

Accounts Payable: Expense Reimbursement Policy

Purpose This outlines the [department's](#) requirements for expense reimbursement.

Policy rules

Expense claims: claimable or not

1. Employees and other workplace participants can be reimbursed for legitimate work related expenses.
See:
 - [Expenditure by staff from other agencies](#)
 - [Expenditure by Committee Members](#)
 - [Claimable work expenses](#)
2. Expense claims **cannot** be made for private expenditure.
See: [Non-claimable expenses](#)
3. Expense claims should not be made for expenditure that could be paid (practically) through an alternative method or where a mandated (whole of Victorian Government / Departmental) supplier was used.
4. Advance approval is to be obtained in respect of expense claims where:
 - mandated by policy (e.g. for travel and hospitality expenditure)
 - practical (in all other instances).**Note:**
 - Approval for travel and hospitality expenditure is to align with policy requirements.**Refer to:**
 - Travel Policy
 - Gifts, Sustenance and Hospitality (Providing) Policy
 - In all other instances, it is recommended that approval is obtained by email, although this is not mandatory. This is designed to safeguard the claimant (i.e. to ensure a claim will be supported).

Reimbursement methods

5. Work related expenditure should be paid for directly by the department (using a panel provider on account or by corporate card) unless, either:
 - prohibited by policy
 - it is difficult / impractical / not possible to do so
 - there is other good reason (i.e. benefit to the department).
6. Obtaining reward points on personal credit card schemes, as a result of incurring departmental expenditure is never to be the motivation for making payments on behalf of the department and claiming back the expenditure.
Note: It is acknowledged that some payments will be made on personal credit cards attracting reward points. This is acceptable provided obtaining points was not the prime motivation for paying the supplier through this method.
7. Loyalty cards (e.g. Fly Buys) and frequent flyer programs are not to be used in conjunction with work related purchases.
8. Approved reimbursement methods are to be used, in the following order of preference:
 - the iExpense system
 - petty cash
 - manual payments.

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Note:

- The iExpense system is preferred where available to the claimant. Once approved, the payment will be included in the next daily payment run (provided the claimant has been set up for electronic payments).
- Manual payments should only be used where other methods not available (e.g. a claimant does not have access to the iExpense system and the claim is above the petty cash limit). It is typically only AWU employees and certain categories of other workplace participants who do not have access to the iExpense system.

9. Claims for the business use of a private vehicle are not to be reimbursed through the iExpense system or petty cash.

Note: Such claims are to be made through payroll.

Refer to: Travel: Vehicle Use Policy

10. Claims are only to be reimbursed once and are not to be made in respect of payments made directly by the department.

Note: The same expenditure item cannot be claimed through multiple reimbursement / payment methods (e.g. iExpense and petty cash). Deliberately submitting duplicate claims is a serious breach of policy and will result in disciplinary action. New compliance software means there is a high likelihood of duplicate payments being detected.

11. An appropriate chargecode is to be assigned to all expense claims.

Payments through the iExpense system

12. There is no financial limit to business expenses which can be claimed through the iExpense system.

13. Any claimable expenses can be reimbursed through the iExpense system, unless the payment needs to be made through payroll.

14. To the extent practical, iExpense claims are to be lodged within one month of the expenditure being incurred.

15. iExpense claims are to be approved by a financial delegate, in the same reporting line, who is more senior to the claimant.

Note: Before approving claims, financial delegates are to review supporting documentation.

16. Tax invoices / receipts are to be obtained to support expense claims.

Note: Where tax invoices / receipts were lost or could not be obtained, a Statutory Declaration is to be prepared to substantiate the expenditure. Personal credit card docket alone are insufficient substantiation. Excessive use of Statutory Declarations is to be queried by financial delegates and will also be reviewed as part of financial compliance checks.

17. Supporting tax invoices / receipts / Statutory Declarations are to be retained through either:

- attaching a scanned copy of these documents to the electronic iExpense claim (preferred approach).

Note:

- Original receipts are also to be retained for a period of at least three months (in case requested for review).
 - Supporting advance approval should also be attached where required by policy (e.g. for travel and hospitality expenditure).
 - An advantage of this approach is that the Financial Compliance Team will not require you to send through a scanned copy of receipts when your transactions are reviewed.
- having a Registry file specifically for expenditure claims (with a suggested title of "Expense Claims <Insert Name>") and attaching the supporting documents to this.

Note: Where records are retained on a registry file, a print out of the iExpense claim screen from the Business Management System (BMS) is to be attached to the supporting records.

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Refer to: BMS User Guide – How to make a personal expense claim through iExpense - for step by step guidance (with screen prints).

18. Where an employee or other workplace participant has used a Registry file for iExpense claims, this is to be booked to “Registry” if they cease employment with the department (including a transfer to another department due to a Machinery of Government change).

Note: To achieve this write “Registry” in the next “Referred to” field on the cover of the file and forward it to Mail Services.

Payments through petty cash

19. Petty cash claims are only to be lodged for expenses which were paid directly by the claimant through cash, EFT or cheque.

Note: Petty cash reimbursement is not available for expenses paid by personal credit card, unless the claimant does not have access to the iExpense system.

20. Petty cash claims are to be made through completion of an Accounts Payable: Petty Cash Claim Form.

21. Petty cash claims are restricted to \$200 per expenditure item inclusive of GST (i.e. a \$200 limit per supporting tax invoice / receipt).

22. Transactions above \$200 are not to be split into multiple claims to circumvent this transaction limit.

23. More than one expense claim can be made on a single claim form.

Note: This means a total petty cash claim can exceed \$200, provided the individual items do not exceed \$200 each.

24. Petty cash claims should be lodged within one week of the expenditure being incurred.

Note: Older claims are to be lodged through the iExpense system, unless this system is unavailable to the claimant.

25. Petty cash claims are to be approved by a financial delegate, in the same reporting line, who is more senior to the claimant.

Note:

- Before approving claims, financial delegates are to review supporting documentation.
- Remote approval of a petty cash claim by email is acceptable provided the approver was provided with a scanned copy of the supporting documentation. The approver needs to directly email their approval to the Petty Cash Manager.

26. Tax invoices / receipts are to be obtained to support petty cash claims and are to be attached to the Petty Cash Claim Form.

Note: Where tax invoices / receipts were lost or could not be obtained, a Statutory Declaration is to be prepared to substantiate the expenditure. Personal credit card dockets alone are insufficient substantiation. Statutory declarations are to be attached to the Petty Cash Claim Form.

27. Work experience students may be paid through petty cash.

See: [Payments for work experience students](#)

28. Low value security deposits (up to \$200) can be reimbursed through petty cash.

See: [Reimbursement of minor security deposits](#)

29. Petty cash floats are to be opened, closed, managed, stored, replenished and reconciled in accordance with requirements.

Refer to: Accounts Payable: Petty Cash Procedure

30. Petty cash advances can be made where criteria is satisfied.

See: [Petty cash advances](#)

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31. Petty Cash Managers are to ensure:

- the petty cash tin, petty cash card and the PIN for the cash card are securely stored in a safe or locked cupboard / drawer.

Note: The petty cash card and associated PIN can be stored in the petty cash tin. The keys to the locked cupboard / drawer are not to be left in an obvious place.

- petty cash claims are checked:
 - for completeness.
 - for correct addition.
 - for financial delegate approval.
 - to ensure no item claimed exceeds \$200 (inclusive of GST).
 - for appropriate substantiation (i.e. supporting tax invoices, receipts and/or Statutory Declarations that equate to the value of the claim).
 - to ensure there is no obvious transaction splitting.
 - for use of appropriate accounts.
- Remote approval of petty cash claims (by email) is forwarded directly to them.

Note: A copy of this email can be attached to the petty cash claim and be used as a substitute for financial delegate sign-off.

Note: Petty Cash Managers are required to be departmental employees. They cannot be other workplace participants, including agency / contract staff.

Manual payments

32. Manual payments are only to be used as a reimbursement method as a last resort (i.e. where other payment methods are unavailable or impractical).

33. There is no financial limit to business expenses which can be claimed through the manual payment process.

34. Manual payments are to be lodged through the submission of an Accounts Payable: Request for Payment Form.

35. Request for Payment Forms are to be approved by a financial delegate, in the same reporting line, who is more senior to the claimant.

Note: Before approving manual payments, financial delegates are to review supporting documentation.

36. Tax invoices / receipts are to be obtained to support manual payments for expense reimbursement.

Note: Where tax invoices / receipts were lost or could not be obtained, a Statutory Declaration is to be prepared to substantiate the expenditure. Personal credit card docket alone are insufficient substantiation.

Compliance reviews

37. All expense reimbursements, regardless of reimbursement method, are subject to regular review by the Financial Compliance Team.

38. Should any claimant realise they have inadvertently breached policy they are required to contact the Financial Compliance Team for advice.

Link to procedure

39. The requirements of this policy and the Accounts Payable: Petty Cash Procedure are mandatory, and need to be complied with.

Note: The source of authority for this policy can be found in the Policy Register.

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Additional guidance

Expenditure by staff from other agencies

For the purpose of this policy, staff / volunteers from other agencies are deemed “other workplace participants” and are therefore eligible to make claims against the department for work related expenditure that is both:

- approved by a financial delegate of this department (or an emergency event financial delegate who is empowered to exercise a financial delegation at an event managed by this department).
- claimable expenditure of **this** department (in line with relevant policy).

Standard substantiation requirements (and other rules) apply.

Emergency event claims are not to be approved from staff / volunteers of other agencies where this department is not the agency responsible for the event.

Expenditure by Committee Members

Committee members and other non-departmental representatives are entitled to make expenditure claims directly associated with their engagement, in accordance with relevant departmental policy and their contract of engagement.

Standard departmental limits / rules apply for travel, hospitality and sustenance expenditure.

Refer to:

- Travel Policy
- Hospitality Providing Policy

Sitting fees and expenses of Committee members and other non-departmental representatives are to be reimbursed through the payroll system through submission of a Committee Member Claim Form. Sitting fees and private motor vehicle claims need to be paid through the payroll system to enable the payments to be reported on the claimant’s payment summary which will satisfy tax requirements. Submitting expense claims on the same form as sitting fees is deemed the most efficient process (i.e. a single form).

Claimable work expenses

Claimable work expenses include, but are not limited to:

- costs associated with work related travel

Note:

- Advance travel approval is required.
- Limits apply for accommodation, meals and incidentals.
- Airfares and interstate / overseas accommodation are to be booked through the department’s travel service provider, unless otherwise permitted by policy.
- Victorian accommodation should only be claimed through iExpense as a last resort (i.e. where the booking cannot be made through the travel service provider, paid by corporate card or invoiced to the department)
- Cabcharges should be used for taxi travel where both available and practical.
- Departmental MYKIs are to be used for work travel, where available.

Refer to: Travel Policy for further information.

- training course enrolments that could not otherwise be paid for.
- office sundries (such as crockery, glassware, minor office equipment not available on account).
- milk and similar supplies for the workplace, where not available on account.
- professional membership reimbursements where membership is mandatory or preferred for your role.

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- reference material purchased for work purchases.
- approved study / educational expenses.
- approved safety / work equipment that could not be obtained through stores, a preferred supplier on account, or practically by corporate card.
- bereavement flowers upon the death of an employee, workplace participant or partner / close relative thereof.
Note: Bereavement flowers are never to be purchased by corporate card. The use of the iExpense system or petty cash for reimbursement is appropriate as many florists will not invoice the department. Where the flowers are purchased as a result of the death of an employee or workplace participant a limit of \$150 applies. Where the flowers are purchased as a result of the death of a partner / close relative of an employee or workplace participant a limit of \$100 applies. These limits can only be exceeded with the approval of an Executive Director (or above) if special circumstances exist.
- approved sustenance and hospitality expenses.
Note: Strict criteria apply.
Refer to: Gifts, Sustenance and Hospitality (Providing) Policy
- the purchase of gift cards or other gifts that:
 - align with Reward and Recognition Program Guidelines
 - satisfy long service award criteria
 - are for external parties and are provided in the interests of the department / State.
- telephony / information technology charges that can be directly attributed to work use
Note: A claim can be lodged in respect of a prepaid mobile phone for work use. Where charges are fully covered by a cap then work related usage is not claimable.

Non-claimable expenses

Expenses which cannot be claimed include:

- traffic infringement, parking and public transport fines, even if incurred in respect of work related travel.
- private travel, including that between your home and your regular place of work.
- car parking near your standard work location, unless the parking costs resulted from a management request to temporarily change your normal pattern of work or make a business trip using your own vehicle during the day.
- Alcohol (unless part of a preapproved hospitality event).
- The following working from home expenses:
 - utility accounts
 - rent / mortgage repayments
 - the cost of food and beverages (including tea, coffee and milk)
- meals / non- alcoholic beverages for yourself and / or other work colleagues, unless:
 - part of approved travel and the expenditure is permitted by the Travel Policy
 - you are working back late (without overtime payment) and advance approval was received
 - approved hospitality expenditure (including a reward and recognition event or retirement function permitted by policy)
 - part of sustenance catering which is permitted by policy.
Note: A coffee catch up or team building meal cannot be claimed unless hospitality approval was obtained or the catering is within the travel / sustenance rules.
Refer to: Gifts, Sustenance and Hospitality (Providing) Policy
- clothing or equipment for personal use
Note: Work clothing should be obtained through store or a preferred supplier unless there are exceptional circumstances.
- newspapers and digital newspaper/other subscriptions
Note: Where approved as business expenditure, these items are to be paid by corporate card or through Accounts Payable.

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- gifts or flowers for personal milestones (e.g. birthdays, weddings, the arrival of babies).
- gifts or meals for family and friends.
- payments to suppliers which are known to have an account with the department (regardless of value).
- payments for goods and services (including stationery) which should have been obtained from a contracted supplier, unless unavailable, not stocked or especially urgent.
- motor vehicle expenses (e.g. fuel, repairs, maintenance) that can be arranged / paid for through other means.
Note: Fuel may be purchased by the driver and claimed back where a fuel card is not available, will not be accepted or is defective.
- top-ups to personal MYKIs or toll road accounts for **future** work travel (i.e. the travel needs to be completed before expenditure can be claimed).

Whilst not prohibited, regular payments should be paid by an alternative method (e.g. on-account through the Centralised Invoice Management System) where practical.

Payments for work experience students

Work experience students may be paid weekly or fortnightly.

The department is obliged to pay at least the minimum amount required by legislation. A maximum of \$40 per day is permitted, at the discretion of the approving financial delegate (i.e. a maximum of \$200 for a weekly petty cash claim).

The work experience student is permitted to sign the petty cash form as the claimant.

Reimbursement of minor security deposits

Low value security deposits are received by the department for minor equipment hire (e.g. possum traps).

When deposits are received, they are to be banked and receipted in the general ledger against account 2301. When the equipment is returned, the security deposit may be refunded through petty cash, against account 2301.

Where the amount exceeds \$200, an Accounts Payable: Request for Payment Form is to be completed instead.

In both cases, the person to receive the refund is to sign the claim form.

Petty cash advances

Petty cash advances can be made where the following applies:

- The advance is required to cover legitimate work expenditure.
Note: Advances are not to be provided to cover cash flow issues associated with personal expenditure.
- The supplier is to be paid by cash (i.e. not by personal credit card).
- The person paying the supplier needs a cash advance to cover the expenditure.
- The amount can be repaid (in full) within two working days.

Petty cash advances are not encouraged and are to be restricted to \$200 per item.

In practice, petty cash advances can be extinguished at the time the associated petty cash claim is lodged, with the person receiving the advance:

- repaying the department – for any unspent / unsubstantiated advance
- receiving additional payment – for any shortfall between the advance received and the amount spent.

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Petty cash advances are to be made and extinguished through the completion of an Accounts Payable: Petty Cash Advance Form.

Petty Cash Managers are to retain these forms for a period of at least one year (even where the advance has been extinguished). Financial Compliance reviews may be conducted on these forms to ensure the advance was repaid within requirements and related to legitimate departmental expenditure.

Supporting information

Procedures

Accounts Payable: Petty Cash Procedure

User guides

BMS User Guide – How to make a personal expense claim through iExpense

Forms and templates

Accounts Payable: Petty Cash Advance Form
Accounts Payable: Petty Cash Claim Form
Accounts Payable: Request for Payment Form
Statutory Declaration

Contact

For advice on the petty cash or iExpense process:

Accounts Payable Team
Phone: 9637 9434; email: accounts.payable@delwp.vic.gov.au

For advice on what can and can't be claimed:

Financial Compliance Team
Phone: 9637 9079; email: finance.csg@delwp.vic.gov.au

Terms used in this policy

The key terms that are underlined and used throughout this policy are defined in the Online Glossary.