

## APPENDIX A. GUIDELINES FOR PROCESSING CLAIMS

Officers are reminded that the purchase card is not to be used for personal purpose in any instance while on official travel per *Treasurer's Instruction (TI) 321 Credit Cards – Authorised Use*.

### A.1. ACCOMMODATION

- Employees are entitled to a reasonable standard of accommodation when travelling. When authorising overseas accommodation, line managers should have regard to economy, functionality and safety and take into account proximity of the accommodation to the location of work being performed.
- The employee shall arrange for the business portion of the accommodation to be paid by purchase card.
- Where an employee undertakes travel which includes a mix of business and private days, the employee directly bears the costs of his/her private days. Please also see *Official Air Travel Procedures* on leave undertaken in conjunction with official travel.

### A.2. MEAL AND INCIDENTAL ALLOWANCES AND EXPENSES

- An employee is eligible to claim an allowance for meals and incidental expenses for an official overseas trip. Allowances are based on the Australian Tax Office (ATO) *Reasonable Amounts for Overseas Travel Allowance Expenses Schedule* which is published annually.
- Allowances claimed are aligned to the employee's appropriate salary scale. The most current schedule is available on the ATO website or the Corporate Business Services website.
- Based on an approved itinerary, an employee is eligible to claim a travel allowance (meals and incidentals only) based on the above relevant ATO reasonable amount. Upon submitting a claim, the allowance will be paid directly into the employees' nominated bank account by Corporate Business Services.
- Where the allowance provided is inadequate, an employee is eligible to claim the difference. The claim needs to be justified and supported by receipts and/or a statutory declaration showing the total amount expended.
- An employee is entitled to claim reimbursement for reasonable out of pocket business expenses (see A.8) incurred while travelling.

### A.3. MEAL ALLOWANCE CANNOT BE CLAIMED IN THE FOLLOWING INSTANCES

- Where the meal is provided as a component of the accommodation package.
- Where the meal is paid for by another party or organisation.
- Where the meal is included as part of the travel ticket.
- Where the meal is part of a hospitality/business meal expense in which a separate claim is made as a business expense or is being paid by the employee using a purchase card.

#### A.4. EVIDENCE OF DEPARTURE AND ARRIVAL TIMES

- An itinerary, airline/other transport tickets or boarding passes needs to be included as evidence of arrival and departure times. An appropriate declaration is required if actual times vary significantly from the supporting documentation.
- If the traveller takes leave during the journey, then that component of leave is adjusted in the Travel Claim form. Alternative flight details to support a return to home base excluding the personal component of the journey should be provided.

#### A.5. STOPOVERS (IN TRANSIT)

Regardless of the duration, a full daily allowance applies for stopovers in foreign airports while waiting for connecting flights or transfers.

#### A.6. BUSINESS MEALS

- For every meal included as part of hotel accommodation and/or as part of entertainment/hospitality provided by a client or to a client, the claim for that day is to be reduced by the relevant meal component of the travel allowance. The incidental allowance will not be affected.
- Where an employee uses his or her own money to purchase a legitimate business meal for a client, the employee is reimbursed for the total cost of the meal less the employee's share of the cost where the applicable allowance had been given. For further information refer to Official Entertainment in the *Expenditure on Hospitality Policy*.
- Information on the purchase and consumption of alcohol as a business expense in Department's *Expenditure on Hospitality Policy*.

#### A.7. CASH ADVANCES

Cash Advances to staff may be administered but only in **exceptional circumstances** at the discretion of the authorising officer. The cash advance is to be requested no later than 5 working days prior to travel. The travel must have been approved in accordance with the *Official Air Travel Procedures* before a cash advance is given.

The cash advance is calculated based on 100% of the travel allowance.

All cash advances are paid directly to employees' nominated bank account by Corporate Business Services prior to the intended travel.

In the event that Cash Advances are given, they are to be acquitted promptly after completion of the trip, usually within two weeks. (See also A.11 Travel Claim Acquittal Process below).

#### A.8. PRIVATE EXPENSES

An incidental allowance is available to cover an employee's personal or private expenses while on an official overseas trip. The Department does not reimburse personal or private expenses incurred by an employee while on business travel.

The following expenses are considered as personal or private expenses:

- mini-bar expenses - excluding bottled water;
- alcohol;
- newspapers and magazines;
- morning and afternoon tea expenses;
- sight-seeing expenses;
- private telephone expenses (more than five minutes each day), private entertainment expenses (including in-house movies);
- fees and charges incurred on private credit cards tips; and
- any other personal or private expenses.

#### A.9. BUSINESS EXPENSES

If the incidental allowance does not cover an employee for all reasonable business expenses while on official travel, the employee is eligible to claim the following business expenses on production of receipts:

- laundry or dry cleaning expenses, and/or the ironing of clothes required for business purposes during the trip – this may include business or casual clothing;
- taxi or other transport costs to and from business engagements;
- business telephone expenses, Wi-Fi etc;
- business entertainment (noting that the allowance payable will be reduced according to the meal allowance paid in instances where this expense includes the claimant's meal); refer Expenditure on Hospitality Policy;
- airport/airline taxes, travel insurance, and visa costs;
- tips, where verifiable and when connected to performing official duties;
- fees and charges incurred on private credit cards where use of the private card was required in exceptional circumstances for business purposes; and
- inoculations as recommended by the Department of Foreign Affairs and Trade (DFAT) travel advice notices.

#### A.10. RECEIPTS

- All staff are required to maintain a travel diary whilst away. This is a legislative requirement by the Australian Taxation Office. The contents of the diary shall include:
  - the place where the activity was undertaken;
  - the date and approximate time when the activity commenced;
  - the duration of the activity; and
  - the nature of the activity.
- A travel diary should be prepared in advance – eg: itinerary and shall be endorsed by the traveller, signed and dated after the trip is made. The diary is to be presented when submitting a claim for expenses.
- Staff are required to keep receipts or other documentary evidence to substantiate meal expenditure.
- Receipts and/or itemised accounts are required for all business expenses. Where receipts are unavailable, a detailed statutory declaration is accepted to support diary entries.
- Receipts for incidentals are generally not required, except when an additional claim is made or the amount claimed is in excess of the ATO reasonable amount.

#### A.11. TRAVEL CLAIM CLEARANCE/ACQUITTAL PROCESS

The clearance/acquittal process is necessary for the travel event to be considered closed. The following items need to be acquitted/reconciled as soon as possible after completion of the trip, usually within two weeks:

- cash advances where provided
- business expense claims
- hospitality expenditure
- purchase card expenditure

Cash advances should be cleared promptly and, where applicable, claims for additional allowable expenses incurred are made.

Where the claim results in the staff member needing to reimburse cash advanced, a cash advance reimbursement is made before a further claim is processed.

If the employee takes leave during their trip and continues to stay in the accommodation provided by the Department, the employee should pay the accommodation provider directly. The travel allowance should reflect the business component of the trip only.

#### A.12. REPORTABLE ALLOWANCES

If the total meals and incidentals allowance claimed is in excess of the ATO reasonable amount, the allowance will be reported in the employee's payment summary and the excess (above the reasonable amount) is subject to PAYG Tax.