

# Reimbursement of Expenses & Purchases: Draft Policy & Procedures

Birmingham Talking Newspapers for the Blind and Visually Impaired

Charity No: 1185917

## Purpose

To ensure that all expenditure is legitimate, properly authorised and provide a standardised procedure for dealing with expenditure items.

## Background

### Aim

All charities are required by law to apply their resources only to the delivery of the objects stated in their constitution. BTNBVI funds have been raised for the provision of a talking newspaper service which includes provision of listener equipment. The service is in a form that is provided without charge to any blind and visually impaired individuals who qualify for the Articles for the Blind postal service (which is used to distribute physical recordings). There is also a duty to manage funds in a careful and frugal manner.

### Applicability

All Trustees, Members, Associates and Volunteers are entitled to be reimbursed for out-of-pocket expenses which they legitimately incur while promoting and supporting the delivery of the charity's objectives. However, it is the duty of all Trustees, etc as above, to see that all expenses are minimized as far as possible.

These Policies & Procedures apply to all persons involved with small charity support, though any employees or contractors are also subject to taxation law in relation to such payments.

These Policies & Procedures are based on the Charity Commission's "Example Policy".

Some sections of this policy have been taken verbatim from that publication.

*(Crown copyright acknowledged).*

### Expenses vs Remuneration

In all cases, it is important to ensure that the reimbursement of out-of-pocket expenses is not – OR DOES NOT APPEAR TO BE – a disguise for making income payments (remuneration) to the recipient(s). No Trustee or volunteer should encourage others to seek such reimbursement.

## Changes to the Policy

The Charity reserves the right to change its Expenses Policies & Procedures to maintain consistency with current accepted Best Practice and experience, and otherwise to meet the needs of the Charity.

Whenever possible the Charity will give appropriate advance notice of any such changes.

However, the Charity reserves the right to change these Expenses Policies & Procedures with minimal or no notice when reasonably expedient to do so.

# Policy

## Scope

The cost of travel from home to the normal place of volunteering is not eligible for reimbursement.

Volunteers may claim to be reimbursed by the Charity for all legitimate travelling and other expenses actually, necessarily, reasonably and incidentally incurred by them in carrying out their duties, (other than expenses incurred in attending their usual place or places of volunteering. Claims must be submitted using an appropriately authorised claim form and relevant supporting point-of-sale receipts.

**“Actually”** means that the claimant actually incurred the claimed expenditure. eg: the bus fare for a journey cannot be claimed if the claimant had decided to leave earlier and walk the journey instead;

**“Necessary”** means that the charitable activity could not have been undertaken efficiently and effectively without incurring the expenditure;

**“Reasonable”** means that the cost of the expense must be commensurate with prudent, value-for-money use of the Charity’s funds to promote & deliver its charitable purposes. Thus, the cost incurred must be competitive with (*ie*: similar to) the costs of alternatives of similar quality and suitability-for-purpose.

However, this does NOT mean that the cheapest goods/services must always be purchased. Where the additional benefits TO THE CHARITABLE ACTIVITY BEING PROMOTED/DELIVERED demonstrably outweigh the additional cost of more expensive goods/service they can be chosen in preference to the cheaper alternatives. However, the claimant must always be ready and able to give a credible justification for their choice if challenged.

**“Incidental”** means that the expense(s) must not have been determined by considerations unrelated to the charity activity being promoted/delivered.

The Treasurer will ensure, where possible and discoverable, that the Board is informed where any breaches of this policy may occur.

## Authorisation

Expenses may only be incurred, and subsequently reimbursed by the Charity, in respect of activities which are part of the Charity’s agreed programme of charitable activities.

Likewise, goods and/or services may only be purchased on behalf of the Charity, and subsequently reimbursed, in respect of activities which are part of the Charity’s agreed programme of charitable activities.

## Procedures

### Orders – Goods and Services:

The value of an order/purchase to be shown along with delivery charges where appropriate and both inclusive of VAT. Any VAT amount applicable and rate charged should also be shown.

Purchases for general consumables, pertinent to BTNBVI, up to £50 inc VAT may be made/authorised by a trustee.

Purchases up to £500 may be authorised by the Chair or Treasurer.

In an emergency, necessitating the immediate replacement of equipment, purchases of up to £500 may be made by a trustee without prior authority, provided the Chair and Treasurer are also immediately informed.

Items over £500 in value must be authorised by the Board. For any purchase over £1000 in value, at least 3 quotes must be obtained in order to ensure a competitive price is paid, unless the Board explicitly waives this requirement and records in the minutes of the Board meeting the justification for the waiver.

Delivery notes must be checked and initialled by the buyer. Any discrepancy between the order and delivery notes must be notified to the supplier immediately. In the event that a discrepancy is not rectified by the supplier as soon as is reasonably practical, the Treasurer must be informed.

Invoices must be checked against the relevant delivery notes, initialled and dated when received by the buyer and forwarded, with the delivery note and any relevant paperwork, to the Treasurer for payment.

In the event of any shortfall in delivery or the return of goods for any reason, the relevant credit-note must be received from the supplier before payment is made.

## **On-Line Purchases Using Credit/Debit Cards**

It is recognised that the increasing availability of on-line purchasing means that it is very often possible to secure products at very competitive prices.

If the BTNBVI's bank credit/debit card is not available this means that BTNBVI can only take advantage of competitive on-line pricing where budget-holders are willing and able to make such purchases using their own personal credit/debit card and reclaim the expenditure from BTNBVI. BTNBVI accepts that, provided due care is taken to ensure probity, this is a reasonable and beneficial way of proceeding.

All such on-line purchases must have the prior approval of two Trustees who are also authorised bank signatories and who are not otherwise involved in the purchase.

On-line purchases of items for BTNBVI must NOT include within the same order any item for the personal use of the person placing the order.

The procedures for handling delivery notes, credit notes and invoices for purchases charged to a personal credit/debit account shall be the same as those for purchases made directly by BTNBVI. The reimbursement of individuals for purchases made on behalf of the BTNBVI will be by bank transfer authorised by two Trustees, being bank account signatories, who are not otherwise involved in the purchase.

## **Reimbursement of Expenses & Purchases**

- All claims submitted for the reimbursement of expenses incurred on Charity activities and/or purchases made on behalf of the Charity will be vetted for compliance with charity law, taxation law, legitimacy and these policies and procedures before being authorised for reimbursement.
- Claims which are not in the prescribed form, incomplete (eg: missing required supporting documents), inaccurate or otherwise not compliant with relevant legislation will be returned for correction or rejected.
- Valid claims will be authorised for reimbursement as soon as is reasonably practical after receipt. Payment will usually be made by BACS transfer directly to the claimant's bank account.
- Payment of expense claims is dependent on sufficient charity income and / or the availability of unallocated reserves.
- Claims may be verified by the Treasurer

## **Submitting Claims for Reimbursement of Expenses & Purchases**

- Claims for the reimbursement of expenses must be submitted on the Charity's approved claims form, per Appendix 1 of this policy. *Ad hoc* claims will not be considered.
- Claims for the reimbursement of expenses must be accompanied by documentary evidence of the expense (eg: point-of-sale receipt, travel ticket, etc).
  - ◆ Where such evidence is not available the claimant must provide a written explanation to the Treasurer for approval.
  - ◆ The Charity reserves the right to decline to reimburse expenses for which reasonable documentary evidence has not been provided or which are not verifiable.
- Volunteers' completed expenses claim forms must be authorised by a trustee;
- Trustees' expenses must be authorised by the Chair or Treasurer;
- All claims must be submitted within 30 days of the relevant activity/expense  
Expenses may only be claimed later than 30 days, in extenuating circumstances, with prior approval from the Treasurer.

- Expenses claim forms may also include claims for the reimbursement of goods/services purchased by the claimant on behalf of the Charity.
- Claims for the reimbursement of purchases must be accompanied by documentary evidence of each purchase (eg: point-of-sale receipt, travel ticket, etc).
- Any invoices raised against BTNBVI should be forwarded to the Treasurer immediately.

### ***Travel Expenses***

- Public transport should be used wherever possible and where economical.
- When it is not practical to use public transport, or where more than one volunteer is travelling the same journey, travel by private vehicle (car, motorcycle, etc) is allowed and a mileage allowance will be paid. This will be paid in accordance with the public transport rate which is 25p per mile.. Car sharing should be utilized, where possible, and where passengers are carried on BTNBVI business an additional 5p per mile per passenger, will be paid
  - ◆ A private car may only be used in connection with Charity business if, at the time of each journey, it has a valid: (a) certificate of insurance for the kind of journey involved; (b) road tax (if required); (c) MOT certificate (if required).
  - ◆ Mileage should be claimed from your normal place of volunteering unless you are travelling from home and the distance is less than that from your normal place/s of volunteering in which case you should claim from home.
  - ◆ Necessary parking costs incurred when on charity business away from the normal place/s of volunteering will be reimbursed.

### ***Subsistence***

Subsistence costs (eg: for refreshments, meals & hotel accommodation) can only be claimed when a volunteer is on authorised Charity business away from his/her normal place/s of volunteering for more than 4 consecutive hours.

### ***Meetings/Conferences out of area***

Expenses will be provided for an elected trustee to attend, and report back, on behalf of BTNBVI. Should other volunteers wish to attend then self-funding will be required

### ***Other Types of Expenses***

The above examples of expenses claims are illustrative, not definitive.

Expenses not detailed above will only be paid if authorised (in advance whenever possible) by the Treasurer or, if not available, the chairman.

### **Payments by On-Line BACS, Direct Debit:**

- BTNBVI will endeavour to make all payments on-line through its bank. An account is set up at The Co-operative Bank with a "2 signatures from 4" mandate. An authorised signatory, generally the Treasurer, can instigate a payment which will have to be authorised by one of the other signatories, generally the Chair, before the money is transferred.
- Where payment is being made to an authorised person that person may not be a signatory on the instruction for payment.
- Where absolutely necessary and where online bank transfer is not possible, a cheque may be issued by BTNBVI on approval of the Chair and the Treasurer. In this event two authorised signatures will be required on the cheque.
- In whatever form, payment will be instigated, generally by the Treasurer, on receipt of invoices, receipts and relevant supporting documents.

## Change Record

Date of Change:	Changed By:	Comments:
		Policy approved by the Trustees

**Expenses & Purchases Reimbursement Claim Form**  
*Birmingham Talking Newspapers for the Blind and Visually Impaired*  
**Charity No: 1185917**

Details of claim, including use which any consumable is for.		
Vchr	Item	Amount
<b>Total Reimbursement Claimed</b>		

I claim reimbursement of the above out-of-pocket expenses and/or purchases which were actually, necessarily, reasonably and incidentally incurred by me in promoting the purposes of the Charity.

Once approved I would like the reimbursement to be:

- made immediately *(tick as appropriate – see Policies & Procedures for more details)*
- deferred until the end of the Charity’s financial year

Name: .....Print

Approved by \* .....Print

\* Or date of Trustees meeting at which expense was agreed

Signed.....

Signed.....

Date.....

Date.....

For reimbursement by BACS my bank sort-code is:

	-		-	

And my 8-digit account number is:

Name as appears on bank account .....

Please provide original point-of-sale receipts, invoices etc. for all expenditures.

For travel claims show details of journey and any mileage claimed

For multiple item claims, identify each sales voucher, receipt, etc with a unique number in a circle (eg: ④) and write the number in the column headed “Vchr”.

Please remember to SIGN & date the form above. The date should be the date when you make the claim, not the date when the expenses were incurred.

If you have any problems or queries, please contact the Treasurer.