
OPERATING POLICIES AND PROCEDURES

Chapter 11

Travel and Expense Reimbursement Policy and Procedures

Effective from 1 July 2014

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1. Policy Statement

- 1.1 All PIDG Participants (excluding any third-party manager or developer or other main service provider for a PIDG Facility) shall be required to adopt, as a minimum this travel and expense reimbursement policy and procedures.
- 1.2 This policy sets out [name of PIDG Company] (the “Company”)’s policy and procedures regarding the Company’s policy on travel and the reimbursement of expenses incurred by [employees and] Directors during the performance of their duties as [employees and] Directors.
- 1.3 This policy is intended to facilitate prompt reimbursement of reasonable and appropriate business expenditure incurred directly by a[n employee or] Director of the Company and that reimbursement will be made directly to the [employee or] Director personal bank account.
- 1.4 It is the [employees or] Director’s responsibility to ensure that travel and expenditure is both reasonable and necessary for the conduct of the Company’s business and complies with the provisions of this policy. All expenses must be reasonable and appropriate having regard to PIDG’s pro-poor mission and the nature of our public accountability.
- 1.5 [Employees and] Directors should familiarise themselves with this policy prior to incurring expenditure.
- 1.6 The submission of an expense claim containing fraudulent data will constitute gross misconduct.
- 1.7 See Appendix A for the process for the reimbursement of the expense claim.

2. General Information

- 2.1 It is the responsibility of each [employee and] Director to ensure that their claim is in accordance with this policy and that the correct procedures have been followed.
- 2.2 Expense claims should be made on the Company’s official expense claim form in accordance with the instructions set out in this policy. See Appendix B for a copy of the Company’s official expense claim form.

Every expense claim form must be fully completed to ensure the inclusion of sufficient information to justify the expense. This must include the classification of expense, the date of when the expense was incurred, the location of where the expense was incurred, the reason why the expense was incurred and justification for the class of travel if applicable. The currency in which the expense was incurred should be detailed, and as applicable the exchange rate and any transaction fee at which the expense was incurred must be detailed. All journeys must state the journey start and end location. Each expense claim will be given a unique reference number to establish an audit trail.

- 2.3 Where multiple expenses are detailed on one receipt (e.g. a hotel bill that covers accommodation, food and alcoholic beverages as separate line items), the claim must detail

each classification of expense separately. Details of classifications of expense are contained within Appendix B.

- 2.4 Alcoholic beverages are a separate classification of expense and should always be listed separately, e.g. an expense claim for a meal should list food and non-alcoholic beverages separately from alcoholic beverages.
- 2.5 Detailed receipts must be provided for all items of expenditure. Photocopies of receipts, credit card statements or credit card receipts alone are not acceptable. If originals are not received, future expense claims will not be reimbursed until such time as the value of the unsupported claim has been recouped. If original receipts are required for an individual's tax purposes, they can be returned once a claim has been settled (please note that copies will be retained on file).
- 2.6 Self-certification can only be used if exceptional circumstances exist which have been fully supported with appropriate evidence and have been independently agreed in line with the Authorisation Instructions noted in Section 3. This agreement of the exceptional circumstances should be documented and provided with the expense claim form.
- 2.7 Self-certification is not permitted for individual items of a value exceeding USD 50.
- 2.8 All expenses should be modest, measured, defensible and clearly linked to the business operations of the Company.
- 2.9 The [employee or] Director must ensure that the claim form is correctly completed before submitting it for authorisation. If a claim form is incorrectly completed and/or the relevant supporting documents are not attached, the form will be returned to the claimant.
- 2.10 Expense claims should be submitted to [TBC].

3. Authorisation of Expense Claims

- 3.1 For employees, a Director must check and counter-sign the claim before payment is authorised.
- 3.2 For Directors, the Chairman of the Board or the Chair of the Audit Committee must check and counter-sign the claim before payment is authorised.
- 3.3 For the Chairman of the Board, the Chair of the Audit Committee must check and counter-sign the claim before payment is authorised.
- 3.4 If the claim is not in accordance with this policy or detailed receipts/supporting documents are not attached the form must not be authorised. In such instances, the [employee or] Director must be asked to explain why the claim is not in accordance with the policy and why receipts/supporting documents are not available. [Each PIDG Company to agree process for resolution of disputes].

4. Expense Reimbursement

- 4.1 [Employees and] Directors should make copies of all expense claim forms and receipts before submitting them, and retain these copies for future reference. If expense claims are submitted by e-mail using scanned copies of receipts, original receipts must be submitted within 90 days of the expense claim. Boarding pass stubs must be submitted with evidence of flights taken along with proof of payment for this flight.
- 4.2 It is recommended that expenses claim forms are submitted either monthly or quarterly.
- 4.3 Expense claims which have been submitted after 120 days from the date they are incurred will not be reimbursed unless an exceptional circumstance has arisen which is approved by the Chairman as sufficient to alleviate this deadline.
- 4.4 All expense claims should be reimbursed by the Company [within 30 days].

5. General Travel Information

- 5.1 All travel (airfare, lodging and ground transportation) should be booked through {Insert name of the company travel agent / preferred supplier}.
- 5.2 When travelling [employees or] Directors should use the most cost-effective, safe and secure mode of ground transportation.
- 5.3 When travelling by rail, personnel are permitted to travel in first class where the journey time exceeds two hours.
- 5.4 For the purpose of travel paid for using a SmartCard (e.g. Oyster card, Gautrain card etc.), claims must be supported by a journey log (where available from the SmartCard provider) with relevant journeys highlighted.
- 5.5 Public transport should be used where available and safe to do so; although taxis can be used if it is impractical or not viable to use public transport.
- 5.6 Vehicles should only be rented for business purposes where it is cost effective and when public transportation and taxis are impractical, more expensive or not available.
- 5.7 In exceptional circumstances were an employee or Director, working from their normal place of work, finishes work later than normal and after [9pm], and public transport is not available for the entirety of the journey, or is available but with an extended duration of travel, it is permissible to use, and claim the cost of, a taxi for the employee or Director's homeward journey.

6. Business Related Food and Drink

- 6.1 The Company will reimburse business food and drink costs in accordance with the terms of this policy, capped at USD 15 for breakfast (where not already covered by a hotel room rate), USD 15 for lunch and USD 60 for an evening meal per [employee or] Director per night.
- 6.2 Where business meals are provided for third parties and Directors are present, authorising staff should ensure the primary purpose of the event is the hosting of the third party(s). If this is the case, the level of the expenditure per head should be appropriate and not exceed USD 15 for lunch and USD 60 for an evening meal. Claims above this level must be authorised by the Chair of the Audit Committee of the Company.
- 6.3 Expense claims for business hospitality must include the names of those present, the names of their employers and identify the reasons for such hospitality, plus any related costs (e.g. taxis). Wherever possible, prior approval for entertaining third parties should be sought from the Chairman (or in the case of the Chairman being involved in the entertainment, approval should be sought from the Chair of the Audit Committee).
- 6.4 The company suggests that gratuity of between 10% and 15% is reasonable and will reimburse for gratuity associated with business related food and drink, up to 15% of the value of the bill.
- 6.5 Where food and refreshments are required during Board Meetings, expenditure should be reasonable and approved by a Director.

7. Telephone Usage

- 7.1 The Company will reimburse the cost of the following business-related calls:
- Calls made from a[n] [employee or] Director's home (excluding any line rental fees);
 - Calls made from a[n] [employee or] Director's personal mobile phone (excluding line rental fees); and
 - Calls made from a mobile phone provided to a Director by an employer or other third party where the Director is required to reimburse the cost of personal calls.

8. Car Mileage Rates

- 8.1 When driving on PIDG business, provided it is further from your home to your temporary destination than it is from your home to your normal place of work, you can claim the lower of the distance:
- from your home to your temporary destination; or
 - from your normal place of work to the temporary destination.
- 8.2 The amount claimed will be in line with UK HMRC (or equivalent tax collection agency) rates outlined. The table below outlines rates set by UK HMRC, applicable in the UK only:

Miles per tax year	Car	Motorcycle	Bicycle
Up to 10,000 miles (16,093 km)	45p	24p	20p
Over 10,000 miles (16,093 km)	25p	24p	

Please note the UK HMRC rates are subject to quarterly revision and this policy will be updated accordingly.

NB. The UK HMRC car mileage rates are included as an example only and should be replaced by the equivalent jurisdiction's car mileage rates as applicable.

9. Car Parking Charges

- 9.1 [Employees and] Directors can claim these expenses only if they are incurred in the course of a business journey.
- 9.2 The Company will not reimburse the cost of parking at, or near, the [employee and/or] Director's normal place of employment.

10. Flights

- 10.1 All flights should be booked through {Insert name of the company travel agent / preferred supplier}.
- 10.2 Subject to the exception below, air travel to any destination requiring less than five hours flight-time may only be booked Economy Class.
- 10.3 Flights with a duration of five hours or more may be booked Business Class. Business Class flights with a duration of less than five hours are permitted if such flights are overnight and the Director is expected to attend a meeting on the morning of arrival.
- 10.4 No fully flexible Business Class tickets are permitted unless agreed in advance by the Chairman of the Company on an exceptional basis. If the Chairman is proposing to purchase the fully flexible flight then such purchase must be approved by the Chair of the Audit Committee of the Company.
- 10.5 Should a flight (or combination of flights for a journey) exceed \$10,000, this requires the prior authorisation by the [Chairman / PMU].

11. Hotels

- 11.1 [Employees and] Directors' hotels should be booked through {Insert name of the company travel agent / preferred supplier}.
- 11.2 Room costs per night, inclusive of breakfast the following morning and VAT, must not exceed [USD 150]. In the exceptional event that the company travel agent / preferred supplier cannot source a hotel within this limit, price and safety shall be the predominant determinant of which hotel to book.
- 11.3 [Employees and] Directors must attach their hotel bill to their expense claim form. If the hotel bill does not evidence payment, [employees and] Directors should also submit a credit-card record.

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- 11.4 [Employees and] Directors shall submit a copy of their credit-card statement when a hotel payment is made in foreign currency so that the amount paid (in the currency of their credit card) can be determined and reimbursed. This will remove the possibility that the Director is reimbursed an amount greater or lower than the amount that they have had to pay to the credit card company (i.e. ensures that the appropriate exchange rate at the point of transaction is applied and any fees for overseas usage are reimbursed).

12. Personal Incidental Expenses

- 12.1 In addition to the items mentioned above, the Company will reimburse in the following categories:
- Telephone charges for reasonable calls;
 - Charges for Internet connections provided the main purpose of connecting to the Internet was related to Company business;
 - Meeting room hire and conference facilities for business purposes at hotels; and
 - Laundry services (for travel of five days or longer).
- 12.2 The Company may reimburse for the following:
- Printers and printer materials provided that the printer will be mainly used for Company business.

13. Visa Requirements

- 13.1 The Company will reimburse a[n] [employee or] Director for any fees or charges arising from foreign national Visa requirements for travel on business of the Company.
- 13.2 The Company will not reimburse [employees or] Directors for the cost of a passport.

14. Foreign Exchange Rates

- 14.1 All expenses incurred overseas should be supported by bank and credit card statements to allow the accurate claim of the transaction fees incurred.
- 14.2 Where cash transactions are being reclaimed, a copy of the receipt from the foreign exchange outlet which sold the currency should be provided to support the foreign exchange rate being claimed.

15. Non-Reimbursable Expenses

- 15.1 The following items are not reimbursable by the Company:
- Clothing or toiletries unless caused by airline delay or overbooking and such purchases are not covered under an insurance policy;
 - Cost of a side-trip for personal convenience;
 - Fines for traffic offences;
 - Airline club memberships;
 - Clothing – for example, normal work wear such as shoes, shirts or trousers (excluding uniformed employees);
 - Personal credit card fees and interest charges

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- Personal recreation expenses (unless included as part of the incidentals allowance) such as pay-per-view entertainment in hotels; locker rentals at sports clubs; gym or health club subscriptions or entrance fees, etc.; hairdressing or beauty treatments; mini bars in hotel rooms; travel for private purposes such as to or from the gym or health club; shampoo, hair conditioners, toothpaste or other toiletries; subscriptions to charge card reward (Amex Rewards, etc.);
 - Any additional cost incurred for booking a smoking room, when a non-smoking room is available.

Appendix A – Expense Claim procedure

- Expense claim received, log Claimant name, amount claimed and currency on the Expense claim log on 'T' network drive as follows:
 - **Check that**
 - claim has been approved by the appropriate person as per policy;
 - all expenses are within 120 days of the claim submission date;
 - justifications for each trip's expenses are provided;
 - travel and hotels have been booked through the nominated travel agency/service.
 - all receipts relate to the claimant e.g. flights and hotel bookings are in their name;
 - each item on the expense claim has a matching receipt in stated currency. If any receipt(s) is/are missing ensure that the claimant has provided appropriate evidence and that the claim has been independently agreed in line with the Authorisation Instructions noted in Section 3 (as per 2.6) and individual items are less than 50 USD in value. Credit card receipts not sufficient alone. If original receipts are not received, future expense claims will not be reimbursed until such time as the value of the unsupported claim has been recouped.
 - all receipts are within period of the relevant trip e.g. hotel receipts are dated after arrival but before departure dates, taxi and meal receipts are within travel dates;
 - correct classification of expense are assigned to line items on the expenses claim;
 - all claims are consistent with value limits within the current travel and expenses policy;
 - expenses of different classifications are separately listed;
 - class of flight on ticket is in line with policy e.g. business class only on flights with a duration of five hours or more;
 - any boarding pass provided corresponds with meeting dates and flight number as detailed on the receipt;
 - ensure vehicle rentals are consistent with policy i.e. required given practicalities of public transport or cost effective given the circumstances of the travel;
 - evidence of prior approval, names/reason are provided in relation to business entertaining;
 - other incidental expenses against policy;
 - for any payments in a foreign currency request copy of credit card statement or foreign exchange receipt;
 - receipts in foreign currencies are calculated at correct exchange rate using the foreign exchange rate at which the cash was exchanged / withdrawn or the credit card exchange rate. Relevant transaction fees and charges can be reimbursed, although bank, card and currency exchange statements are required; and
 - calculation of total claim is correct.
- If there are any queries regarding the expense claim, [TBC] will contact the claimant to resolve. Payments will not be made to the claimant until all queries are solved.
- Once the expense claim is agreed as correct and in accordance with the relevant policy, [TBC] staff member initials and dates the expense claim.

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- [TBC] scan the expense claim, all receipts and self-certification statement (if applicable) for our records (soft & hard files updated)
 - [TBC] email the expense claim and supporting documentation to, requesting payment of the expense claim to the claimant's personal bank account. Update the Expense Claim log.
 - [TBC] prepare a cover letter to and forward the letter, the expense claim and the original receipts to for their records. **Note:** If the expense claim was emailed to [TBC], [TBC] to remind claimant to forward the original receipts to [TBC], continue to remind claimant to submit original receipts until received. When original receipts are received forward to. Update the Expense Claim log.
 - [TBC] file the copy of the expense claim, receipts and any correspondence in the relevant green hanging file. Update the Expense Claim log.
 - When [TBC] receives confirmation from that payment has been made to claimant, [TBC] notifies the claimant by email. Update the Expense Claim log.

Appendix B – Example of an Expense Claim Form

Expense claims should detail the following information:

- Name of claimant
- Name of authoriser
- Date of claim submission
- Date of authoriser's endorsement of the claim
- Date of trip start
- Date of trip completion
- Reason for trip
- Location of trip

Expenses should be detailed on an as incurred basis specifying:

- Classification of expense
- Amount
- Currency incurred
- Exchange rate (if applicable)
- Transaction charges (if applicable)
- Date of expense/receipt

Where receipts have expenses of different classifications, these should be claimed as separate line items on the claim.

Classifications of Expenses

- Hotel Accommodation
- Telephone calls
- Hire cars
- Mileage (personal vehicles)
- Entertaining third parties
- Car Parking and Toll Roads
- Visas
- Printing and printer materials
- Meals
- Alcoholic beverages
- Travel – Taxis
- Travel – Train
- Travel – Flights
- Incidentals (please specify)
- Other (please specify)

Example Expense Claim Form

PDIG Expenses Claim Form

Expense claim submitted by (name of claimant)	
Date of expense claim submission	
Expense claim authorised by	
Date of expense claim endorsement by authoriser	
Expense claim reference number - To be completed by MDY Legal only	
Expense claim validated - To be completed by MDY Legal only	
Date of expense claim validation - To be completed by MDY Legal only	
Departure - The start date of the trip	
Return - The end date of the trip	
Reason - The reason for the trip	
Location - The location of the trip	

Travel Expense Classification	Date of receipt	Amount	Currency	Exchange rate	Transaction Charges	Tax C (comp MDY)
<i>General Expense Items</i>						
<i>Admin (Phone, Fax etc)</i>						
<i>Travel - Tickets (including details of start and end points of travel)</i>						
<i>Travel - Accommodation, etc.</i>						
<i>Other - Meals, etc.</i>						
TOTAL						

Car mileage journey start	Journey start and end points	Total mileage
TOTAL		

Appendix C – Frequently Asked Questions

Q1. Can I submit an e-boarding pass?

A. Yes, this is acceptable.

Q2. Is there any restriction on the number of claims that I can submit?

A. No, although it is recommended that claims are submitted either monthly or quarterly in order to avoid a claim being rejected on the basis of having been claimed more than 120 days after the expense has been incurred.

Q3. I perform my role as a representative of my employer (e.g. a lender nominated Director) and my employer requires me to use its appointed travel agency. Is it acceptable for me to use my employer's travel agency instead of the one appointed by the PIDG?

A. The following principle should be followed; the policy and procedures of the organisation which is expected to reimburse the expenses should apply. Therefore, if the expense is expected to be reimbursed by the PIDG, the PIDG policies and procedures should apply.

For the avoidance of doubt, this includes instances where expenses are subject to being re-charged to the PIDG by an employer at a later date.

Q4. I pay for public transport using a smart card (e.g. Oyster, EZ-Link or Gautrain card), how do I provide evidence of the journeys that I have taken as I do not receive a receipt for each journey?

A. In this instance, a journey log (where available) from the Smartcard provider should be used with the relevant journeys highlighted. If a journey log is not available, a receipt for the 'top up' of the card should be provided and the cost of the journeys taken on PIDG business specified for the purpose of the claim.

Q5. What sorts of telephone calls can I claim?

A. Any calls which incur a cost, made for a company related business purpose, can be claimed. This includes international calls, calls from land lines, mobile telephones or Voice over Internet Protocol (VOIP) such as Skype.

Q6. The company provides me with a mobile phone; can I claim the cost of the line rental and calls?

A. Where a mobile phone is provided by the company for business purposes, the line rental can be claimed. Only the expense related to business calls can be claimed. The cost of any personal calls must not be claimed.

Q7. I live and work in a country other than the UK, how should I determine the correct rate to claim mileage?

A. You should seek advice from the local tax authority. Where no such advice is available, the UK rates should be applied. You should advise the company of this and ask that tax advice is provided to ensure that any tax liabilities as a result of this re-imbusement are appropriately addressed.

Q8. I hired a car for business purposes, am I entitled to claim the mileage rates as detailed in paragraph 8 of this policy?

A. No, you should claim for fuel by submitting receipts for fuel purchased. The mileage rates assume an amount for wear and tear of the claimant's vehicle, which isn't applicable when a hired car is used.

Q9. I am travelling by air and need to take two flights. One is three hours, and the other is one hour in duration, the layover between flights is 2 hours. Can I travel business class?

A. No, the policy permits business class for flights of over five hour's duration. Neither flight is over five hours so business class is not permitted (even in this instance where, due to the layover between flights, the duration of the journey exceeds five hours).

Q10. I am travelling by air and need to take two flights. The first is over five hours and the second is two hours long. What class should I travel for these flights?

A. Business class is permitted for both flights, on the basis that it is a continuous journey and the stop-over is required to get to the destination.

Q11. I have incurred an expense in an overseas country and paid cash using some currency that I had left over from a family holiday. I do not have the receipt from the foreign exchange outlet, how should I determine the amount of my home currency that I should claim?

A. In such an instance, the exchange rate from the day of the claim should be used. There are a variety of sources that can be used to determine the exchange rate e.g. www.xe.com

Q12. When I am travelling on business, is there any restriction on using room service?

A. No, the same limits on what will be reimbursed apply wherever food or drink is consumed.

Q13. Am I able to claim for credit card charges related to using my card overseas and for purchases in a foreign currency?

A. Where the expense relates to a business purpose, this is acceptable.

Q14. I wish to travel in Business Class on a flight that is less than five hours; can I do this if I pay for the difference in fare myself?

A. This is acceptable but proof of the flight's actual cost (via a receipt) and the boarding card should be provided with the claim, accompanied with evidence of the cost of the economy ticket (at the time of booking). This will ensure that the correct amount is being claimed and reimbursed.

Q15. Why do I need to provide the Boarding Pass as well as receipt for expenses claims relating to flights?

- A. By providing both the receipt and the Boarding Pass we are able to confirm that a) the correct class of flight was booked (from the receipt), b) the price paid for the flight, and that c) this flight was the one taken by the traveller (as evidenced by the Boarding Pass).

Q16. If I find myself having to travel at short notice, or am unable to access the Travel Agent, will my expenses be reimbursed?

- A. It is expected that these instances will be infrequent, however, it is acknowledged that such circumstances can arise. In such instances the expense will be reimbursed on evidence of expenditure and satisfactory explanation as to why it was not possible to pre-book and / or use the travel agency service.