



Travel, Subsistence and Personal Expenses Policy and Procedures

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*Items not included in this policy document

The Travel, Subsistence and Personal Expenses Policy and Procedures (referred to hereafter as the Policy and Procedures) have been approved by LSE's School Management Committee (SMC). The contents draw on the School's [Financial Regulations](#) and HM Revenue and Customs (HMRC) guidance on reimbursing expenses and providing benefits for employees.

Scope and Purpose

- 1 It is the School's intention that all expenditure appropriately incurred by an individual on behalf of the School, in the course of School business, is fully and speedily reimbursed in the most efficient and effective way possible.
- 2 The Policy and Procedures apply to all School employees undertaking travel and associated activities and incurring personal expenses in the course of their employment by the School. Employees should not incur expenditure on behalf of the School on purchasing items which should be purchased using the School finance system or a purchasing card. Making such purchases via the School directly ensures that the ownership of the goods is clearly with the School, facilitates recovery of VAT and clarifies the position regarding warranties and insurance.
- 3 The Policy and Procedures also apply to persons who are not employees but who are travelling on the official business of the School. The policy equally applies to subsidiaries of the School.
- 4 The Policy and Procedures apply to all School funds irrespective of their source, including research grants and departmental funds. They cover all LSE group companies.
- 5 Where specific external grant or other funds are being utilised then the School policies and rates of reimbursement will normally take precedence over specific external provisions, unless the external restrictions are more prescriptive or constrained in which case they will apply.
- 6 In all cases it is the responsibility of the Budget Controller to secure Value for Money for expenditure charged to those budgets for which they are Budget Controller.
- 7 Staff are encouraged to make purchases using their own finances (for reimbursement) only for small items of personal expenditure, for example rail travel, not covered by the School's normal purchasing arrangements. High cost travel can be made using the School's Booking Agency, Diversity Travel.
- 8 The Policy and Procedures apply to all expenditure whether paid on invoice, with School Purchasing cards or reimbursed via an expense claim.
- 9 If an expense or situation is not covered in this document, then please contact the Assistant Director of Finance (Reporting and Compliance) for guidance before expenditure is incurred.
- 10 The Policy and Procedures should be read in conjunction with other relevant policies including Health and Safety related and the [LSE Policy against Bribery and Fraud](#).

General Principles

- 11 Employees will only be reimbursed expenses incurred solely and necessarily in the performance of their duties. No flat rates or 'per diem' rates will be paid. Expenditure should be kept to the minimum consistent with the effective performance of work on behalf of the School and recognising that the School is a public body, in receipt of public funds.
- 12 Claims for reimbursement of expenses incurred in the course of School business need to be submitted within 6 months of the date that the expenditure was incurred and describe its purpose.
- 13 Claims made against a ring-fenced award should be submitted before the end date of the award (or immediately thereafter).
- 14 If an employee incurs expenses frequently then it may be more efficient to claim these at regular intervals (e.g. monthly) rather than on each occurrence, subject to affordability for the individual concerned.
- 15 All claims must be supported by receipts or other evidence. Credit card slips are not sufficient. There may be additional requirements for expenditure on research grants which will be advised by LSE Research.
- 16 Reimbursement will normally be made in sterling by direct credit to the UK bank account in the employee's name which is currently held on the finance system (normally the account into which monthly salary is paid). Changes to the bank account for salary payment made by an employee on [MyView](#) will result in this bank account being the account into which expense reimbursements are made.
- 17 Under no circumstances may a claimant authorise his/her own claim.
- 18 Unauthorised or incomplete claims cannot be paid and will be returned. This may delay payment.
- 19 Delegation authority should be lodged with the Assistant Director of Finance and Head of Financial Reporting and Compliance.
- 20 Where the claim is authorised by someone who is not the Budget Controller for that cost centre, the claimant should ensure the relevant Budget Controller supports the charging of the claim to that budget.
- 21 All claims relating to research contracts should be sent direct to LSE who will authorise as appropriate in relation to grant terms and conditions before routing to the Finance Division for payment.
- 22 The person authorising the claim should ensure that the claim complies with these Policy and Procedures, including that it is reasonable, accurate and adequately supported by receipts and other evidence.
- 23 The Finance Division undertake random based sample checks on expense claims. Where queries are identified these will be notified to the authoriser (cc'ing the claimant) in the first instance. To avoid delaying payment to the claimant, wherever possible the claim will be processed while the query is resolved.

Expense claims authorisation and delegation matrix

Role/position	Responsibility	Potential to delegate authorisation
Council members	School Secretary	Finance Director
LSE Director	Chair of Council on a quarterly basis	None
SMC member	Director	None
Heads of academic departments and other academic units	Director	Finance Director, School Secretary
Heads of academic units within departments	Head of department	Departmental Manager or equivalent
Members of academic units	Head of the Academic Unit	Departmental Manager
Professional service leaders	School Management Committee line manager	Chief Operating Officer or deputy if SMC member absent
Professional service staff	Line manager	Other senior member within Division

Travel

24 Travel is recognised as a necessary and beneficial element of operating a Social Sciences institution with global reach. However, travel also consumes resources (staff time and money), can have a deleterious impact on the wellbeing of the traveller, and has environmental impacts that should also be taken into account. Alternatives, such as telephone, Skype or video conferences¹, might be appropriate in some circumstances. Similarly, it is appropriate that consideration is given to the number of people that travel to any event.

Need to Travel

- 25 Travel must be for purposes that are clearly necessary for purposes of conducting School business and for all travel arrangements there must be adequate budgetary provision.
- 26 The authority to approve travel rests with the Budget Controller of the account to which the expense is to be charged. For major foreign events with multiple attendees, care should be taken to ensure that the travel of each attendee is required.

¹ LSE's state-of-the-art video conferencing suite, on the ground floor of Pankhurst House, is a greener, cheaper alternative to travel for maintaining LSE's global links and partnerships. The suite can be used by all LSE staff and has been used to conduct meetings and interviews both nationally and internationally. Should you require assistance, please call IT Services on x5300 or 020 7107 5400, or email IMT.AV.Support@lse.ac.uk

Travel Management Contacts

- 27 The School has an approved, award-winning academic and charity specialist Travel Management Company (TMC), [Diversity Travel](#). As part of the service from Diversity, LSE has its own travel booking team. Details of how to use the agency and obtain best value are detailed separately on the LSE website.
- 28 If you are aware of a cheaper fare for your journey, then you can advise Diversity who will aim to match the price and/or improve the terms and conditions of the booking.

Travel Considerations

- 29 The School will not reimburse the cost of home to work travel. Situation specific exceptions can be made for those with a disability, however this should be discussed with the Assistant Director of Finance (Reporting and Compliance), prior to a cost being incurred.
- 30 The mode of travel (e.g. air, rail, private car) and route used should be selected to achieve a reasonable balance between the cost of the travel and the time spent travelling. If the employee decides to use his or her private vehicle even though the budget-holder would have expected a cheaper alternative mode of transport to be used (e.g. train or other public transport), then the amount claimed will be limited to the standard fare or cost of the journey by the alternative mode.
- 31 When developing contracts and other arrangements involving externally funded travel, staff should consider the impact on their time of the travel and the possibility of securing funding for travel arrangements that facilitate a speedier turnaround.
- 32 When in doubt, please seek advice from the Finance Division and LSE Research (for travel funded by a specific research contract) before booking your travel.

Method of Travel

- 33 The normal methods of travel for School business will include:
 - walking
 - cycling
 - public transport – buses, underground, railways, coaches, ferries, etc.
 - taxis, mini-cabs and services like Uber (see separate section)
 - commercial airlines
- 34 Cycles should only be used for business purposes where appropriate insurance cover is in place.
- 35 Private cars may only be used as part of a journey (such as travel to a railway station) or where they are the most economic practical means of transport. In any event, private vehicles may only be used for School travel where appropriate insurance (to cover business use) is in place.
- 36 Commercial airlines may only be used where railways or other land travel do not provide an economic practical alternative.

Air Travel Class Policy

- 37 Staff are encouraged to consider using train services in preference to flights for domestic, Western European and local travel overseas where economic and practical.
- 38 Economy Class is the normal/default class of travel for all School business.
- 39 Where there are adequate funds to cover the cost AND for flight times exceeding 6 hours or for overnight flights, a Premium Class is permitted. See paragraph 47 for the definition of Premium Class. Deviation from this is permitted where supported by certificated medical evidence.
- 40 First class travel should not be used.
- 41 Where flights are funded by external sources such as grants and donations, any funders restrictions on flight class take precedence and must be observed.
- 42 Staff are encouraged to consider Premium Economy rather than Business Class where Premium Class travel is permitted, and both classes are available.
- 43 Where the total cost of travel can be reduced by extending a stay to avoid travelling at peak prices on a Friday or Monday, with the cost of an additional hotel night and day's subsistence more than offset by a reduced air fare this should be considered, alongside the implications for the wellbeing of the traveller.
- 44 Requests for details of travel, including cost and travel class, are frequently received under the Freedom of Information Act and will normally be disclosed. It is intended that they will routinely be published online once the necessary process has been developed.
- 45 Airlines have different names for different classes. The policy is written based on British Airways (BA) classes: economy, premium economy, business/club class, first class.
- 46 Economy herein means BA economy
- 47 Premium Class herein means BA premium economy or business/club class. First Class herein means BA first class.
- 48 Some overseas airlines use the term 'first class' to describe what would be called business class or club class by BA. For the purposes of this policy, that is a permissible Premium Class.
- 49 Where staff members undertake sufficient regular travel on School business thereby accruing air miles (or similar benefits), staff should endeavour where possible to use those air miles for subsequent flights on School business. However, where staff members travel on a one off or irregular basis, there is no efficient or economic means of using or transferring any accrued air miles for School business, or where air miles would expire before a necessary School trip arises, then there is no School restriction on use of such air miles.

51 Air Travel Approval Authorities:

Approval of class of travel in accordance with this policy	Prior approval not required
Approval of Premium Class NOT in accordance with this policy but where no Economy Class available (other than in an emergency)	School Management Committee member
Approval of Premium Class where no Economy Class available in a genuine emergency with risk to health and safety/security	Traveller
Approval of Premium Class travel for distinguished visitors and similar	School Management Committee member
Approval of class of travel (other than own travel) not in accordance with this policy, including any First Class travel	LSE Director, LSE Secretary, Chief Operating Officer, Director of Finance

Public Transport

- 52 Local bus, tram and underground train fares for business journeys may be claimed. Claims should be supported by receipts (e.g. used tickets) where possible.
- 53 Within London, travel on bus, tube or similar will be reimbursed at the Oyster card 'pay as you go' rate. Claims will only be allowed for journeys which incur additional expenditure and are not covered by season tickets already held by the claimant. Top ups for Oyster cards cannot be claimed.
- 54 Journeys made by rail should be at the standard class.

Taxis, Services like Uber & Mini-Cabs

- 55 In the following, taxis means taxis and services like Uber and mini cabs. Taxis may only be used where there is a clear requirement (such as the need to transport bulky materials or to meet tight schedules) or where they are the most economic practical means of transport.
- 56 Examples of proper mini cab or taxi use.
- Home to airport, or vice versa, travel where no convenient public transport route exists
 - Home to airport, or vice versa, travel where very early morning or late night arrivals/departures and/or long total journey times are involved
 - 3 or more persons travelling together from LSE to an appointment at Canary Wharf; as economical as public transport
 - Travelling in London with heavy or delicate materials that cannot be conveyed on public transport

- 57 Examples where an alternative should be considered.
- LSE to Passfield Hall; use bus to Tavistock Square
 - LSE to Heathrow; use Tube from Holborn to Heathrow
- 58 It is a matter for the traveller and the Budget Controller to determine the most appropriate means of transport, and where taxis are used, to record the journey details and reason for use of taxi on any expense claim.
- 59 Accounts Payable will not routinely query expense claims or seek further justification for taxis where the journey details and reason for use of a taxi are provided with the claim.
- 60 Expense claims without the journey details and reason for use of a taxi may be queried and payment may be delayed until all the relevant details are provided. Further details may be sought retrospectively by Internal Audit in any case, or by the Finance Division where there is an unusual pattern of taxi usage or apparent inconsistency in details provided.
- 61 You can order taxis with no transaction fees applied via Diversity Travel. There are also two School-wide taxi accounts in operation; one with Addison Lee and another with Green Tomato Cars. Please email procurement@lse.ac.uk for further details of how to use these accounts.

Late Night Taxi Fares Home

- 62 The School allows reimbursement of late night transport home in exceptional circumstances where an employee is required as part of their duties (rather than freely chooses) to stay in London late in order to participate in a significant School related event and as an alternative to an overnight stay.
- 63 In accordance with HMRC guidance, reimbursement will be made, to a maximum of 60 journeys in a year, if:
- the employee is occasionally required to work late (9pm or later) or very early but those occasions are not regular, and
 - by the time the employee can go home, either public transport between the employee's place of work and home has ceased, or it would not be reasonable in the circumstances for the employer to expect the employee to use it.

Use of Private or Hired Cars

- 64 Staff using their own private vehicles (car, van, motorcycle or bicycle) for business travel may claim reimbursement at the [mileage rates](#) laid down in [Appendix A](#). The cost of fuel for private vehicles cannot be claimed. The mileage reimbursable for a journey of business travel is the actual mileage travelled provided that the journey is not substantially the same as the journey between home and the normal or permanent place of work.

- 65 Approval of the use of a car on School business is a matter for the Head of Department or Division. A car should be used only if
- materials and equipment are to be carried, or
 - it is in the best interest of the School that the staff should travel by car. For example, where more than one member of staff is travelling to the same destination or where overall travelling time can be considerably reduced by the use of a car, or
 - where public transport is not available.
- 66 The School's Motor Vehicle Insurance Policy does not provide cover for employees driving their own vehicles on School business. Where an employee uses his or her own vehicle he or she must ensure that the vehicle insurance policy includes cover for business use. Insurance companies do not normally charge extra for this. Any extra cost which is incurred is not reimbursable.
- 67 The School will reimburse expenses for car parking costs incurred whilst travelling on School business away from the employee's normal place of work. Where possible, claims should be supported by receipts. The School will not reimburse excess parking charges, fines, wheel clamp unlocking, etc.
- 68 Vehicle hire arrangements should be made with one of the School's recommended suppliers. The vehicle hired must be a standard, non-luxury model and specification. The cost of fuel for hired vehicles may be claimed and should be supported by receipts.
- 69 For journeys by private or hired vehicle, staff are expected to travel together if it is practical to do so. An additional private mileage allowance is payable for passengers (see [Appendix A](#)).

Travel Insurance for Staff and Students

- 70 The School's Travel Insurance Policy covers all staff travelling on 'School business' and students whilst on 'School organised field trips'. For more details refer to the [Insurance document](#) and the [Health and Safety website](#) including information on risk assessments.
- 71 Whilst the School has travel insurance in place, you will not be automatically covered if the School's insurers do not know where you are going, when, or what you will be doing when you are there. The School's travel provider will remind you about notifying Health and Safety as part of the booking process but it is important to advise Health.And.Safety@lse.ac.uk of your intention to travel as early as possible and at least four weeks in advance wherever possible.

Accommodation and Subsistence

- 72 When employees are away from their normal place of work on School business for a period of more than 5 hours they may claim subsistence to cover the reasonable and necessary cost of food and refreshments and, if away overnight, accommodation. Basic standards expected of hotel and other accommodation include cleanliness, privacy, personal security and the availability of breakfast.

- 73 The reasonable costs of food and refreshments include meals (including a reasonable level of alcoholic or non-alcoholic refreshments) and the costs of a snack, tea, coffee, or soft drinks between meals. In all cases, the associated travel should occupy the whole or a substantial part of the working day, including normal meal breaks.
- 74 Receipts or other evidence must support all claims. The general principles of reasonableness and economy combined with efficient working practices should be borne in mind particularly in relation to hotel and meal costs where practicable. HMRC publishes benchmark scale rates for [UK subsistence](#) and [overseas allowances](#). Members of staff are encouraged to use benchmark information to ensure that value for money is secured when incurring travel related expenses overseas.

Airbnb

- 75 The School does not encourage the use of Airbnb or other such operations as it cannot guarantee meeting its Duty of Care requirements to ensure the Traveller's safety in this type of accommodation.
- 76 Consideration should be given, and a risk assessment prepared if necessary, to whether the party offering the accommodation holds relevant insurances and the accommodation has been assessed for fire safety, building or wiring codes and has appropriate fire alarms, exits etc. Airbnb are not liable in the event of death or personal injury.

Personal Incidental Expenses

- 77 Employees making a business trip may spend money on items such as private phone calls and laundry. These are not 'travel expenses' but are personal incidental expenses incurred whilst travelling. The School will only reimburse those Personal Incidental Expenses that are necessary for the business trip and in excess of those that would have been incurred at home. Claims should be supported by receipts. The costs of personal entertaining and leisure pursuits will not be reimbursed. The limits for Personal Incidental Expenses are set out in [Appendix A](#).

Passports, Visas and Vaccinations

- 78 Employees are responsible for ensuring that they have valid passports for overseas business travel. For any journey, the expiry date of the passport must be at least 6 months after the date of returning to the United Kingdom. The School does not reimburse the cost of passports or the cost of replacing lost or stolen passports.
- 79 Employees may use the School's appointed Travel Management Company, Diversity Travel, to seek advice on the need for visas and vaccinations for overseas business travel. The cost of these may be claimed if it is not settled by an invoice to the School.

Combining Business and Non-Business Travel

- 80 If business and non-business travel are combined in a trip, the expenses claim must show in sufficient detail the costing of the business and non-business elements to prove that there is no subsidy of the non-business costs and that the primary purpose of the trip was business.

Spouses and Partners

- 81 Expenses incurred by or on behalf of spouses and partners are not reimbursable. An exception to this can only be made when there is an essential and exceptional business case and must be authorised in advance by the Director, or in the case of the Director, by the Chair of Governors.

Purchases

- 82 Employees making a business trip may be required to incur minor incidental non-travel business expenditure such as telephone calls, batteries for official equipment, etc. These may be claimed in the normal way.
- 83 Employees must not purchase items on behalf of the School and reclaim the costs via an expense claim. In particular, computing equipment, phones, software and similar should be purchased through the normal School purchasing arrangements. The School may refuse to reimburse such items and may be required to deduct tax and national insurance if a reimbursement is made. The only exceptions would be items of a very low value and purchased incidentally.
- 84 It is possible to make IT related purchases in exceptional circumstances, for example where a machine is stolen abroad and needs to be urgently replaced. To mitigate potential personal tax liabilities, in these cases, contact your DTS Support Manager for advice prior to making a purchase.

Childcare whilst on Work Related Training and Conference Attendance

- 85 Where funding allows, additional childcare costs above any childcare costs normally incurred, may be claimed by the employee during essential 'work related training' and conference attendance. The additional costs must be supported by invoices or receipts such as an invoice from a registered childcare provider. Payments to family members or other unregistered child carers will not be allowable.
- 86 Work related training is defined by HMRC as training to 'impart, instill, improve or reinforce any knowledge'. The Budget Controller must authorise the academic's attendance on the training and outline the formal objectives that relate to a specific learning need of the academic.

Subscriptions to Professional Bodies

- 87 Where budgets permit, subscriptions to professional bodies for individual which meet the test of being wholly and exclusively necessary for the performance of their role may be reimbursed however they may attract a taxable benefit which the individual will need to meet unless they are listed on HMRC's List of professional bodies approved for tax relief. The initial payment must be made by the individual and recovered through an expense claim.

Home Internet/Broadband Connection

- 88 Internet and broadband contracts usually provide unlimited access and no separate billing procedure to separate business use from private use creating a taxable benefit. There are a limited number of academic department schemes operating where broadband is paid for certain staff and the department meets the grossed up cost of tax and NI costs. Given the cost of these arrangements, which can double the contract cost and the ubiquity of broadband for most staff, no new schemes are now permitted.

Business Entertainment

- 89 Reasonable amounts of business entertaining, where necessarily incurred in the course of the School's business (including events for students), may be charged to School administrated funds
- 90 Hospitality for visitors will normally be provided in the Senior Common Room and recharged internally. Where this is not practicable, entertaining on the scale of a normal business lunch is permissible.
- 91 All claims for reimbursement must include the purpose of the hospitality/entertaining and the names of those present, including School staff, with the organisations they represent.
- 92 The most senior School person present should settle the bill and make the claim for reimbursement.
- 93 Reference should be made to the School's [Ethics Code](#) and the [LSE Procedure for Gifts and Hospitality](#).
- 94 Departments may allocate modest funds of up to £50 per head to staff Christmas parties or other similar functions where they are open to staff generally in a department and are not limited to particular grades or categories of staff.
- 95 The cost of other hospitality for staff for social reasons should not be charged to School budgets, Research projects, or Outside Funds. Examples of such hospitality include staff breakfasts, staff lunches (whether held in LSE catering outlets/restaurants or externally) and staff parties other than at Christmas.

The cost of lunches during formal meetings over lunchtime may be claimed if reasonable in nature; these will usually be on LSE premises. Lunches in restaurants involving only LSE staff, even if work is discussed during the meal, are unlikely to fulfil the HMRC requirements for business expenditure as wholly, exclusively and necessarily incurred for the business and so will not be reimbursed.

- 96 Gifts such as flowers, to employees for occasions such as the birth of a child, a serious illness or retirement up to a value of £50 may be claimed. The gift cannot be in the form of cash or vouchers. Gifts cannot be made for routine events such as birthdays or as recognition of a work related achievement.

Advances

- 97 Whenever possible, departmental arrangements should be made for the direct payment of fares, car hire, hotel expenses, etc., thus leaving the minimum amount to be met in the course of the journey. Personal payments using credit cards are settled monthly in arrears and normally expense claims will be reimbursed before this. Advances are therefore made on a limited basis.
- 98 If funds permit, LSE staff members working on a research grant may obtain an expense advance from LSE Research. The advance must be approved by the grant holder or by an authorised signatory on the research grant. All such advances must be accounted for in detail as prescribed in the LSE Research Procedures Manual.
- 99 If there is a balance remaining from an advance after submission of the relevant claim, subsequent expense claims will be set against the balance until the advance is cleared. Advances are for specific trips and will not be issued as a rolling advance. No new advance will be issued if there a previous outstanding balance unless there are exceptional circumstances. If claims related to advances are not submitted according to the requirements above, future advances will not be considered.

Appendix A: Mileage Rates and Personal Incidental Expenses

Mileage Rates

- 1 Prior to using private vehicles for business purposes, staff must ensure that their insurance cover extends to business use, is roadworthy and has an MOT certificate
- 2 Cycles should only be used for business purposes where appropriate insurance cover is in place.
- 3 Employees using their own vehicles on School business may claim a mileage allowance in accordance with HMRC regulations as follows:

	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Per passenger in car or van also travelling on business*	5p	5p
Motor cycles	24p	4p
Bicycles	20p	20p

*For each employee who travels on business as a passenger in a private vehicle an additional 5 pence per mile may be claimed. The name of any passenger(s) must be identified in the claim.

Personal Incidental Expenses Rates

- 4 Personal Incidental Expenses are described in the Policy and Procedures. The following maximum rates, which are HMRC rates, apply only to overnight stops away from home on School business. Only actual expenditure can be claimed and should be supported by receipts. If more than the limit is claimed, then all of the cost becomes a taxable benefit and tax and national insurance will become payable. The limit is calculated by the total number of nights rather than per night of the stay.

Location	Maximum nightly rate
UK	£5
Overseas	£10

Review schedule

Review interval	Next review due by	Next review start
Every two years	01/08/2021	01/04/2021

Version history

Version	Date	Approved by	Notes
1	30/04/2019	SMC	

Contacts

Position	Name	Email	Notes
Assistant Director of Finance for Reporting and Compliance	Jenny Febry	j.febry@lse.ac.uk	

Communications and Training

Will this document be publicised through Internal Communications?	Yes
Will training needs arise from this policy	Yes
If Yes, please give details	
This is an existing financial policy but the OneFinance project will draw attention to it and it will be made more visible and accessible. It will also be easier to audit expense claims and enforce compliance with the contents of this policy	