# Expenses Policy

Policy · UK · Updated 2026-07-23 · Square brackets are placeholders to replace with your own details.

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An expenses policy is the written rulebook for spending money on your organisation's behalf and getting it back — what can be claimed, the limits that apply, the evidence required, and how claims are submitted, approved, and paid. It replaces case-by-case haggling with one set of rules everyone can see.

Without one, expenses become a fairness problem and a finance problem at once: the confident over-claim, the conscientious under-claim, and month-end becomes an argument. A clear policy protects staff from being out of pocket and protects the business from creeping, unchecked spend.

This template covers claimable and non-claimable costs, mileage and subsistence limits, the claims procedure, approval and payment, and the checks that keep the system honest.

## Purpose and scope

This policy sets out what [Your company] will reimburse, the limits and evidence required, and how to claim. It applies to all employees and, where agreed in writing, to contractors incurring costs on our behalf.

The principle throughout: we reimburse reasonable costs people genuinely incur doing their job. Nobody should profit from expenses, and nobody should be left out of pocket.

## Policy statement

[Your company] reimburses business expenses that are necessary, actually incurred, supported by an itemised receipt, and claimed within [number] days. Anything outside these rules needs written approval from [senior role] before the cost is incurred, not after.

## Responsibilities

- Claimants: spend as if it were your own money, keep itemised receipts, and submit accurate claims on time.
- Approving managers: check every claim line against this policy before approving — approval is a control, not a formality.
- Finance ([name/role]): pays approved claims in the [weekly/monthly] run, queries anomalies, and flags repeated breaches.
- Policy owner ([name/role]): keeps the limits current and approves exceptions in writing.

## What you can claim

- Travel: standard-class fares booked in advance where possible; taxis where public transport is impractical or unsafe.
- Mileage: [rate] per mile for agreed business journeys in your own vehicle, aligned with current HMRC approved mileage rates. Commuting to your normal workplace is not claimable.
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Accommodation: up to [amount] per night ([amount] in London), booked through [system/person] where possible.

- Meals when working away overnight or beyond normal hours: up to [amount] per meal with an itemised receipt.
- Other costs — parking, professional subscriptions, small equipment — with your manager's approval in advance.

## What you cannot claim

- Alcohol, except within a client entertainment budget approved in advance.
- Fines, penalty fares, or costs arising from your own error, such as fees for missed bookings.
- Personal items, upgrades, or costs for family members travelling with you.
- Anything without an itemised receipt, unless [finance role] agrees an exception in writing — card statements alone do not show what was bought.

## How to submit a claim

1. Enter your claim in [system/form] within [number] days of incurring the cost, one line per receipt.
2. Attach the itemised receipt for every line — a clear photograph or the original.
3. Code each line to [project/department/cost code] so finance can allocate it.
4. Send the claim to your manager for approval. Nobody approves their own claim, whatever their seniority — the owner's claims are approved by [named person].
5. Approved claims received by [day] are paid in [the next payroll / that week's payment run] to your usual bank account.

## Gifts, hospitality and client entertainment

Entertaining clients and accepting hospitality can create bribery risk as well as cost. Entertainment above [amount] per head needs advance approval from [senior role], and anything offered to or received from a public official — at any value — must be approved and recorded in the [gifts and hospitality register]. The full rules are in our anti-bribery policy; where the two documents differ, that policy governs.

## Checks, records and review

Finance spot-checks [number or percentage] of claims each [period] against receipts and diaries. Claims and receipts are retained for [period] to meet tax record-keeping requirements. A deliberately dishonest claim is treated as gross misconduct under the disciplinary policy.

The limits in this policy are reviewed [frequency, e.g. annually] against actual spend and current HMRC rates. Owner: [name/role]. Next review: [date].

## How to use this template

1. Set the money limits last — pull three months of real claims first so the caps reflect what your people actually spend.
2. Check current HMRC rules and approved mileage rates on GOV.UK before filling in any figure.
3. Name the claims system and the payment day precisely — most expenses friction is really about when people get paid back.
4. Decide who approves whose claims, including who approves the owner's, and write it in.
5. Brief managers that approval means checking each line, and show them what to look for.
6. Reissue the policy whenever a limit changes; a stale cap gets ignored in both directions.

## Official guidance

- GOV.UK — Expenses and benefits: A to Z
- GOV.UK — Employment contracts and conditions