

Travel, Entertaining And Expenses Policy

May 2010

EAST COAST

1. Introduction

This policy replaces all other instructions relating to expenses previously issued and will take effect immediately.

The policy reinforces the responsibility and accountability for expenses which rests with Senior Managers and which can be delegated.

2. Policy

Reasonable expenses necessarily incurred by employees on company business and properly authorised will be promptly reimbursed.

It is intended that employees will not gain financially as a consequence of incurring authorised expenditure on Company business.

Expenditure which conflicts with the Company policy on expenses will not be authorised.

3. Scope

This policy applies to all Company employees.

4. Responsibilities

Senior Managers and Directors should ensure expenditure is in the interest of the business, is appropriate and kept to a minimum, and that expenses are claimed promptly.

Where employees are in any doubt about the validity of an expense, they must consult their manager.

Employees are required to keep expenses to a minimum, to provide receipts and to submit expense claims as soon as possible after incurring the expense, and, where possible, within the calendar month.

5. Authority Levels

Authority for air travel must be obtained from the Director responsible for that Directorate.

Apart from air travel, Senior Managers have full delegated authority for all expenses incurred on Company business within their specified levels of financial authority.

Any queries relating to specified financial levels should be directed to the Head of Internal Audit before any expenditure is authorised.

6. Reimbursement

Expense claim forms must be properly completed and authorised, and must be supported by VAT receipts.

7. Company Purchasing Card

A Company Purchasing card will be issued to Directors and Senior Managers and, as appropriate, to other employees for use on Company business, subject to the criteria contained within the Purchase Card Policy :

Use and issue of credit cards will be regularly audited and may be withdrawn at the discretion of the Company.

The card must only be used for business expenses such as travelling, subsistence and entertainment for the cardholder and guests. The card must not be used for the purchase of supplies, private purchases or for drawing cash.

The card should be used as an alternative method of paying relatively low value and frequently/ infrequently supplied goods within the transaction limit. A signed requisition, letter, e-mail, etc requesting the order is required at all times.

For audit purposes, each time the card is used, full details of the expenditure must be kept. A VAT RECEIPT MUST BE OBTAINED FOR ALL PURCHASES.

Credit limits are set at as per issuing instructions.

Cardholders will be provided with a breakdown of expenditure incurred on the card. This must be certified by the employee and be properly authorised by the cardholder's Manager and countersigned by a Director.

Where a cardholder leaves the Company, the employee's manager must ensure that the card is removed and destroyed before the leaving date. The relevant contact in Procurement and Accounts Payable also need to be notified.

8. Guidelines

8.1 Subsistence

Subsistence costs are costs necessarily incurred by employees when working away from the normal place of work.

8.2 Meals when working away from the normal workplace

Expenditure for meals will generally be reimbursed when such expenditure is in conjunction with an overnight stay, and when meals are not provided by the Company.

8.2.1 Breakfast

Breakfast may be claimed following an overnight stay, or when required to leave home before 0700 hours.

8.2.2 Lunch

When employees are required to work or attend at a location other than their normal place of work it is expected that they will provide their usual lunch arrangements without making an expenses claim. However, where additional expenditure is incurred in the purchase of “main meal” items, including non alcoholic drinks etc., necessary and agreed expenditure will be reimbursed.

8.2.3 Dinner

Dinner (including non alcoholic drinks) may be claimed if working away from the normal place of work and the employee will not arrive home before 2100 hours.

8.2.4 Incidental Consumables

Reimbursement for the purchase of other “snack” items such as coffee, tea, etc. for other than a “main meal” will be considered on merit and according to circumstances.

8.3 Overnight accommodation

Hotels from the approved Procurement/Intel list should be used whenever possible and costs billed to the Company.

Requisition for Accommodation should be authorised by a Senior Manager.

Purchase order should be raised in the normal way prior to booking being made where possible.

Accommodation will be provided on the basis of a double room of reasonable standard with private facilities. The following is a guideline on price:

London £130.00 B&B Evening meal £30.00
Other locations £100.00 B&B Evening meal £20.00

Accommodation arrangements normally will include dinner, bed and breakfast.

The cost of the evening meal, morning newspaper and one telephone call per day (£2.50) may be added to the bill.

Services which are not directly work-related, for example dry cleaning etc. may not be charged to the bill.

8.4 General/incidental expenses

Claims for reimbursement of line rental and business telephone calls must be supported by itemised bills. Unless otherwise agreed, line rental costs of private telephones will not be reimbursed.

The cost of purchasing small, necessary items of stationery and other incidental expenses etc. may be claimed where it is not practical to use the Purchase Order system.

8.5 Subscriptions

The Company has discretion to pay for membership to one relevant professional association.

8.6 Entertainment

Corporate entertainment will normally be part of an organised event agreed by Directors.

Executive Group and Senior Managers may provide entertainment where there is a distinct benefit to the Company or where relevant business relationships are being developed.

Such entertainment should be limited to a reasonably priced meal and may include reasonable alcoholic drink appropriate to the circumstances.

Senior Managers may delegate entertainment authority to direct reports, However, this must be done in advance of the entertainment.

It will be normal practice for the senior member of the Company to pay the whole bill when more than one member of staff are involved.

For special items e.g. product testing and monitoring competitors refer to the guidelines produced by your Director.

8.7 Travel

8.7.1 Travel By Rail

Duty travel on Company services must be properly authorised.

The issue of warrants for standard class duty travel on other than the Company's services must be authorised by the appropriate delegated authority

Before travelling, warrants must be exchanged for a train ticket at a Company Travel Centre.

Employees may, if they wish, purchase tickets using their own cash or credit card. This expense will be re-imbursed as general expenses (see 8.4 above).

8.7.2 Travel By Car

Where it is necessary and agreed an employee may use his/her own transport to travel between home and a place other than the normal place of work. Claims for reimbursement of costs must be for the miles incurred using a reasonable route and be for either the actual journey or the journey between his/her normal place of work and the place being visited, at the approved mileage rate (see Appendix "Approved Mileage Rates").

Expense claims must show the mileage relevant to the current claim, the reason for the journey and the cumulative year to date business mileage for all vehicles (Company or private).

8.7.3 Taxis to and from home

Taxis are not normally provided to and from home except in the following circumstances and by prior authorisation:

- When carrying bulky items necessary for work purposes.
- When an early start or late finish is necessary and where this is an exception to the normal work pattern and where such early start or late finish is outside the hours of public transport.
- When staying away overnight on Company business and the employee does not wish to leave his/her car at the station overnight.

The Company Approved Mileage Rates

For those employees who have a lease car as part of their benefit package (or have taken a payment in lieu of a car) the following rates are to be used for reclaiming the cost of petrol when used for business:

Car up to 2000cc	14p per mile
Car of 2001cc and above	20p per mile

For those employees who are provided with a car and a fuel card the above rates are to be used to re-imburse the Company for private mileage charged to the card.

When an employee uses their own car for business purposes, with the authority of their Manager, the following rates are to be used:

Use of own private car	40p per mile
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Employees should explore the possibility of using a pool car before using their own vehicle.

Please note that the relevant records must be completed and submitted to support the claims made for business mileage and the re-imbusement of private mileage.



EAST COAST
East Coast Main Line Company

*East Coast Main Line Company Limited.
East Coast House, Skeldergate, York YO1 6DH.*