



The UK Expense Reimbursement Procedure

This guide outlines the expenses eligible for reimbursement in the UK, the conditions under which they are reimbursable, and the required documentation. All expenses must relate to legitimate business activities and comply with HMRC tax regulations and Native Teams policies.

Eligible expenses

The following business-related expenses may be reimbursed:

- ◆ **Business travel outside the UK** – qualifying overseas meals, accommodation, flights, rail, local transport, taxis, visa fees, required vaccinations, and business travel insurance.
- ◆ **Meal allowances** – per HMRC-approved benchmark rates.
- ◆ **Mileage (private vehicles)** – reimbursed at HMRC mileage allowance rates.
- ◆ **Work-related purchases**, including office supplies, IT equipment, and software.
- ◆ **Home office costs** – e.g. broadband and small items, where pre-approved.
- ◆ **Professional memberships & training** – if job-related and pre-authorised.

Reimbursement conditions



1. Travel expenses

- Must be incurred wholly, exclusively, and necessarily for business purposes.
- Receipts must include: date, amount, and business purpose.
- Foreign currency expenses must be converted to GBP using the exchange rate applicable on the date the expense was incurred.
- Expenses reimbursed at actual cost with a receipt are generally tax and NIC-free where they qualify as genuine business expenses. Non-qualifying or personal expenses are fully taxable and subject to NIC through payroll.
- Flights, rail, local transport and taxis for business purposes are reimbursed at actual cost with receipts.



2. Meal allowances (HMRC benchmark rates)

Tax-free flat-rate payments can be made without receipts if conditions are met:

- £5 for trips lasting at least five hours.
- £10 for trips lasting at least ten hours.
- £25 for trips lasting at least 15 hours that end after eight p.m.
- An additional £10 can be claimed if the workday ends after eight p.m.

- The rates are tiered. Only the single rate corresponding to the length of the journey should be paid; for example, a 12-hour journey qualifies for £10, not £5 + £10.
 - The late supplement can only be paid on top of the £5 or £10 rate. It cannot be added to the £25 rate, which already includes an evening meal.
 - The employee must have bought a meal after starting the journey and must keep evidence that they bought it, together with the journey details.
 - Meals already paid for as part of a hotel or accommodation bill cannot be claimed again at the scale rate.
 - Actual meal costs can instead be reimbursed with itemised receipts for qualifying business travel. This remains tax-free even where the actual cost exceeds the HMRC scale rate.
 - A flat payment above the benchmark rates, without receipts or an HMRC-approved bespoke rate, is taxable and subject to NIC through payroll.
-



3. Mileage for private vehicles

Reimbursable under HMRC's approved rates:

- £0.55 per mile for the first 10,000 business miles per tax year.
 - £0.25 per mile for mileage exceeding 10,000 miles.
 - £0.24 per mile for motorcycles.
 - £0.20 per mile for bicycles.
 - £5 per mile for each work colleague carried on the same business journey in a car or van.
 - Fuel is included in these rates; no separate fuel receipts are required.
 - The 10,000-mile threshold applies to all business miles in cars and vans across the tax year, from 6 April to 5 April.
 - Amounts paid above the AMAP rates are taxable through payroll. For NIC purposes, 55p per mile remains NIC-free for all business miles in a car or van; the 25p rate after 10,000 miles applies to income tax only.
 - Each claim must list the date, start and end points, business purpose and miles for every journey. Ordinary commuting miles must be deducted.
 - For company cars, AMAP rates do not apply. Fuel for business journeys in a company car can instead be reimbursed at HMRC advisory fuel rates. Fuel reimbursed at or below the advisory fuel rate is tax and NIC-free; any excess is taxable and subject to NIC through payroll.
-



4. Home office costs

- Must be agreed in writing.
 - May cover internet and minor utilities.
 - Lump-sum allowance (tax-free):
 - Up to £6/week or £26/month (unless actual costs are supported by evidence).
 - The employee must regularly work from home under an agreed homeworking arrangement; occasional homeworking does not qualify.
 - Payments above £6/week are tax-free only where evidence supports the actual additional household costs.
 - From 6 April 2026, employees can no longer claim this relief directly from HMRC. An employer payment is required for the amount to be received tax-free.
-



5. Work-related purchases

- Must be pre-approved,
- Items over £100 should be invoiced to Native Teams, where possible.
- If used for personal and business purposes, it may be partially taxable unless justified.

- Equipment bought by the employee, such as a monitor, desk, chair or laptop, is tax and NIC-free only if it was approved or requested in advance, is provided solely so the employee can perform their job, no significant private use is intended, and ownership remains with the client.
 - Written confirmation may be required that the equipment remains the client's asset and will be returned if the employee leaves, together with confirmation that it is used solely for work.
 - If these conditions are not met, the reimbursement is taxable and subject to NIC through payroll.
-



6. Mobile phones

- Employer-provided mobile phone: one mobile phone or SIM card provided by the employer, with the contract between the employer and the supplier, is tax- and NIC-free, including personal use.
 - Employee's own phone on a monthly contract: the monthly tariff cannot be split into a tax-free business share and a personal share. Reimbursing the tariff, or private calls above the tariff allowance, is taxable and subject to NIC through payroll.
 - Business calls above the monthly tariff allowance: these can be reimbursed tax- and NIC-free where they are supported by an itemised bill showing the business calls.
 - Employee's own pay-as-you-go phone: business calls can be reimbursed tax and NIC-free where there is an itemised record of the business calls.
-



7. Client entertainment & meals

- Permitted only if directly related to business.
 - Receipt must include:
 - Names of attendees;
 - Company details;
 - Business purpose.
 - Client entertainment paid by the employee can be reimbursed tax- and NIC-free if the client approves it and the claim includes the required supporting details.
 - The claim should include the receipt, date, location, names of attendees (or number and their connection to the company), business purpose, confirmation that the entertainment was performed as part of the employee's job duties, and the amount reclaimed.
 - A flat entertainment allowance that is not linked to actual costs is taxable and subject to NIC through payroll.
-



8. Accommodation

- Accommodation is reimbursed at actual cost with a receipt. HMRC does not set a benchmark rate for UK accommodation.
- Meals during an overnight stay are covered by the £25 15-hour rate, provided the meals are not already included in the accommodation bill.
- Incidental overnight expenses, such as laundry, personal phone calls and newspapers, can be paid tax-free up to £5 per night in the UK and £10 per night outside the UK. The limit is calculated over the whole trip.
- If the total incidental overnight payment exceeds the applicable £5/£10 limit over the whole trip, the whole amount becomes taxable, not only the excess. No receipts are required within the applicable limits.
- Payments for staying with friends or family are taxable and subject to NIC through payroll, as HMRC does not provide a scale rate for this.



9. Business travel outside the UK

- The UK meal rates above do not apply to overseas business travel.
- HMRC overseas scale rates can be used for qualifying business travel outside the UK. These rates are published by country and city in local currency and include a 24-hour meal rate and a separate accommodation room rate. They can be paid tax-free without receipts for qualifying travel.
- If the destination city is not listed, the rate for the nearest listed city in the same country should be used. If the country is not listed, use the rate for the geographically closest listed city.
- Alternatively, actual overseas costs can be reimbursed with receipts.
- Incidental overnight expenses outside the UK can be paid tax-free up to £10 per night, subject to the whole-trip rule described above.
- Travel insurance covering only the business trip is tax and NIC-free. If the policy also covers personal travel, the personal share is taxable and subject to NIC through payroll.



Expenses that are not reimbursed

Unless the client approves an expense in writing in advance, the following expenses are not reimbursed. Where the client does approve one of these expenses, it is treated as taxable pay and processed through payroll where applicable.

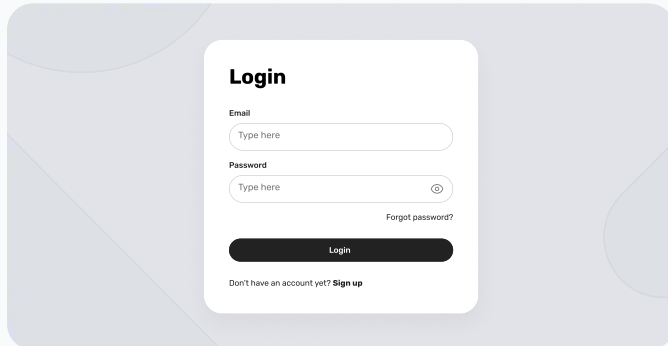
- Ordinary commuting costs, including parking at the employee's permanent workplace.
- Alcohol, unless it forms part of approved client entertainment.
- Fines, penalties, parking tickets and speeding tickets.
- Personal items, personal entertainment, minibar charges and in-room films.
- Travel or accommodation upgrades that were not approved in advance.
- Costs for family members or other people travelling with the employee.
- Expenses without an itemised receipt or invoice where one is required. A card payment slip or bank statement alone is not sufficient because it does not show what was purchased.
- Gifts to clients or other third parties bought by the employee.
- Equipment bought by the employee where the conditions for tax- and NIC-free reimbursement are not met.

⚠ Documentation requirements

- Receipts/invoices – original, legible, with VAT shown where applicable.
- Expense justification – must state the purpose, date, location, and nature of the expense.
- Currency conversion – for non-GBP receipts, show GBP equivalent.
- Where an employee pays by card, the GBP amount shown on their card or bank statement, including any bank conversion fee, should be used. Where an expense is paid in cash, it should be converted using the Bank of England rate for the date the expense was incurred, or the previous working day's rate if no rate is published that day.
- Travel/mileage form – required for all per diem or mileage claims (template available).
- Business purpose – must be stated clearly on all claims.
- Approvals – pre-approval by a manager may be required for some expenses.
- For meal scale-rate claims, employees must keep evidence that they bought a meal and record the journey details, including start and end points and departure and return times.
- For mileage claims, the date, start and end points, business purpose and miles must be recorded for each journey.
- For client entertainment, claims must include the receipt, date, location, attendees, business purpose, confirmation that the expense was incurred as part of the employee's job duties, and amount reclaimed.
- For employee-purchased equipment, written confirmation may be required that the equipment remains the client's asset and is used solely for work.

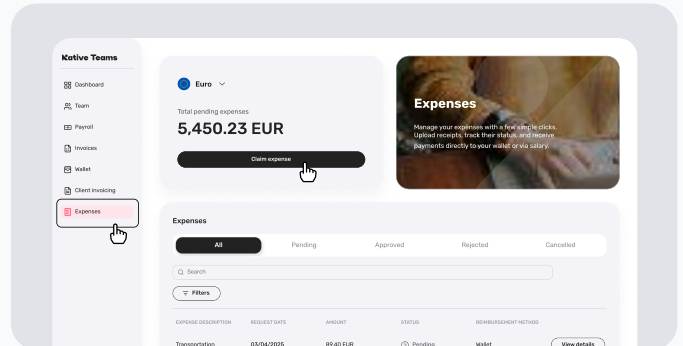
Expense Submission Process

Submitting via **Native Teams** Platform



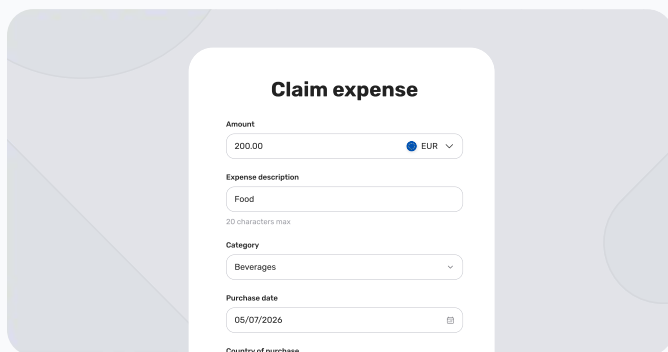
STEP 1

Log in to your Native Teams account.



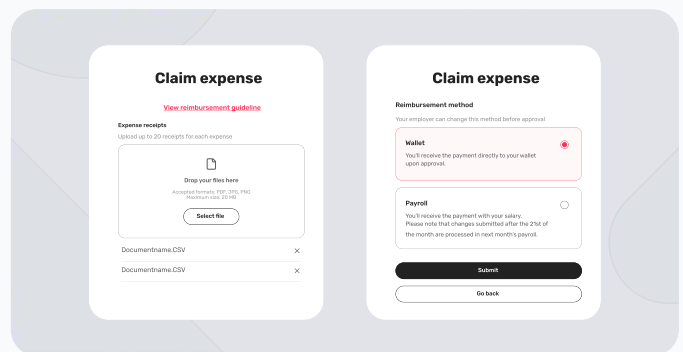
STEP 2

Click on the **Expenses** section on the left side menu and then on the **Claim expense** button.



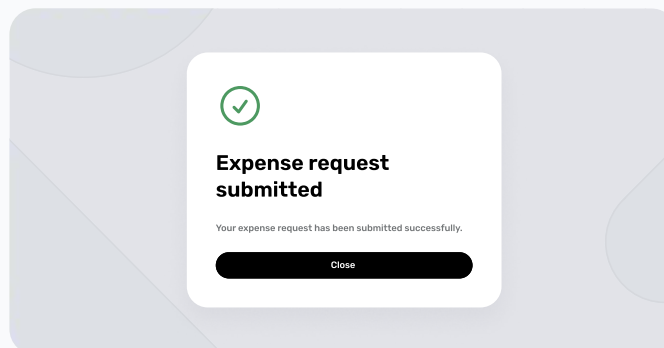
STEP 3

Fill in the required fields for the amount, expense description, category, purchase date, and country of purchase.



STEP 4

Attach a proof and select your reimbursement method: wallet or payroll.



STEP 5

Submit the claim and wait for your employer's approval of the reimbursement.

! Submission deadlines

- All expense claims must be submitted by the **10th of the month** to be processed in the same payroll cycle.
- Claims submitted after the 10th will be included in the following month's payroll.
- If the 10th falls on a weekend or public holiday, the deadline will be brought forward to the previous working day.



Native Teams legal entity - The UK

◆ **Entity name:** Native Teams Ltd

◆ **Registration number:** 13888713

◆ **Registered address:** 228 Park Ave S, Suite 17768, New York, NY 10003 (US legal base)

Native Teams

For any questions regarding expense reimbursements, please
contact customersuccess@nteam.com