees can use their own phone for Hanover business, but this needs to be agreed with the employee's line manager and should be in line with our **Bring Your Own Device Policy**.

10. Christmas parties, function or annual events

- 10.1 Any team event such as a Christmas meal or celebration for a team will be subject to the team manager's approval, which must be authorised.
- 10.2 Any event hosted by Hanover, such as the Christmas party will be communicated to employees via the Executive Leadership Team. The budget for such events will be managed centrally.
- 10.3 Please note that the scale of celebrations may vary from year to year, depending on Hanover's performance. Hanover may choose not to approve or host celebrations for employees where it is not appropriate to do so given the financial circumstances. Alternatively, should no corporately arranged event take place, Hanover may

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contribute financially to locally arranged events. Any excess costs above the Hanover contribution will not be reclaimable.

11. Responsibilities

- 11.1 When authorising travel plans, managers should ensure that the most cost-effective method to be used, and that all travel costs are pre-authorised. Claims should be signed off once it has been confirmed that all costs are reasonable and supported by valid evidence.
- 11.2 The manager is responsible for approving expense claims and identifying any inaccuracies prior to submission, should the payroll team find any discrepancies, this will be reported to managers and managers should investigate and take appropriate action.
- 11.3 Misuse of Hanover expenses policy and procedure is a disciplinary offence under the Hanover's disciplinary policy.

12. Expenses that will not be reimbursed

- 12.1 Hanover will not reimburse claims for:
- the cost of any travel between the employee's home and usual place of work
 - the cost of any travel undertaken for personal reasons;
 - the cost of any travel for the employee's partner or spouse;
 - any fines or penalties incurred while on business for whatever reason, including penalties for not paying for a rail ticket in advance of boarding the train and penalties or fines associated with motoring offences, including speeding or parking fines, clamping or vehicle recovery charges;
 - any expenses incurred for personal benefit or to improperly influence or reward a business contact; or
 - cash advances or withdrawals from an ATM machine.

13. False claims

- 13.1 Where payment has been made to prior to the discovery that the claim was not legitimate or correct, Hanover may deduct the value of that claim from the employees next salary payment on completion of the investigation.

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