

**Internal Use Only**

**FirstGroup**

# **Travel and Expenses Policy**

REFERENCE: HR15

OWNER: Group HR Director

VERSION NUMBER: 1.1

DATE: 01 February 2020

## Travel and Expenses Policy

### 1. Purpose

- 1.1. This policy aims to ensure that only legitimate business expenses are paid for by FirstGroup and treated appropriately for tax purposes.

### 2. Scope

- 2.1. This policy applies to all employees in all FirstGroup companies.

### 3. Individual Responsibilities

- 3.1. You are responsible for ensuring:

- Your expenses are appropriate and consistent with business need
- You understand and comply with this policy
- You choose the most cost effective routes and timings to meet business need
- Your expense claims are accurate and supported by appropriate receipts
- You follow any additional local procedures or controls which have been put in place in your business area

- 3.2. If you have any questions, please contact your line manager or local HR manager in the first instance.

### 4. Approving Expenses

- 4.1. If your job requires you to authorise expenses for others, you must be satisfied claims are reasonable, appropriate and comply with this policy. **This means you must:**

- Ensure the credit card expense form matches the credit card statement, including whether the credit card statement shows any charges which are not on the expenses form or are not backed by receipts
- Verify the accuracy of any cash claims
- Check every line of the expense claims, not just a sample
- Check the supporting documentation for each line of the claim
- Ensure all elements of the claim are for legitimate business expenses permitted under this policy

- 4.2. You must also ensure that employees return their company credit card on leaving FirstGroup.

## 5. Paying for Business Expenses

- 5.1. If you travel regularly on business, you will be provided with a corporate credit card; under our contract with the corporate credit card provider, the Group receives a rebate for spend on the card, so you should use this card (rather than your personal credit card) to pay for business expenses.
- 5.2. If you do not have a corporate credit card, or in the unlikely event credit card payments are not accepted, you should either:
  - arrange for your expenses to be charged to the Business, with your line manager's approval; or
  - pay cash and submit a claim with receipts through your business's online system.
- 5.3. You should make sure you have also read the Corporate Credit Card policy. **In particular please be aware that**
  - you must not use your corporate credit card for any non-business expenditure.
  - having a card does not automatically give the right to spend money on it – you still need to satisfy yourself that you have authority to purchase the item or service, and to spend that amount.

## 6. Claiming Expenses

- 6.1. You must use your business's online system or locally agreed process. Claims must be approved by your line manager and then sent to First Shared Services or Accounts Payable for processing.
- 6.2. **In no circumstances** should you approve your own expense claims.
- 6.3. Claims should be submitted within 30 days of the expense being incurred. Claims older than 90 days may not be paid.
- 6.4. The Company incurs charges for late payment of corporate credit card expenses, so if your credit card expenses form is not submitted within 60 days, the card may be revoked.
- 6.5. Expenses will not be paid unless supporting evidence is provided. This should include receipts or invoices showing the date of the transaction.
- 6.6. Where you are submitting a receipt, it must show:
  - the name of the retailer or service provider;
  - the goods and services provided; and
  - in the UK, the amount of VAT payable and the supplier's VAT registration number. This enables FirstGroup to reclaim the VAT.
- 6.7. FirstGroup may return a claim without payment if it is completed incorrectly, lacks supporting evidence or is not authorised appropriately.

## 7. Booking Travel

- 7.1. Employees and line managers should consider whether travel is necessary to meet business objectives, or if other methods such as conference calls would be more cost-effective.
- 7.2. You should use FirstGroup's preferred suppliers, as indicated in this policy, for making your bookings to ensure we benefit from the preferential rates they provide, and also to ensure your whereabouts are known from an employer's duty of care perspective.
- 7.3. Please book through the supplier's websites, rather than telephoning them, as FirstGroup is charged a higher rate for telephone bookings.
- 7.4 If you can get cheaper rates direct rather than using our preferred suppliers, please alert our Group Procurement team by emailing [travel.management@firstgroup.com](mailto:travel.management@firstgroup.com)

## 8. Air Travel

- 8.1. You should choose the most cost-effective fares, routes and timings including method of travel to/ from the airport to meet business need.
- 8.2. All flights and airport parking should be booked as far in advance as possible, to benefit from any discounts.
- 8.3. You should book fixed fare tickets, as this is cheaper than fully flexible, even if you have to pay a change fee later. Where you need to book a fully flexible ticket you should obtain prior authorisation from your line manager.
- 8.4. You should contact FirstGroup's appointed travel agency who will find the most cost-effective travel options for you. In the UK and Ireland this is [Inntel](#); in North America it is [TSI](#).
- 8.5. All flights up to 6 hours must be booked in economy class. Business class flights (in North America referred to as 'First/Business') may only be booked when the duration of an **individual** flight is six hours or more (i.e. excluding journeys where multiple flights are required and total journey time is in excess of 6 hours). **First Class flights should not be booked.**
- 8.6. 'Free upgrades' should only be accepted where there is genuinely no additional cost in the underlying fare. The offer of a free upgrade should be compared to the standard fixed fare ticket, and all other options offered by Inntel or TSI, to ensure it does not involve additional cost.
- 8.7. FirstGroup will not cover charges made for 'extras' such as excess baggage, advance seat selection or the use of airport lounges or fast-track security (where these are not included in the basic cost of the airfare).
- 8.8. Personal incentives or rewards associated with air travel, such as air miles, should not be a factor in determining which flight is purchased for business travel.
- 8.9. Rewards such as frequent flyer points or air miles obtained through business travel may be used for personal travel.

## 9. Rail Travel

- 9.1. Journeys scheduled to take less than 3 hours must be booked in standard class in the UK /economy class in North America. This **excludes** journeys where multiple trains are required and the total journey time is in excess of 3 hours. Single journeys scheduled to take 3 hours or more may be booked in First Class in the UK/ Business Class in North America
- 9.2. Where possible, rail journeys should be booked in advance to benefit from any discounts for early booking.
- 9.3. Open return tickets should only be bought if cheaper than fixed time tickets.
- 9.4. In the UK, unless you are using a TOC pass or the rail warrant system, rail tickets costing more than £50 should be purchased through [Inntel](#). In North America, train tickets should be purchased through [TSI](#).

## 10. Car Travel

- 10.1. It may be appropriate and cost-effective to use your own car when travelling on business, for example:
- if you are travelling with several employees, or
  - where there is limited public transport to your destination, or
  - the journey time is significantly shorter than using public transport.
- 10.2. Managers should challenge decisions to drive excessive distances rather than fly or use the train, both on grounds of safety and whether it is the best use of time.
- 10.3. Any use of your own car on FirstGroup business is subject to you holding a full driving licence, ensuring that your car is roadworthy and holding appropriate motor insurance that covers business use.
- 10.4. FirstGroup accepts no liability for any accident, loss, damage or claim arising out of any journey that you make on business in your own vehicle. FirstGroup will not pay for the cost of any insurance policy on your own car or for any fines or penalties that you incur whilst undertaking any journey on FirstGroup business.
- 10.5. FirstGroup will reimburse for mileage based on the rates set out by the relevant tax authority. These can be found on the tax authorities webpages: [HRMC in the UK](#); [IRS in US](#); [Irish Tax and Customs](#); [Canadian Revenue Agency](#))
- 10.6. All mileage claims must include the address (including the postal or zip code) of where the journey began and ended.

## 11. Car Hire

- 11.1. Car hire should be kept to minimum and only used where:
- You have flown to your initial destination and require a car to complete your journey, or

- a hire car would result in a significantly shorter travel time than using public transport, or
- there are several employees travelling together, or
- a hire car would be cheaper than claiming mileage.

11.2. Cars must be hired from our preferred suppliers:

**UK and Ireland:** Lex Autolease (Tel: +44-800-389-3690);

**North America:** Enterprise (Tel: +1-800-261-733) or National Car Rental (Tel: +1-800-227 7368);

11.3. A mid-sized car or smaller should be used in most travel situations. A larger car should only be used as a result of carrying multiple passengers or if there is a valid business reason requiring a larger vehicle.

11.4. FirstGroup is self-insured. Therefore, employees must decline all optional insurance service and fees unless otherwise specifically instructed by the Divisional President/Managing Director or Divisional CFO/Finance Director.

11.5. Claims for car hire must be approved by the individual's line manager in the same way as other business expenses.

## 12. Taxis

12.1. Taxi and car services should be kept to minimum and only used where:

- it will result in a significantly shorter travel time than using public transport, or
- there are several employees travelling together, or
- it would be cheaper than mileage and/or airport parking, or
- there may be safety concerns when travelling alone late at night or very early in the morning.

## 13. Accommodation and Meals

13.1. Accommodation should be booked through FirstGroup's appointed supplier. In the UK and Ireland this is [Inntel](#); in North America it is [TSI](#).

13.2. The following nightly limits apply including breakfast and taxes:

### 13.2.1. UK & Ireland

£165 or €165 – London and Dublin

£100 or €100 - UK and Irish cities

£90 or €90 - All other locations

### 13.2.2. North America

\$290 New York and other major metropolitan cities (eg Boston, Washington DC, Miami, Chicago, San Francisco, Los Angeles and Seattle)

\$150 - All other locations

13.2.3. These limits do not apply to Greyhound drivers, who are covered by the 'Corporate Lodging Program'.

13.3. It is recognised that on some occasions, for example in peak tourist season, or during major sporting events, it may not be possible to find accommodation within these limits. In these situations, line managers may approve claims above these limits, using their judgement about what is reasonable in the circumstances. However, please note that frequent non-compliance by individuals or teams will be investigated and followed up.

13.4. If you are required to be away from home on business, you may make reasonable claims for meals. The amounts below are intended as a guide:

£10, €10 or \$20 for breakfast (if not included in the hotel room rate)

£10, €10 or \$20 for lunch

£25, €25 or \$40 for dinner

13.4.1. You may make an additional reasonable claim for the cost of room service for any meals taken in your hotel room.

13.4.2. Line managers may approve reasonable claims over these amounts.

13.5. You must supply receipts or invoices for all hotel and meal expenses; excessive claims will be investigated and followed up.

13.6. When approving claims for alcoholic drinks, line managers are expected to use their judgement about what is reasonable and appropriate to the circumstances. This is particularly the case where a claim includes alcohol at lunchtime. Consumption of alcohol while on business must never be at a level which would create safety or reputational issues. Claims will be monitored, and investigated where they appear excessive.

13.7. Where the claim covers a group of FirstGroup employees, the most senior manager must pay for the meal and make the claim. If in exceptional circumstances the most senior manager is unable to pay, the expense form must be approved by the line manager of the most senior manager.

13.8. You must supply a complete list of attendees with the expenses claim.

13.9. Where the claim includes meals, drinks or accommodation for clients or other external business contacts, please refer to section 16 of this policy and the [Gifts and Hospitality policy](#)

## **14. International Travel**

- 14.1. There may be specific travel requirements for some countries, particularly those deemed as high risk. Please consult your dedicated travel agency for country specific travel requirements or Group Security for advice on any locations that could potentially be high risk.
- 14.2. FirstGroup will pay for any travel visas required for business travel.
- 14.3. It is your responsibility to ensure that you have a valid passport with a minimum of six months remaining prior to the expiry date.

## **15. Travel Insurance**

- 15.1. Business travel insurance will be provided for any trips authorised by FirstGroup. Details can be found on the employee portal [Business Travel Insurance](#).

## **16. Business Entertainment and Gifts**

- 16.1. Any expenditure incurred through the provision of hospitality, entertainment and gifts either to FirstGroup employees or to any third parties must be in all the circumstances reasonable and justifiable.
- 16.2. The Company's expectations in relation to the provision of hospitality, entertainment and gifts are set out in the [Gifts and Hospitality policy](#), along with the process for approval and notification.
- 16.3. Please note that in some cases approvals must be obtained in advance of incurring the expenditure or accepting the hospitality. Retrospective claims may not be paid.
- 16.4. Gifts for employees e.g. leaving or birthday gifts should normally be funded by way of a collection and should not be submitted as business expenses. However, managers (with the prior written approval of the budget holder) may exercise their discretion over the provision of low-value gifts e.g. flowers for an employee who is in hospital or on the birth of a baby.
- 16.5. The provision of any gifts, meals and entertainment for employees are subject to rates and reporting requirements set out by the relevant tax authority. These can be found on the tax authorities webpages: [HRMC in the UK](#); [IRS in US](#); [Irish Tax and Customs](#); [Canadian Revenue Agency](#)

## **17. Professional Subscriptions**

- 17.1. You can claim for one professional subscription/membership that is directly linked to the requirements of your post and approved by your line manager. A receipt must be provided.

## **18. Expenses that will NOT be covered by FirstGroup**

- 18.1. FirstGroup will not pay for:
  - 18.1.1. the cost of any travel between your home and usual place of work
  - 18.1.2. the cost of any travel undertaken for personal reasons or any expenses incurred for your personal benefit
  - 18.1.3. the cost of any travel or expenses for your partner or other family member
  - 18.1.4. any fines, penalties or charges incurred while on business for whatever reason e.g. speeding or parking fines or excess parking charges
  - 18.1.5. cash advances
  - 18.1.6. entertainment e.g. in-room/in-flight movies or spa treatments
  - 18.1.7. laundry or dry cleaning except in exceptional circumstances
  - 18.1.8. purchase of additional travel or car rental insurance
  - 18.1.9. Charges for advance seat reservations, excess baggage, the use of airport lounges or fast-track security

## **19. Monitoring and Compliance**

- 19.1. If FirstGroup considers that any expenditure claimed was not legitimately incurred on behalf of the company, it may request further details from you. FirstGroup will thoroughly investigate and check any expenses claim as it sees fit. Payment may be withheld if insufficient supporting documents have been provided.
- 19.2. Any abuse of FirstGroup's Travel and Expenses policy will not be tolerated. FirstGroup will take disciplinary action where appropriate and may treat a breach of this policy as gross misconduct, which may result in your summary dismissal. In addition, the matter may be reported to the police for investigation and criminal prosecution.
- 19.3. Internal Audit will periodically review compliance with this policy. Procurement will also work with suppliers to continually monitor compliance.

## **20. Document History and Change Control**

- 20.1. Any exceptions to this policy must be approved by the Group CEO.
- 20.2. This document will be reviewed by the Owner within twenty-four months of the issue date and at least once every twelve months thereafter. It will be reviewed at other times as dictated by operational needs and changes to the underlying legal position.
- 20.3. Requests for changes to this document must be sent to the Owner. All requests must provide details of the required changes and the reasons for the changes being requested. All changes will be noted in the table on the following page.

### Change control

<u>Version</u>	<u>Reason for change</u>	<u>Date</u>
1.1	<p>Policy transferred to new template and the following additional changes applied:</p> <p><i>Addition of new sections:</i> 8.5, 8.8, 8.9, 10.6, 11.1.1, 13.4.1, 16.1 – 5, 18.1.9, 20.2, 20.3</p> <p><i>Amendments:</i> 9.1: <i>exclusion of multiple short train journeys totalling 3+ hours</i></p> <p>10.4: <i>inclusion of reference to fines and penalties</i></p> <p>11.2 &amp; 13.1: <i>inclusion of 'Ireland'</i></p> <p>13.2.1 &amp; 13.4: <i>Inclusion of euro limits</i></p> <p>18.1.3: <i>Replacement of 'spouse' with 'other family member'</i></p> <p>18.1.6: <i>Addition of 'spa treatments'</i></p>	February 2020