

Expenses

These rules apply to anyone entitled to claim expenses under the Charity's Constitution. They are intended to clarify what expenses may be claimed.

- 1) An expense being reclaimed must have been incurred wholly, necessarily and exclusively with regard to a **gain** activity, such activity being within the charitable objectives.

Examples:

- a) A proportion of private telephone rental cost is not reclaimable as it is incurred neither wholly nor exclusively for **gain** activities. The rental cost would be incurred whether or not any telephone calls relating to Charity activities had been made.
- b) Whilst shopping at a retail park, a person buys some stationery to use in connection with a **gain** activity. The cost of the stationery is allowable but the travelling costs to the retail park are not.

- 2) The cost reclaimed must actually have been incurred.

Example:

- a) A trustee gets a flight to attend a Board of Trustees' (Board) meeting. The cost of the flight was £75. If the trustee had driven, the cost incurred would have been £100. The trustee may only claim the cost incurred ie £75.

- 3) The cost incurred must be reasonable.

Examples:

- a) A trustee travels to a Board meeting located not far from a main line train station. By rail, the cost is £40 but if the trustee drives, the motoring claim would amount to £50. The trustee may only reclaim £40. This restriction *only* applies when it would be reasonable to expect the trustee to use the train.
- b) A volunteer travels a few miles from home to attend a meeting lasting less than four hours. Given the proximity of the location to the volunteer's home, it is not reasonable to reclaim any subsistence expenses from the Charity.
- c) It is not reasonable to plan activities with the intent of avoiding these restrictions; eg move the location of meetings so subsistence can be claimed.
- d) It is not reasonable to incur travelling costs where the expenses incurred represent a significant proportion of the benefit. It would not be reasonable to incur travelling costs to collect a donation which was not significantly greater than the travelling costs incurred.

- 4) Any additional expense incurred by a person wholly, necessarily and exclusively with regard to a **gain** activity may be reclaimed from the Charity.

- a) Travel costs

- i) Those incurring travel costs must choose a reasonable method of travel that minimises the cost to the Charity. If it is possible, without inconvenience, to use public transport (bus, train or air) between two locations and one or both of these options is cheaper than travelling by car, then the cheapest method should be used.
- ii) Generally, no motoring costs are reclaimable except from the mileage allowance. However, where toll, ferry or car parking charges are levied because it would be impossible or unreasonable to avoid them, then these can be claimed. Evidence of these charges should be obtained.
- iii) A person may choose to use their own car in preference to public transport in cases where public transport provides a reasonable and cheaper alternative. In such circumstances, the claim should be limited to the cost that would have been incurred if public transport had been used.
- iv) Public transport companies generally offer cheaper fares when the travel is booked well in advance of the date of travel. All reasonable efforts should be made to book the travel at the earliest opportunity in order to minimise the cost to the Charity. A ticket with the lowest fare available should be booked on all occasions.

b) Subsistence

- i) When travelling a significant distance from home and for a significant period of time (greater than four hours), a reasonable amount by way of reimbursement of costs incurred on meals/snacks may be claimed.
- ii) If the period of time is greater than four hours but less than eight, the cost should be limited to the purchase of a snack and light refreshments.
- iii) If the length of time is greater than eight hours, the cost of a more substantial meal (at a reasonable cost) is reclaimable, including the costs of drinks (excluding alcohol) taken with the meal.
- iv) Receipts must be provided detailing the expense incurred. In addition, if the receipt also covers others entitled, their names should be written on the receipt.

c) Accommodation

- i) Accommodation costs should only be incurred when it would be unreasonable to expect activities to be undertaken without incurring such costs. In all cases accommodation costs should be kept to a minimum and lodgings such as Travelodge, Premier Travel Inn, Holiday Inn Express and similar should be used wherever possible.
- ii) It is not reasonable to claim the cost of room service, newspapers, telephone calls, laundry, drinks not taken with an evening meal etc which are considered personal expenditure.

d) Telephone

- i) Fully detailed bills from telephony providers (both mobile and landline) should be requested. Some providers will group calls into cost centres but a detailed list of the calls claimed must still be submitted with each claim. All claims must be supported by a call listing. It is not reasonable to claim a small round sum without evidencing the actual expenditure.

e) Stationery and office disposables and sundries

- i) The Charity provides headed paper for letters. Claims for paper, printer disposables including inks and toners, and other sundry items may be made. It is accepted that it is unrealistic for a volunteer to keep separate stocks of paper, inks and toners etc so any claim should be in reasonable proportion as to their usage.
- ii) The cost of paper and ink/toners can vary enormously and materials for Charity activities (for which a claim is to be made) should be obtained from the cheapest reasonable source. For example, compatible cartridges of ink for an ink-jet printer can be obtained at the fraction of the cost of a manufacturer's originals.

f) Postage

- i) Costs incurred in sending items by mail on behalf of the Charity are reimbursable. It is acknowledged that it may be impracticable to keep separate stamps for personal and **gain** use and it is acceptable to claim small amounts of postage without further evidence (number of items and value claimed should still be stated).
- ii) Where a volunteer incurs a significant postage cost on behalf of the Charity, a separate account for stamps for **gain** should be maintained and receipts obtained from the post office.

g) Other costs

- i) Any other cost that has been incurred wholly, necessarily and exclusively for the benefit of the Charity and which has been incurred to meet at least one of **gain's** charitable objectives may be reclaimed.
- ii) Receipts or other documentary evidence of the expenditure (annotated with its purpose) must be submitted with any claim.

5) What is reasonable?

- a) This document has used the word 'reasonable' many times. It is not possible to precisely define what is a reasonable amount as this will vary dependent on a number of factors including the type of expense, the location and day of week. It must be understood that **gain** is a charity not a commercial organisation and make all efforts to minimise the costs they are incurring.
- b) Trustees authorising expenses have a duty to ensure that all costs claimed have been wholly, necessarily and exclusively incurred in relation to a Group activity that falls under its charitable objectives. They should review each expense item claimed to ensure that the amount is reasonable and consistent with this policy.

6) Submission of claims

- a) All claims must be submitted to the office for authorization. Claims for motor mileage allowance or other claims for services for which receipts are not required may be sent electronically. Claims with receipts may be sent electronically, providing a scanned copy of the receipt is attached and the original receipt retained for the current financial year plus 12 months or passed to the office.

- b) All claims must be signed by the director and a trustee, or two trustees, before payment is initiated. Trustees should also avoid, where possible, authorising another expense claim which an expense that they have both been party to. For example if A and B travel to a meeting and A pays for subsistence for both A and B, then B could not be an independent trustee in authorising A's expenses. The director's claims must be authorised by two trustees.
- c) Claims should be submitted regularly and an expense claim for the period ending 31 March should be submitted no later than 14 April.