



# Expense Policy

Business and Billable Expenses



Here at Crystal Umbrella we pride ourselves on operating an expense policy which is compliant, simple to follow and true to life, thus reducing the risk to our workers ever getting it wrong.



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Claiming the business expenses you incur as part of your contract whilst working through Crystal Umbrella is a straightforward process and one which has safeguards built in to protect you from unnecessary exposure to risk by incorrectly or over claiming of expenses.

## Types of Business Expenses

There are 2 distinct types of business expenses which you can process through your Crystal account; these are:

- **Crystal Business Expenses:** are expenses covered by our expense policy which you claim through Crystal, we offset them against as your taxable income; this in turn lowers the amount of tax you pay and increases your net return.
- **\*Rechargeable Expenses:** are expenses which you claim through Crystal but which are added to the invoice going your agency / client in order to be reimbursed by them in full. When funds are receipted, the expenses value you claimed comes back to you in full (tax and NI is not deducted) as you will have already paid tax on the funds you originally used to pay for the expense in the first place.

\*The ability to process Rechargeable (or billable) expenses must be agreed in principle by your agency / client and usually forms part of your contract. We do not have the authority to approve such claims and are not responsible claims rejected by your agency / client.

## 5 Golden Rules to Claiming Expenses

1. Ensure expenses are claimed only where they are wholly and exclusively for the purpose of your current assignment.
2. Ensure expenses are claimed alongside the corresponding timesheet as which they were incurred.
3. Always supply a receipt or evidence of purchase along with your claim (for those expenses which require it).
4. Never duplicate rechargeable claims as Crystal business expense claims.
5. Always ensure your expense claims meet the Crystal Umbrella expense policy, if you are unsure contact your Account Manager.

## The Crystal Umbrella Dispensation

A dispensation is a formal instruction given to large employers by HMRC which is designed to lessen the administrative burden employers when processing tax deductible expenses incurred by their employees.

The dispensation granted to Crystal Umbrella covers two expense types:

1. **Mileage:** which covers miles completed in your own car, van or motorcycle as part of your assignment
2. **Subsistence:** which covers daily food and drink purchases whilst away from the home as part of your assignment

All other types of expenses within our expenses policy, such as Accommodation, travel on trains, planes and public transport will require a receipt or evidence of purchase to be supplied along with the claim.

## How to Guides

Step-by-step guides and video tutorials are available in [Online Support](#) detailing how to complete your claims in [My Crystal](#), and as always your Account Manager is on hand to assist with training and assistance on **0800 848 8888**.



# Crystal Business Expenses

Crystal Business Expenses are costs incurred by you in the course of your day-to-day business, Crystal deduct them from your taxable pay, thus reducing the amount of tax you pay and increasing your net take home pay.

This type of expense is sometimes known as a “**Schedule E Expense**” by HMRC and Accountants. As your pay is made up of a combination of gross pay and expenses, the level of expenses incurred when on assignment determines how much of your total pay is subject to Tax and NIC, thus affecting your overall net return on each payment.

## Business Mileage

All business mileage may be claimed, including travel to and from your temporary workplace and between different sites. However; HMRC requires that all employees must keep a mileage log that includes the following information:

1. The date the journey took place
2. The name / reason for the business trip
3. The postcodes your travelled from and to
4. Mileage per trip and cumulative mileage per year

The **My Crystal** web portal helps you track all of this with ease and also automatically tallies your mileage for the year and reduces the rate mileage is claimed at automatically when the 10,000 threshold is reached.

DATE	DESCRIPTION	FROM	TO	TYPE	MILES	RATE	AMOUNT	RECEIPT
28/10/2011	To South Head Office	SK9	SG14	Return	420.00	0.45	189.00	Choose File No ...en
31/10/2011	Barnsley Depot	SK9	S70	Return	80.00	0.45	36.00	Choose File No ...en
				Select	0.00	0.45	0.00	Choose File No ...en
				Select	0.00	0.45	0.00	Choose File No ...en
				Select	0.00	0.45	0.00	Choose File No ...en
				Select	0.00	0.45	0.00	Choose File No ...en

Receipts Required: 70.00      Total Mileage Claimed: 225.00

Although you do not need to send Crystal receipts to claim mileage as it is covered by our dispensation, you still need to have incurred the expenses. For added peace of mind our portal also advises you on an approximate value of receipts you need to have in order to make the claim.

## Mileage rates

Vehicle Type	Up to 10,000 miles <sup>o</sup>	Over 10,000 miles
Car / Van	45p	25p
Motorcycle	24p	24p
Cycle (Push bike)	20p	20p

<sup>o</sup> Pre-10,000 threshold mileage rates are higher as a proportion of the cost is designed to help towards motor costs such as Road Tax and MOT etc.



## Subsistence



As well as the Subsistence (daily food and drink) expense types being covered by the Crystal Umbrella dispensation where no receipt has to be sent to Crystal in order to be processed, we have also adopted HMRC's **Scale Rate Allowance Scheme**.

Under this system if you have incurred subsistence expenses whilst travelling on an allowable business journey, employers are able to make Tax and NICs free subsistence payments up to a maximum of the advisory rates allowed. So, as a flexible worker, and whilst working at a temporary workplace, you are entitled to make a claim to cover meals based upon the hours worked that day, if you incur the cost of food and drink.

In simple terms this means that you claim a fixed amount based on the amount of time you spend away from home (including travel time).

The fixed amounts and timeframes are detailed in the table below.

### Subsistence: Scale Rate Allowances

Timeframe	Meal Type	Claim Amount (£ per day)
Leave home at <b>6:00 am</b> or earlier <sup>△</sup>	Early Start (Ad-hoc)	5.00
Away from your home for at least <b>5 hours</b> <sup>^</sup>	5 Hour Rate	5.00
Away from your home for at least <b>10 hours</b> <sup>^</sup>	10 Hour Rate	10.00
Still at work at <b>9:00 pm</b> or later <sup>△</sup>	Late Finish (Ad-hoc)	15.00

△ The Early Start and Late Finish timeframes are for ad-hoc use only, this means they must not fall within the pattern of your normal working pattern.

^Either one of a 5 hour or a 10 hour rate may be claimed each day you work, you cannot claim both in any one day.

### Normal Working Pattern

Each of your assignments will require you to work some sort of pattern of hours and days. We record this pattern and cross check your subsistence claims against it. If you demonstrate to be claiming meal types which are designated for ad-hoc work only and not allowed as part of your normal working pattern we will disallow expenses we deem appropriate to safeguard you from over claiming.

The **My Crystal** web portal is again designed to help you claim subsistence and all other types of expenses easily and efficiently and is the quickest way to have your expenses claims received, approved and processed.

DATE	GROUP	DESCRIPTION	AMOUNT	RECEIPT
28/10/2011	Subsistence - Breakfast Rate	Subsistence - Breakfast Rate	5.00	Choose File No file chosen
28/10/2011	Subsistence - 10 Hour Rate	Subsistence - 10 Hour Rate	10.00	Choose File No file chosen
31/10/2011	Subsistence - 10 Hour Rate	Subsistence - 10 Hour Rate	10.00	Choose File No file chosen
01/11/2011	Subsistence - 5 Hour Rate	Subsistence - 5 Hour Rate	5.00	Choose File No file chosen
02/11/2011	Subsistence - 10 Hour Rate	Subsistence - 10 Hour Rate	10.00	Choose File No file chosen
	Select One		0.00	Choose File No file chosen



## Other Travel Expenses

The expenses listed in the following sections are not covered by the Crystal Umbrella dispensation so all require either a receipt of evidence of purchase. If a VAT receipt is not available please contact your Account Manager to discuss what evidence is required.

**Note:** when claiming the following types of expenses, please ensure that the receipt or evidence of purchase is uploaded to **My Crystal** and accompanies the relevant expense to avoid your claims approval and processing being delayed.

All travel expenses are subject to limitations of the **"Temporary Workplace Rule"** to which you will find a factsheet [here](#).

### Travel



If you use another form of transport to get to and from your contract such as a **Train, Bus, Taxi** or **Tube** etc. you can also claim back this cost as an expense, however you will need to supply either a copy of your ticket or proof of purchase such as a receipt and you should keep details of where, why and who you went to see.

### Air Travel



You may claim for air travel when used exclusively for the purpose of your contract to visit your temporary workplace, using the lowest fare available. You should always claim in pounds sterling for overseas travel costs and document the nature of the expense, the sterling equivalent and the exchange rate.

If your contract takes you temporarily overseas you may also want to enquire about our unique **Overseas Expense Policy**, designed to make claiming expenses overseas simpler and more tax efficient than UK based schemes.

### Associated Travel Costs



If you need to pay for parking at your temporary placement, you can offset the cost. If you drive your car to a train station or airport, parking expenses are only paid when no cheaper transport alternative is available. Toll fees and congestion charges incurred for business journeys can also be claimed.

Here's a quick snapshot of what is and isn't allowed:

- Parking fees ✓
- Toll fees ✓
- Congestion charges ✓
- Parking fines ✗
- Speeding fines ✗



## Accommodation

### Accommodation in the UK



You can claim for temporary accommodation expenses when overnight stays, away from home, are required as part of your business journey and to allow you to undertake the work for the assignment. This expense can only be claimed if you continue to reside and pay for a main residence elsewhere.

If there is any element of private use within this period (such as holidays or weekends), the expense amount should be apportioned on a pro rata basis, please advise your Business Manager accordingly.

If you are staying at a hotel or a B&B, only the cost for the room (excluding meals, room service and beverages) can be offset.

Copies of valid receipts and/or the rental agreement must be provided when claiming. You should also be able to provide proof of the overnight stay at a temporary location, the length of stay and details of why this is required.

All claims are subject to the “**Temporary Workplace Rule**”.

### Overseas Accommodation



Accommodation costs associated with traveling temporarily overseas to undertake your assignment can be claimed, whether than by adopting the UK expenses policy or our Unique Overseas Expense Policy.

If your contract takes you temporarily overseas on more than one occasion you may also want to enquire about our unique **Overseas Expense Policy**, designed to make claiming expenses overseas simpler and more tax efficient than UK based schemes.

### Incidental Expenses



If you are required to stay away from your home and overnight, as part of a qualifying business journey, you may make a claim for an 'Incidental Overnight Expense' (IOE) for each night of your required stay.

The fixed amounts you can claim are:

- £5 per night for each overnight stay anywhere in the UK (GB & NI)
- £10 per night for each overnight stay outside of the UK

The claim is to cover sundry personal expenses incidental to you being away from home, whilst visiting a temporary workplace, and may include items such as newspapers, telephone calls home, laundry, rental of films and refreshments. Commonly expenses where a receipt is not given (vending machines etc.) a receipt is not required.



## Other Business Expenses

### Telephone (Mobile & Landline)

Business related telephone calls from a landline are claimable with a copy of an itemised bill; however line rental cannot be claimed unless there is genuine business need for a second line which is used exclusively for business. Similarly, mobile phone calls are claimable if used for business reasons.

All business phone calls claimed must be highlighted on an itemised bill and supplied as evidence of purchase when your claim is submitted.

### Fax

Fax call charges are claimable if they are solely used for business purposes.

### Postage

You can claim the costs of business-related postage. This also includes the postage used to get any form of documentation to Crystal Umbrella.

### Stationary

You can claim the costs of general stationery including pens, paper and other office consumables.

#### Training

The costs of training and seminars may be offset if they are necessary for your specific contract. Courses may be allowable when updating skills but not when learning new ones. Degrees are not an expense that can be offset.

### Professional Subscriptions

Professional association memberships can be claimed, providing that the professional body is on the list approved by HMRC. Please see <http://www.hmrc.gov.uk/list3/> for the full list. Subscriptions to trade journals and magazines are not claimable.

### Protective Clothing

A claim can only be made for the cost of specialist protective clothing that you are required to wear because of the nature of your work. This clothing must not be suitable for everyday wear outside your working environment.



## Non Domiciled Expenses

There are certain travel expenses that can be claimed 'tax-free' to non-domiciled employees that come to the UK to work. However, to claim for any of these expenses all conditions must be satisfied and detailed receipts are required in all instances.

### Employee

The cost of unlimited journeys to and from a country outside the UK in order to perform duties of employment in the UK can be claimed where;

- Condition 1** the journey ends on or during the period of five years from date of arrival (arrival date to perform duties).
- Condition 2** the individual has not been in the UK for any purpose during the two years ending the day before the date of arrival OR the employee was not resident in the UK in either of the two tax years preceding the tax year of arrival.
- Condition 3** the journey is from a country outside the UK that the employee usually resides, and to the UK to perform the duties of the current contract OR the journey is to a country from the UK to return to that country after performing the duties in the UK.

### Employees Spouse & Child

You may also make a claim for your spouse or children's travel expenses for up to two journeys each tax year to and from the country outside the UK where you normally live where;

- Condition 1** the journey is between the country outside the UK that the employee normally lives and to a place in the UK.
- Condition 2** the employee is in the UK for a continuous period of at least 60 days for the purpose of performing the duties of employment.
- Condition 3** the spouse or child either accompanies the employee at the start of the 60 day period OR visits the employee during that period OR returns to a country that the employee normally visits after visiting or accompanying the employee.



## Rechargeable (Billable) Expenses

Rechargeable expenses are the costs incurred during your day-to-day business that have been authorised by your end Client or agency to be reimbursed by them in full. These can include a wide range of expenses and it is important that all rechargeable expenses have been clearly identified and agreed between you and your end Client or Agency before the start of any contract.

As rechargeable expenses are reimbursed to you in full and attract no Tax or NIC's, it is important not to mix them in with the Crystal Business Expenses whose value is offset against Tax and NIC's.

Expenses should be claimed at the same time as you submit your timesheets, as all rechargeable expenses are added to the invoice to your Agency/Client for the time you have worked.

Using the My Crystal web portal to submit your timesheet information, you are required to add rechargeable expenses to your timesheet record and as an expense claim. This is so the expenses is recognised by our system and added to your outgoing invoice to your agency / client.

### So what can you claim?

There is no set description or amount of Rechargeable Expenses you can claim, as generally this is a prior agreement between you and your Agency/Client. You should discuss/negotiate what you can claim, if anything, prior to starting your contract as any agreement made surrounding this type of expense could affect the rate of pay you are offered to complete the work.

### Receipts

Your agency or client will stipulate whether or not you need to supply receipts for your purchases, however we find that most insist that these are supplied along with the invoice so we would always recommend that they are supplied when claiming through Crystal to prevent any delays.

For further information please contact your **Account Manager** directly, or alternatively contact Client Services on freephone **0800 848 8888** or local rate **01992 512 500**.



Additional resources can be found online at: [www.crystalumbrella.com/support](http://www.crystalumbrella.com/support)



## Expense Approval & Rejection

### Approving Expenses

If there is any discrepancy with your expense claim (missing receipts or insufficient information) the specific expense will not be approved and will remain in the “**Awaiting Approval**” status in **My Crystal**. When the missing information is received your claim will be approved accordingly.

- Receipts should be supplied to Crystal 
- Receipts do not need to be supplied to Crystal 

Whether receipts are supplied to Crystal or not, you should always retain a copy for your own records. A copy of all submitted receipts will be attached to the relevant expenses claim and can be retrieved from your **Activities** menu in **My Crystal**.

If expense approval misses one payroll period, the claim amount will simply be rolled over to the next payroll period.

### Common Disallowed Expenses

Examples of common disallowed expenses include;

- Private health insurance ✘
- Computer equipment ✘
- Office furniture ✘
- Motor expenses ✘
- Eyewear (glasses/contact lenses) ✘
- Internet/Broadband costs ✘

This list is not exhaustive, but if you are in doubt about any of the expenses you wish to claim, please contact your PA.

### Pensions

Pensions are not to be added to your expense form. Should you wish to take advantage of the tax benefits of the Crystal Umbrella pension scheme, contact your Account Manager for further information and advice.

### Disclaimer

Expense claims found to be false or not wholly and exclusively for business purposes, could lead to expenses being disallowed.

You need to be aware that you would be personally responsible for any underpayment of tax or NI resulting from an invalid claim.

Reimbursement of these underpayments would be due immediately and collected at the first opportunity.

Our approach to expense claims is one whereby an expense item should be allowed if it is a legitimate cost incurred in undertaking your contract and if you feel confident and comfortable justifying this to one of HMRC's officers.



## Temporary Workplace Rule

HMRC's Temporary Workplace Rule , often referred to as the "24 Month Rule" is legislation issued by HMRC which governs how long you can be at any one temporary workplace and claim travel and travel related expenses.

### When does it apply?

If you are travelling from your home to your temporary place of work you are entitled to claim travelling expenses subject to the duration of time spent at one temporary location being no more than 24 consecutive months.

The rule states that the cost of travel and travel related expenses from your home (being your permanent place of work as per your employment contract) to your contracted site address (your temporary workplace) is only allowable as a tax deductible expense for as long as you believe your contract will not exceed 24 months.

To clarify, this is not for 24 months, but expected to be 24 months. Therefore, if you have already worked 18 months and enter into another 6 month contract at the same site address, then the 24 month rule will apply from the beginning of the 6 month extension.

The reason that travel and travel related expenses cannot be claimed is that a workplace is **not** a temporary one if the employee attends that place for more than 24 months. The broad effect is that if an employee expects to work for a period exceeding 24 months, then it is treated as a permanent workplace from the outset.

### When does the "24 month rule" not apply?

If less than 40% of your working time is spent at one site, a claim for expenses can be made regardless of the length of your engagement at that particular location. You must notify your **Account Manager** if this is the case.

For further information please contact your **Account Manager** directly, or alternatively contact Client Services on freephone **0800 848 8888** or local rate **01992 512 500**.

Additional resources can be found online at: [www.crystalumbrella.com/support](http://www.crystalumbrella.com/support)



## Company Contact Details

Here is a list of useful company contact details:

**Switchboard:** 0800 848 8888  
01992 512 500  
**Central Fax:** 0845 226 2280  
**Web:** [www.crystalumbrella.com](http://www.crystalumbrella.com)

**Address:** Crystal Umbrella\*  
Bluecoats House  
9 Bluecoats Avenue  
Hertford  
Herts  
SG14 1PB

## Company Information

Here is some information you may find useful whilst contracting through Crystal Umbrella

**Company No:** 7388678  
**VAT No:** 997 8646 26  
**Tax Office:** HMRC  
Southgate House  
Stevenage  
Herts  
SG1 1HL  
**PAYE Ref:** 083/RA49887

\*Crystal Umbrella is a trading name of Aqua Bubble Ltd.