

## Financial Guideline 2016/2017 - 14

# Travel and Subsistence Expenses for Members of Board of Management, School Principal and School Personnel

### 1. Introduction

Arising from a considerable number of queries the FSSU has been asked to advice on best practice to ensure that the school is tax compliant in relation to payments made by the school for travel and subsistence. Travel and subsistence allowances may be paid to **members of the Board of Management, Principal, Deputy Principal, teaching and non-teaching staff** for necessary travel required to carry out school business.

- The Board of Management should decide on the types and categories of school business for which expenses may be paid. It is also the duty of the Principal and Board of Management to ensure that only essential travel is undertaken thereby keeping such expenditure to a minimum.
- The Civil Service travel rates are the maximum rates which may be paid without incurring a tax liability. (**Appendix 1**). The Board of Management is free to set travel rates at any rate equal to or below these levels.
- The financial year for the purpose of calculating kilometric travel rates is the calendar year.
- **It is not appropriate for members of the Board of Management, Principal, Deputy Principal, teaching and non-teaching staff to claim un-vouched or round sum expenses.** All subsistence payments should only be made on the basis of vouched expenditure on meals and necessary accommodation on submission of receipts to the Principal or, in the case of a Principal, to the Chairperson of the Board.
- Travel and subsistence claims should be submitted as soon as possible and in any event within one month of the relevant journey. All claims should be submitted on a Travel & Subsistence Expenses Claim Forms on school headed paper. (**Appendix 2**)

- Each claim for expenses should be verified and approved by the Principal. Where the Principal is the claimant, the Chairperson of the Board of Management verifies and approves the claim.
- All documentation in relation to travel and subsistence claims should be retained for a period of seven years (i.e. six years after the tax year to which the records refer).

## **Members of the Board of Management**

- Members of Boards of Management shall not receive any financial remuneration for his or her services as a member of the Board (AOM 6B).
- The Board of Management should determine the types and categories of school business for which expenses may be paid for members of the Board. It is a matter for each Board to determine if a Board member who incurs significant expenses travelling to and from Board meetings should be reimbursed. In such an instance, payment of such expenses should be agreed between the Trustee/Patron and the Board.
- The Revenue Commissioners have issued the following briefing:

### **‘Statement of Practice SP IT/2/07’**

*The reimbursement of expenses of travelling and subsistence to individuals who work on a voluntary and unpaid basis for organisations whose functions and aims are both altruistic and non-commercial (for example, voluntary unpaid workers working for charities, sports bodies, etc.) may be paid tax-free provided the expenses of travelling and subsistence:*

- *merely put the unpaid individual in a position to carry out his/her work; and*
- *no more than reimburse the individual the expenses actually incurred by him/her and do not exceed what are known as the Civil Service rates for reimbursement of expenses of travelling and subsistence.*

***Note:*** *Individuals involved in charities, sports bodies, etc. who, in addition to a reimbursement of actual expenses of travel and subsistence, receive, either directly or indirectly, remuneration of any description (for example, weekly or monthly salary, an honorarium, and/or a 'bonus', etc) do NOT fall within the description of 'carrying out work on a voluntary and unpaid basis'.*

## **Principal and School Personnel**

- Travelling and subsistence allowances are payable only in respect of necessary absence from school. All travelling duties should be planned to reduce the total amount of travel to the minimum consistent with efficiency.

- The Principal/School Personnel must be temporarily away from his/her normal place of work in the performance of the duties of his/her office or employment;
- the travel expenses must be necessarily incurred in the performance of the duties of the office or employment; and
- Arising from a long accepted position supported by tax case law, the expenses of subsistence must attach to travelling necessarily incurred in the performance of the duties of the office or employment.
- Where more than one person is travelling to the same area, arrangements should where feasible, be made to avoid the unnecessary duplication of the use of more than one car.
- Where a person proceeds on an official journey direct from home or returns home directly, the travelling allowance payable will be calculated by reference to the distance from home or school, whichever is the lesser.
- Travel expenses cannot be paid in respect of any portion of a journey which covers all or part of a person's usual route between home and school. If an employee receives expense payments in respect of travelling to and from work, such expense payments are taxable and subject to PAYE deductions.

## **Subsistence Expenses**

- The FSSU recommends that subsistence payments should only be made on the basis of vouched expenditure on meals and necessary accommodation on submission of receipts to the Principal or, in the case of a Principal or Board member, to the Chairperson of the Board.

Further information or clarification on any of the issues raised in this Guideline can be obtained from the FSSU.

Louise McNamara,  
 Director, FSSU  
 June 2017

## Appendix 1

### Civil Service Travel Rates effective 1<sup>st</sup> April 2017

<b>Motor Travel Rates per kilometre</b>				
<b>Distance Bands</b>		<b>Engine Capacity up to 1200cc</b>	<b>Engine Capacity 1201cc to 1500cc</b>	<b>Engine Capacity 1501cc and over</b>
Band 1	0 – 1,500 km	37.95 cent	39.86 cent	44.79 cent
Band 2	1,501 – 5,500 km	70.00 cent	73.21 cent	83.53 cent
Band 3	5,501 – 25,000 km	27.55 cent	29.03 cent	32.21 cent
Band 4	25,001 km and over	21.36 cent	22.23 cent	25.85 cent

## Appendix 2

### TRAVEL & SUBSISTENCE EXPENSES CLAIM FORMS FOR USE IN VOLUNTARY SECONDARY SCHOOLS

(1) NAME (BLOCK CAPITALS) \_\_\_\_\_

HOME ADDRESS \_\_\_\_\_

(2) DETAILS OF CAR \_\_\_\_\_  
(ENGINE C.C. etc.)

(3) CLAIM PERIOD \_\_\_\_\_

TRAVEL	€	_____
SUBSISTENCE	€	_____
MISCELLANEOUS	€	_____
TOTAL CLAIM	€	_____
AMOUNT DUE		€ _____

#### (4) DECLARATION BY CLAIMANT

I declare that:

- (a) The subsistence and other allowances that I claim are correct and in accordance with regulations.
- (b) The expenses were actually and necessarily incurred by me in relation to school business.
- (c) I have not claimed, nor will I claim from any Government Department, nor from any other source, the expenses incurred above.
- (d) My cumulative mileage to date for which I have been paid travelling expenses (including travel claimed herein and from other public bodies) during the current travel year is \_\_\_\_\_.

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

#### (5) AUTHORISATION

Signed on behalf of the Board of Management

\_\_\_\_\_  
(Principal / Chairperson)

