



Keane Consulting & Keane Consulting Payroll (Keane) travel expense reimbursement process

You may be required to travel as part of your contracting role. Before embarking on any business related travel, please review the following and contact the appropriate person within your organisation to confirm the requirements of the "client" relating to reimbursements.

We recommend that you inform us (via admin@keane.com.au) of any intent/approval to travel as soon as possible so we can assist you to clarify and confirm the travel expense reimbursement process required of your business area.

We appreciate that there may be confusion as to the process for claiming a reimbursement for travel expenses incurred. Different agencies, and even business areas with the same agency, have different requirements and processes for your travel can be contradictory.

The following is intended to provide clarity and guidance to make it as easy as possible for you to claim travel expenses whilst engaged by Keane. We have received advice from our accountants to ensure the following guidance is accurate and aligns with ATO/Defence/Government requirements (noting the comment below regarding agencies requirements).

As the majority of travel expense claims are related to contractors working for the Department of Defence our intent is to standardise processes that are consistent with this Department. However, we will always follow the requirements of the specific client/business area. We have also obtained advice from two accountants to ensure our approach is professional, aligns with ATO requirements, and is flexible to the needs of you and the clients.

Generally, there are two methods of claiming travel expenses.

1. Claiming expenses incurred via submission of valid tax invoices (receipts).

In these situations we are able to reimburse you post travel.

Please note, this is the stipulation within the TSS Panel deed (which many of you are engaged under). In this instance, we will reimburse you for your expenses that are less than \$1,000.00 ex GST within days of their claim being submitted noting that if the client subsequently rejects any part of the claim you will be required to reimburse us for applicable payments made. For claims above \$1,000.00 ex GST we will reimburse you once the client has paid the associated invoice.

This option is the TSS approved approach and will be the default if no guidance is received from the business area prior to travel.

2. Claiming an allowance which is pre-approved by the delegate.

In these situations we are able to reimburse you prior to travel.

You will need to confirm with your delegate/supervisor/business area procurement team what form is required to enable payment of an allowance (if at all). An "AF090" may be used – once again, we recommend you confirm within your business area* if this is acceptable prior to travel. Please see "Daily Travel Allowances" below for more information relating to what is payable (especially in relation to the GST component).

*alternatively, we ask that you provide us with the applicable point of contact in your business area and we will liaise with them in order to confirm their requirements so that we can efficiently process the expense reimbursement.

Expenses that can be claimed may include:

- meals (provided the travel includes an overnight stay)
- where a contractor does not have an overnight stay we will need to negotiate with the business area as various FBT, "entertainment" and allowances which attract income tax and super ATO rules may apply!
- accommodation and incidental expenses
- air, bus, train, tram taxi fares and Ubers
- bridge and road tolls
- parking
- car hire fees
- travel insurance

Note re alcohol: generally it is okay to claim as long as it is a drink with a meal and the alcohol is for yourself. If you purchase alcohol for a travelling companion this is classified as "entertainment" and other ATO rules apply relating to FBT etc. For this reason, we recommend that you limit the purchase of alcohol to yourself.

Daily Travel Allowances

Where you are required to travel away from home for short periods for work purposes, we can pay you a daily travel allowance as part of your salary package, and if the amounts paid are within the reasonable limits set out by the ATO, no substantiation is required when you lodge your income tax return. Please note that if you are away from home for more than 6 nights in a row, and your allowance relates to overseas travel or for domestic travel where your claim exceeds the reasonable rates, you will be required to maintain a travel diary. A travel diary is a document in which you record the dates, places, times and duration of your activities and travel.

Why can't we pay the full amount as a travel allowance?

Defence (and other departments) use a daily travel calculator (noting the TSS Panel Deed specifically does not allow this) and they maintain that the amounts calculated include GST. On this basis, they consider the addition of GST onto the travel calculator amount to be double charging of GST. Therefore, on a commercial basis, they require that the amount invoiced to them by us is to equal the travel calculator amount on a GST inclusive basis. This means we can only reimburse for the amount of the travel allowance less the GST component as Keane Consulting Payroll is then required to remit 1/11th of the amount invoiced to the ATO as GST.

If you are paid a travel allowance in advance which is exclusive of GST, and subsequently obtain receipts for their expenses you wish to claim, we can reimburse in full as long as valid tax invoices are submitted. Noting, the total amount of the expenses are also required to be within the client's budgeted amounts and the client must also be willing to reimburse for expenses claimed post travel having agreed to pay an allowance pre-travel (see initial point about confirming requirements for reimbursements prior to travel).

Non-valid tax invoices

There are many providers of travel services that are not registered for GST within Australia and/or do not provide valid tax invoices. We ask that you do not book any travel (especially accommodation or flights) using a generic travel provider (e.g. Webjet, GoJet, Expedia, booking.com etc).

Rather, flights and accommodation (where the client is not doing so on your behalf) must be booked directly with the service provider. We may not be able to reimburse in full where bookings are made using a generic service provider.

To be safe, we ask that you book with a provider that is able to adhere to the ATO requirements of what constitutes a valid tax invoice. That is, the following seven details:

1. document is intended to be a tax invoice
2. seller's identity
3. seller's Australian business number (ABN)
4. date the invoice was issued
5. brief description of the items sold, including the quantity (if applicable) and the price.
6. GST amount (if any) payable – this can be shown separately or, if the GST amount is exactly one-eleventh of the total price, as a statement which says 'Total price includes GST'
7. extent to which each sale on the invoice is a taxable sale