



A3 Out of pocket expenses and advances

This appendix provides more detail in respect Section 6 of the Purchasing Policy, which covers mechanisms for purchasing goods, services and works.

A3.1 When can purchases be made using the out of pocket expenses process?

There are some circumstances when it is appropriate to buy goods, services and works using personal funds and claim reimbursement from the University. These are:

- when the University's Finance System cannot be accessed to generate a purchase order. For example, when travelling on University business
- when a purchasing card transaction cannot be performed, because the buyer doesn't have a card and is unable to find another cardholder to buy the item
- when expenditure must be paid in cash. For example, payments to research volunteers
- the claim is for an allowance such as mileage.

Those engaged in purchasing activity must always plan expenditure in advance, wherever possible, and must always aim to achieve the best possible VFM. Purchases should be made using the University's purchase ordering process unless a purchasing card transaction is appropriate in accordance with **Purchasing Guide 2 - Use of Purchasing Cards**.

Before travelling overseas it is important to establish whether any sanctions, embargoes or restrictions (see section 7.3) are effective in your travel destination as this may affect the functionality and use of your purchasing card or your personal credit or debit card. How you pay for goods, services and works when you are travelling away from the University should form part of your travel risk assessment. All travellers are required under Health and Safety policy to complete a risk assessment for their trip both in the UK and overseas and this should include an assessment of travel and accommodation arrangements.

While out of pocket expenses provide quick and easy access to purchasing it is important that, wherever possible, staff and Budget approvers take a planned approach to purchasing and do not use out of pocket expenses as a routine 'emergency' alternative to purchase ordering.

To ensure robust financial control and to safeguard staff, individual claims should not exceed £1,000 and £5,000 in total during a single month without prior authorisation from the Director of Finance.

All purchases and any judgements made in respect of business need and/or VFM must be in with the flowchart in appendix A1.2.1.

A3.2 Process for claiming out of pocket expenses

Claims should be made within three months of the expenditure being incurred or returning to the user's regular place of work (whichever is later). In summary, out of pocket expense claims should be completed in accordance with the following table:

	An online expense claim should be submitted via the finance system
Members of staff and others with finance system access	An online expense claim should be submitted via the finance system
	accompanied by scanned receipts* for each transaction
Students and other claimants with no access to the finance system	An expense form should be submitted accompanied by receipts* for each transaction

*The University recognises that it is more difficult in some overseas countries to obtain receipts. Where it is not possible, the University will meet the identified cost of out of pocket expenses to a maximum of £20 per day without receipts. However, every effort should be made to provide supporting evidence of the purchase (e.g. photograph of a taxi meter, photograph of the item purchased etc.). Any claim must demonstrate that the amount is reasonable in the circumstances.

You should refer to the procedure and system procedure notes available on the Finance website.

The University will not reimburse any claim that does not comply with this Policy.

A3.3 Authorisation of out of pocket expenses

All out of pocket expense claims are authorised by the Budget approver in accordance with the University's Financial Regulations as set out in this policy.

Expense claims with a value of over £500 must be authorised by a Head of School or Director of Professional Service or to their approved delegate.

Claims from Budget approvers, Principal Investigators, Heads of School, Directors of Professional Service Divisions and other senior staff will be authorised by their line manager.

Expenses claimed by members of staff on the finance system will automatically be routed to the appropriate authoriser.

It is the authoriser's responsibility to ensure that any claim is in accordance with this Policy.

Schools or Professional Service Divisions may have their own procedures regarding the authorisation of expenses within their units. This Policy and associated procedures outline the minimum controls expected.

A claim that is authorised in accordance with the University's delegated approval authorities may still be refused if, in the view of the Director of Finance, it does not conform to this Policy.

A3.4 Advance of funds

Advances against proposed expenditure are available for those who will incur significant out of pocket expenses in the course of their duties. Advances are only available if the individual is unable to pay or access cash using a University purchasing card. Advances are exceptional arrangements and are only provided until an alternative solution can be put in place, and will only be authorised once all other approved methods of payment are exhausted as viable options.

Any advance should be reconciled (by returning the cash to the Finance Division and completing the appropriate return) within one month of the date of returning to the University. Failure to do this will result in appropriate follow up action being taken to recover the value of the advance:

- staff: salary deduction
- students: a charge to the student account
- others: a charge to a nominated budget.

Individuals may only hold one advance at a time save in exceptional circumstances. Prior approval from the Director of Finance must be obtained for instances where more than one advance will exist at a time. New out of pocket expense claims will remain unpaid if an existing advance remains outstanding.

The process for the administration of the advance of funds can be found on the Finance website.