

Tempo's Guide to

Business Expenses

You may also find the [“expenses” area of our support centre](#) a good source of additional information.

Why should I record / claim business expenses?

Your company's tax bill is calculated based on the profits made. Business expenses and purchases reduce the company's profits and therefore reduce the company's tax liabilities.

How do I record expenses and purchases using Tempo?

We advise you to record any expenses and purchases on Tempo on a regular basis.

Simply log in to Tempo, follow the link on the Dashboard to “Add New Purchase / Expense” and complete the form.

It's important to note whether the expense was paid for using the company's own funds (using a business debit card, for example) or the Director's personal funds. You indicate this when selecting the “Account” used for the purchase.

Also be sure to record the VAT element of a purchase. This may have an impact on your regular VAT bill.

Will Tempo check my Expense Claims?

Tempo does not “authorise” your expenses as you are responsible for making sure the claims you make are legitimate. However please our request advice if you have any specific expense related queries.

What should I do with my receipts and purchase invoices?

Tempo does not need to see your actual receipts or purchase invoices but you should store these in a safe place for up to 7 years. We suggest organising receipts in such a way that you can retrieve a specific receipt easily if required.

What can I claim as a Business Purchase / Expense?

When recording a purchase in Tempo you will be presented with a list of ‘categories’. Select the category that best suits the purchase. If you cannot find a suitable category then simply select “Unknown” and one of Tempo’s support team will review the item.

We can add specific categories for your business if required. Simple ask us for advice on this.

Please remember business expenses should only relate directly to your business. Personal expenses that do not wholly relate to the business of your company should not be claimed.

Below is an illustration if the things your company may be able to record as a business purchase / expense:

Direct Costs

If your business purchases an item (or service) in order to resell it to a client then the purchase is a “*Direct Costs*”. Most other purchases would be an “*Overhead*” and should be come under one of the categories below.

Advertising and Marketing

In addition to the obvious, you could include entry to networking events etc. Note that we’ve created a specific category for your business website so don’t include that here.

Audit and Accountancy Fees

Tempo's fee will come under this category. Personal self assessment fees are not a business expense.

Bank Fees

One of banking fees such as a loan arrangement fee can go here. Transactional fees and interest should be added via the "bank accounts" menu rather than the normal expense form.

Cleaning

The cleaning of an office or company equipment.

Consulting

If you've paid for professional consulting for your business this could be categorised here. Examples may include contract reviews or the hiring of technical experts.

Entertainment - Staff

For example a Christmas meal for staff. Strict rules apply and the yearly limits are low so please seek our advice before using this category.

Entertainment - Client

Although this is a legitimate business purchase it is generally not 'tax deductible' so we would suggest you avoid this category.

Postage, Freight & Courier

Claim your business' postage costs here.

Subsistence (food & drink)

If directors and/or staff are travelling for business purposes then the cost of meals whilst away can be claimed as a business expense. As always you will need to keep the receipt to prove it's purchase.

Insurance

Most companies will pay for insurance. Claim business insurance in this category.

Legal Expenses

If your company incurs legal costs claim them here.

Light, Power, Heating

If your business runs an office then the utility bills can be claimed. If your office is actually at home then you must be very careful to only claim the proportion of your home's bills that relate to the business. Please seek advice before claiming.

Company Car Motor Repairs / Maintenance

If your company owns a vehicle or has hired a vehicle (not including your own personal vehicle) then its maintenance costs can be claimed as an expense.

Printing & Stationery

Any printing (card, brochures, letter heads etc) or stationary (pens, pads etc) can be claimed within this category.

Office Refreshments

If you run an office which provides basic refreshments to staff (tea, coffee, biscuits) then these can be claimed here. Refreshments at home is not a business expense.

IT Software and Consumables

Software such as Microsoft Office or the rental of an online service such as Google Apps; or IT consumables such as Printer Cartridges can be claimed here. Also any other low value IT equipment (such as memory pens) would also come under this category.

Website Hosting and Domains

If your business has website claim any related hosting and domain purchase costs here.

Rent

For the rental of business premises only. Or if you are required live away from home in order to complete work for a client then you may be able to claim rental for accommodation. Please seek advice. make sure receipts / contracts are in you business name where possible.

Repairs & Maintenance

Applicable to business owned property only.

Staff Training

Courses and learning material can be claimed here as long as they are relating to the business.

Subscriptions

Subscriptions to professional bodies required by the business.

Telephone & Internet

If your business has a mobile phone contract or Internet contract (in the business name) and the service is required by the business than your can claim it as an expense here. If staff / directors use their personal Internet connection then a proportion can be claimed. If a personal phone is used then the cost of each business call made can be claimed as an expense and the relative proportion of the line rental can also be claimed.

Travel - National

Taxis, trains, buses etc (not car fuel or mileage allowance) used for business trips can be claimed here.

Travel - International

Same as above but overseas.

Travel - Personal Mileage

If you use you own vehicle for business related journeys you can claim at rate per mile driven. You can not claim servicing costs, repairs, fuel or any other related expenses as the HMRC's set rate per mile is designed to cover all wear and tear as well as the cost of fuel. [Please see this article for more information.](#)

Accommodation

If you have to stay away from home because you are on a business trip you can claim the accommodation costs here. Please keep your valid receipt as always. you can not claim home rental costs if it is your usual place of residence.

Office Equipment

Any office equipment purchased for your business can be claimed here.

Computer Equipment Purchase

PCs, laptops, printers etc purchased for your business can be claimed under this category. Please ask for a receipt in your business name so that you can later

prove to HMRC that the business owns the asset.

Motor Vehicles

If your business has purchased its own van or vehicle record the purchase in this category. Please seek advice first.