

Trustees Expenses Policy Dated: March 2021

Trustees must not put themselves in a position where their personal interests conflict with their duty to act in the interests of the charity unless authorised to do so. However, trustees are entitled to have their expenses met from the funds of the Trust.

Expenses can include a wide range of costs including, for example, travel and other costs of attending meetings, specific telephone and broadband charges, travelling on trustee business, and providing childcare or care of other dependants while attending to trustee business.

Where the Trust proposes to employ a trustee in some other role, or where it wishes to compensate a trustee for loss of earnings to enable them to attend meetings during working hours, it must firstly ensure that it has the necessary authority within its governing document, if it does not have the necessary authority the Trust will need to approach the Charity Commission or the Courts.

What are trustee expenses?

Expenses are refunds by the Trust of legitimate payments which a trustee has had to meet personally in order to carry out his or her trustee duties. Expense claims should normally be supported by bills or receipts, except where it is impractical to expect this, for example, where very small amounts are claimed

Examples of allowable expenses include:

- The reasonable cost of travelling to and from trustee meetings, and on trustee business and events; this can include the cost of using public transport, taxi fares, and petrol allowances to the level permitted by HMRC before tax becomes payable
- Reasonable refunds for the cost of meals taken while on Trust business
- The cost of postage and telephone calls on Trust business
- Cost of reasonable overnight accommodation and subsistence (including any essential care costs) while attending trustee meetings or other essential events such as voluntary sector conferences or specialist training courses
- The costs of buying training materials and publications relevant to trusteeship

What payments would not be legitimate trustee expenses?

Expenses which are excessive, and/or which do not relate to legitimate trustee activities.

- Payment of hotel accommodation or travel costs for spouses or partners who are not themselves travelling on charity business
- Payment of private telephone bills for business unrelated to the charity
- Payment of private medical insurance
- Petrol mileage rates above the levels approved by HMRC for claimable expenses

How should trustee expenses be accounted for?

Legal Requirement: Charities that have to prepare accruals accounts must follow the applicable Statement of Recommended Practice (applicable SORP), which sets out

accounting requirements for charities. In practice, this covers all company charities, as well as all other types of charity with gross yearly incomes of more than £250,000.

As part of the SORP requirements, the Trust must disclose as a note to their accounts:

- The total amount of trustee expenses
- The nature of the various expenses
- The number of trustees involved for this purpose, expenses do not include purchases made on behalf of the charity for which a trustee has been reimbursed.

If trustees have received no expenses, this should also be stated. The commission recommends that all charities should follow this approach to accounting for expenses, even if they are not formally required to follow the SORP requirements

What services can a charity pay its trustees for?

The Trust can pay a trustee for the supply of any services over and above normal trustee duties. A trustee may only be paid for serving as a trustee where this is clearly in the interests of the charity and provides a significant and clear advantage over all other options. There is no general power in law for this type of payment – the Trust would need a specific authority which may be found in its governing document, or be provided by the Charity Commission, or, more rarely, the courts.

The decision to do this must be made by those trustees who will not benefit. They must decide that the service is required by the Trust and agree it is in the Trust's best interests to make the payment and must comply with certain other conditions

Procedure for claiming expenses

- Expenses incurred over £100 per item must be pre-authorised by the Chairman
- Trustees must complete and sign a Trustees Expenses form (attached as Appendix 1)
- Relevant proof of purchase, receipts or invoices must be attached to the expenses form
- Completed forms to be forwarded to the CEO for payment by cheque or BACS transfer

Policy written by:	Cathy Woolcock
Approved by:	Council of Management
Approval date:	March 2021
Review date:	March 2023
Informed by:	Charity Commission guidance

Appendix 1

Trustee Expenses Form

Certified that in pursuance of my duties as Trustee of Cornwall Heritage Trust I have incurred the following expenses for which I request reimbursement.

Type E.g Mileage, Postage, Telephone	Purpose E.g.Home to Carn Euny for site visit 1/1/17, 20 miles	Amount E.g. £8
Total		

Name: _____

Signature: _____

Date: _____

Please attach relevant invoices or proof of purchase and forward to the CEO