



Business Expense Policy

Document Control

Policy owner: Director

Approved by: Board of Trustees

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1. Purpose

The Natural Sciences Museum, Sheffield (“NSM”) is committed to ensuring that expenditure incurred on its behalf is necessary, reasonable, properly authorised, accurately recorded and consistent with good stewardship of charitable funds.

This policy sets out the rules for incurring, approving, claiming, reimbursing and recording business expenses. Its purpose is to:

- ensure that individuals are not personally out of pocket for legitimate NSM business costs;
- protect NSM’s funds from misuse, error, fraud or reputational damage;
- support clear, fair and timely reimbursement arrangements; and
- maintain appropriate internal financial control.

2. Scope

This policy applies to all:

- Trustees;
- the Director;
- Heads of Department;

- employees;
- volunteers;
- interns, secondees and casual workers; and
- any other individual authorised to incur expenditure on behalf of NSM.

It applies to business expenses paid personally and later claimed back, as well as business costs paid directly by NSM where this policy is relevant to approval and control.

3. Policy Statement

NSM will reimburse only those expenses that are:

- wholly, necessarily and reasonably incurred for legitimate NSM business;
- properly authorised;
- supported by appropriate evidence, normally receipts or equivalent records;
- claimed promptly; and
- compliant with this policy, NSM's financial controls and any applicable funding restrictions.

Expense claims must never result in personal profit. No individual may approve their own claim. Charity Commission guidance says expense policies should set out what can be claimed, what evidence is needed, when prior permission is required, how claims are approved, and that an individual cannot approve their own claim.

4. Core Principles

4.1 Charity stewardship

All expenditure must represent proper stewardship of NSM's charitable resources and be capable of clear business justification.

4.2 Necessity and reasonableness

Only necessary, reasonable and properly incurred costs may be claimed. Charity Commission guidance states that expenses should be reasonable, not excessive, and properly incurred.

4.3 Transparency and evidence

Claims must be supported by appropriate evidence, normally VAT receipts, tickets, invoices or equivalent proof of payment. The Charity Commission says appropriate evidence such as receipts should normally be obtained, except where impractical for very small amounts.

4.4 Prior approval where appropriate

Individuals should obtain approval before incurring unusual, high-value, overseas or non-routine costs.

4.5 No self-approval

No person may authorise their own expense claim, advance, reimbursement or exception.

4.6 Timeliness

Claims should be submitted promptly so that NSM's records remain accurate and costs can be monitored properly.

5. Authority and Approval Structure

NSM's authority structure for expenses is:

Trustees → Director → Heads of Department → staff

Approval authority is:

- Staff: Head of Department;
- Heads of Department: Director;
- Director: Chair of Trustees;
- Trustees: Chair of Trustees, or Vice-Chair/another non-conflicted Trustee where the Chair is the claimant.

Where the approver is absent or conflicted, approval must be escalated to the next appropriate level.

6. What Can Be Claimed

Subject to this policy, NSM may reimburse reasonable business expenses including:

- public transport costs for authorised business travel;
- mileage for authorised use of a private vehicle on NSM business;
- parking, tolls and congestion charges necessarily incurred on business travel;
- reasonable taxi fares where justified;
- reasonable overnight accommodation where an overnight stay is necessary;
- reasonable meals and refreshments while travelling on NSM business;
- business telephone or internet costs where there is a clear and evidenced NSM-related element;
- minor purchases made on behalf of NSM where prior approval was obtained or the expense was clearly necessary;
- reasonable accessibility, carer or childminding costs where necessary to enable participation in authorised NSM business;
- trustee expenses properly incurred in carrying out trustee duties.

Charity Commission guidance confirms that charities may reimburse trustees, employees and volunteers for the reasonable costs they incur in carrying out their role, and gives examples including travel, accommodation, food and drink, communications costs for the charity-related proportion only, accessibility-related costs, and carer or childminder costs.

7. What Cannot Be Claimed

The following will not normally be reimbursed:

- personal expenditure;
- costs not connected to NSM business;
- fines, penalties or parking tickets;
- alcohol, unless exceptionally approved as part of official hospitality in line with NSM policy;
- luxury or excessive travel, accommodation or meals;
- travel between home and a normal place of work, unless specifically authorised under NSM arrangements or where HMRC rules treat the journey as allowable business travel;

- costs for spouses, partners, family members or friends who are not travelling on NSM business;
- private entertainment;
- clothing that is not required for work;
- personal insurance;
- loyalty scheme costs, personal upgrades or optional extras;
- duplicate claims;
- claims without adequate explanation or evidence, unless an exception is approved.

HMRC distinguishes allowable business travel, accommodation, meals and related subsistence from ordinary commuting, and treats subsistence as meals and other necessary travel-related costs such as parking, tolls, congestion charges or business phone calls.

8. Travel Expenses

8.1 General travel principle

Travel must be economical, reasonable and appropriate to the business need. Public transport should normally be used where practical, taking into account cost, journey time, accessibility, safety, location and operational need.

8.2 Rail travel

Standard class should normally be used. First class may only be booked where there is a clear business case, such as no suitable standard fare, significant overall cost efficiency, accessibility requirements, or approval in advance.

8.3 Air travel

Air travel must be approved in advance by the appropriate authorising officer and used only where justified by distance, time, cost or operational need. Economy class should normally be used.

8.4 Taxi and ride-hailing services

Taxi or equivalent travel may be claimed where justified, for example:

- no practical public transport is available;

- travel is required early in the morning or late at night;
- there are safety or accessibility reasons;
- heavy equipment or materials are being carried; or
- the total cost is reasonable in the circumstances.

8.5 Private vehicle use

A private vehicle may be used for NSM business where this is authorised and reasonable. Mileage may be claimed in place of fuel and ordinary running costs.

NSM will reimburse mileage at no more than the HMRC approved mileage allowance rates unless otherwise authorised through payroll and tax treatment. HMRC's current approved rates are 45p per mile for cars and vans for the first 10,000 business miles in the tax year, then 25p per mile thereafter; 24p per mile for motorcycles; and 20p per mile for bicycles. HMRC also permits an additional 5p per passenger per business mile for carrying fellow employees in a car or van on a work journey.

The claimant must record:

- date of journey;
- reason for travel;
- start and end locations; and
- mileage claimed.

8.6 Parking, tolls and congestion charges

Necessary parking, toll and congestion charges incurred on authorised business journeys may be claimed with receipts or other evidence.

9. Accommodation and Subsistence

9.1 Overnight accommodation

Accommodation may be claimed where an overnight stay is necessary for NSM business and has been authorised in advance where practicable.

Accommodation should be:

- safe;
- reasonably located;

- good value; and
- appropriate to the duration and purpose of the trip.

Luxury accommodation or unnecessary upgrades will not be reimbursed.

9.2 Meals and refreshments

Reasonable meals and refreshments may be claimed where an individual is travelling on NSM business or working away from their usual base and the cost is necessarily incurred.

Meals must be proportionate to the circumstances. Alcohol will not normally be reimbursed except where specifically approved as part of official hospitality consistent with NSM policy.

HMRC treats meals and similar necessary travel-related costs as subsistence where incurred in connection with allowable business travel.

10. Purchases Made on Behalf of NSM

Individuals should not normally use personal funds to make substantial purchases for NSM. Wherever possible, NSM should purchase directly through its normal procurement and payment procedures.

Where personal payment is unavoidable, reimbursement will only be made where:

- the purchase was authorised;
- the item or service was for NSM use;
- the amount was reasonable; and
- appropriate proof of purchase is provided.

11. Trustee Expenses

Trustees may claim reimbursement for reasonable costs properly incurred in carrying out their trustee role. This is reimbursement of expenses, not payment for acting as a trustee.

The Charity Commission's current guidance confirms that trustee expenses can include reasonable travel, accommodation, food and drink, relevant communications costs, accessibility-related costs, carer or childminder costs, and costs met on behalf of the charity, provided they

are reasonable and properly incurred. It also says charities that prepare accrual accounts must disclose trustee expenses paid, or confirm that none were paid.

A Trustee must not approve their own claim, and any related conflict must be handled in accordance with NSM's conflicts procedures.

12. Evidence and Records

All claims must be supported by appropriate evidence, normally:

- itemised receipts;
- tickets or booking confirmations;
- invoices;
- proof of payment;
- mileage details; and
- an explanation of the business purpose.

If a receipt is unavailable, the claimant must provide a written explanation and any alternative evidence available. Approval of such claims is discretionary and exceptions should be rare.

NSM will keep sufficient records of claims, approvals and payments to demonstrate financial control, budget oversight and audit trail.

13. Claim Process

All claims must:

- be submitted on the approved NSM expenses form or system;
- identify the claimant, department and date;
- describe the business purpose;
- show each item claimed separately;
- include the amount, date and supplier; and
- include the claimant's declaration that the claim is accurate and properly incurred.

Claims should normally be submitted within 30 days of the expense being incurred or, for travel spanning month-end, within 30 days of completion of the trip. Claims submitted later than 90 days after the expense was incurred may be refused unless there are exceptional reasons.

14. Advances and Direct Payment

Where appropriate, NSM may pay for travel, accommodation, conference fees or similar costs directly, rather than requiring the individual to pay first.

Expense advances should be exceptional and must be approved in advance. Any unused balance must be repaid promptly. Charity Commission guidance notes that advances create risk and that unspent amounts should be repaid unless carried forward by agreement.

15. Payment of Claims

Approved claims will normally be reimbursed by bank transfer. Charity Commission guidance on charity financial controls recommends paying claims securely, such as by BACS transfer.

NSM will aim to reimburse valid claims within a reasonable period after approval and submission of all required evidence.

16. Tax, Payroll and Compliance

NSM will administer expenses in line with applicable HMRC rules. Routine business travel and related subsistence may be exempt from reporting where reimbursed as actual costs or at HMRC benchmark rates, but other payments may create tax or National Insurance obligations. HMRC also requires employers to have systems to check expense payments, and employees must not check their own expenses.

Where there is uncertainty about tax treatment, the matter must be referred to the appropriate finance officer or professional adviser before payment.

17. Monitoring and Internal Control

NSM will maintain suitable internal controls over expenses, including:

- separation of claim and approval;
- secure payment methods;
- budget monitoring;
- periodic review of expense patterns;

- retention of supporting records; and
- escalation of unusual, excessive or repeated claims.

The Charity Commission says all charities need internal financial controls to protect assets, keep good records and manage risk, and that trustees remain ultimately responsible for financial management even where day-to-day work is delegated.

18. Fraud, Misuse and Breach

False, misleading, duplicate or deliberately inflated claims are prohibited and may be treated as misconduct, gross misconduct, fraud or breach of trust, as appropriate.

NSM may:

- refuse reimbursement;
- require repayment;
- withdraw delegated authority;
- take disciplinary action;
- report the matter to Trustees; or
- refer the matter to external authorities where appropriate.

19. Roles and Responsibilities

19.1 Trustees

Trustees are responsible for overall oversight of this policy and for ensuring that NSM maintains appropriate financial controls.

19.2 Director

The Director is responsible for implementing the policy, ensuring that expense controls operate effectively, and reporting significant issues to the Trustees.

19.3 Heads of Department

Heads of Department are responsible for reviewing and approving claims within their authority, ensuring that claims are justified and supported, and monitoring expense practice within their departments.

19.4 Staff, volunteers and claimants

All claimants are responsible for ensuring that expenses are genuine, necessary, accurately claimed, properly evidenced and submitted in line with this policy.

20. Review

This policy takes effect on 01/04/2026 and will be reviewed by 01/04/2029, or earlier if required by changes in law, HMRC practice, Charity Commission guidance or NSM's structure.