

Expenses and Hospitality Supplementary Note for Non- Employees

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1. Supplementary note – non-employee expenses and payments

All of the guidance contained in the ‘Summary Guidance for Employees’ for expenses and hospitality reimbursement applies to non-employees, with additional guidance as detailed below.

1.1. Students

Payments to students for casual work should be treated in exactly the same way for tax and National insurance purposes as they are for any other employee. This applies equally to both UK and foreign students.

1.2. Academic Visitors

Academic visitors can be paid expenses as per the guidance.

1.3. Payments to external examiners

External examiners are considered as workers by HMRC and will be paid in line with other employees.

1.4. Volunteers and subject payments

1.4.1. General rules for volunteers

Income tax is only chargeable on an individual providing services where that individual:

- holds an office or an employment; and
- receives earnings from that office or employment.

Earnings can mean payment in kind or cash.

Where office holders or volunteers who do not hold any post, office or employment with the University, receive only reimbursement of expenses incurred (e.g. for travel that can include travel between home and the place where the activities of the office take place) such payments are not treated as earnings and, thereby, fall outside of any deductions for tax or National Insurance. Such expenses should be claimed in line with this policy.

Where office holders receive payment in return for holding that office, including round-sum payments to cover time spent, then this is usually a taxable arrangement and should be paid via Payroll.

1.4.2. Payments to volunteers in clinical trials and research studies.

In 2004 the former Inland Revenue agreed the following principles with the British Universities Finance Directors' Group.

“In the course of undertaking research, particularly in the areas of social science or medicine, volunteers are often required to participate in tests, trials, consultations or interviews. Participants may be members of the general public or specific groups, the members of which meet criteria that fall within the area of study. Where participants are also members of staff of the University then HMRC regard their participation as distinct from their normal duties of employment and, thereby, not treated as employment, as long as it occurs within their own time and they are under no obligation to take part.”

In all instances, as long as any payment made to volunteers is small, to cover out of pocket expenses and reasonable compensation for time spent, then it may be made without deduction of tax or National Insurance. It is the responsibility of the recipient to declare this income to HMRC.

Payments to volunteers

Payments should be made through vouchers or web payments. For further information on how to pay volunteers, please speak to the cash management team.

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(Extracted from Guidance approved at the Finance & Major Projects Committee, November 2014)