



# **OPERATION FLORIAN LIMITED**

## **TRUSTEE/DIRECTOR EXPENSES CLAIM POLICY AND PROCEDURE**

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# **TRUSTEE/DIRECTOR EXPENSES CLAIM POLICY AND PROCEDURE**

## **INTRODUCTION**

1. This document outlines the Operation Florian Ltd policy on reimbursing expenses to Trustees/Directors engaged on charity business, and gives general guidance about the procedure for claiming expenses. Generally whenever possible the treasurer will book accommodation, tickets etc prior to board meetings or charity business.
2. The Policy applies to all Trustees/Directors and it revokes all previous approved policies and any dispensations made under them. However, alternative arrangements apply when Trustees/Directors travel in groups on organised visits or when a Trustee/Board Member travel outside the UK.
3. If you have a disability the expenses policy can be adjusted to meet your needs. If this is the case please notify the Trustees/Directors.
4. The Expenses Policy is approved by the Trustees/Directors and its broad aims are:
  - a. To ensure that individuals travelling on approved charity business are reimbursed appropriately for expenses wholly, exclusively and necessarily incurred and that claims are promptly paid.
  - b. To provide Trustees/Directors with a reasonable level of comfort in terms of travel, accommodation and subsistence.
  - c. To have a claims process which keeps detail to a necessary minimum whilst being consistent with sound accounting practice and the requirements of Her Majesty's Revenue and Customs (HMR&C).
5. Trustees/Directors are responsible for ensuring that they incur the minimum expenses necessary for carrying out the charity business they are engaged to do.
6. All expenditure must be supported by itemised receipts (not credit/debit card vouchers) with the exception of the £5 allowance detailed in paragraph 22 and bus and tube fares.

## **TRAVEL**

7. All Trustees/Directors are expected to make arrangements for travel that are in the best interests of the charity. Generally, this should be the most economic mode of transport, except where this would involve unreasonable journey times. If the start or end point of the journey is not the Trustee's/Directors main residence then the charity will reimburse actual costs incurred, subject to a maximum that is equivalent to the cost of the journey from/to home (i.e. the Trustee's/Directors main residence). Please provide full details on your claim should this apply.

8. For travel by train we will reimburse standard class rail fare (unless first class fare is cheaper than standard class) between the nearest station to your home and the location of the meeting or event, if it is less than 100 miles each way.
9. For air travel within the United Kingdom we will reimburse economy class or equivalent fare. Air travel should only be used where it can be demonstrated that the total door to door cost is cheaper than train travel or where there are other overriding considerations.
10. Mileage allowance will be paid for individuals using a private car on charity business, at a rate specified in Table 1. Trustees/Directors are required to use the shortest or fastest practicable route. For audit purposes the start and finish points of the journey must be shown on the claim form.

Table 1 - Standard rates per business miles.

	Motor car or van	Pence per mile		
First 10,000 business miles per tax year	Cars or Vans	45		
	Motor cycle	24		
	Bicycle	20		

The above rates are linked to the "approved amount for mileage allowance payments" published by HMRC (2020).

Trustees/Directors claiming mileage allowance should keep a cumulative record of mileage in order to claim accurately.

**Custom and practice** in recent years is that Trustee's/Directors claim only the amount of fuel used ie filling fuel tank prior to journey and then filling on return and claiming that amount. Passengers travel at no cost.

11. The charity will not accept liability for loss or damage to private cars used on charity business. Anyone claiming mileage allowance should ensure that the car used is insured for business use prior to making the journey. Any additional premium is not a claimable expense.
12. Payment for hire of a car and associated costs for petrol and insurance will be made only when public transport is either not available or the total cost of hiring a car is less than the cost of using public transport or a taxi (providing that this is consistent with paragraph 14).
13. Car parking for a Trustee's/Directors vehicle when on charity business will be reimbursed at cost when supported by valid itemised receipts (or window sticker where appropriate).

14. The charity would prefer Trustees/Directors to use public transport whenever possible, but taxi fares will be reimbursed when a Trustee/Director is travelling on charity business and:
  - a. Carrying files, equipment or luggage, or
  - b. It is an awkward route by public transport, or
  - c. It is essential, or is otherwise cost effective, to go by taxi, or
  - d. Travel late at night (after 8.00 pm), or
  - e. The Trustee/Director has a disability or other condition that affects their mobility.
15. For clarity, the charity will not pay for taxis to take Trustees/Directors to and from their hotels to have dinner at another location, or for any other reason (except for transfers to and from the railway station or airport at the beginning and end of a stay).
16. Please note that the Trustee/Director is required to specify the start and finish points and purpose of the journey on each individual taxi receipt. Trustees/Directors should state the reason for using a taxi, in accordance with the relevant section of paragraph 14 above (a-e).

## OVERNIGHT ACCOMMODATION

17. The charity will reimburse the cost of overnight accommodation in the following circumstances:
  - a. For the night preceding your engagement if the start time means that you would have to leave home before 06:30am.
  - b. For the night following your engagement if the finish time means you would arrive home after 11.00pm.
  - c. For the night(s) between successive meetings/events where the costs of travelling to and from home are of similar order to the cost of staying overnight the charity will reimburse a Trustee's/Directors costs (i.e. hotel bed and breakfast) up to the lower of the cost of a return journey home and the allowance in paragraph 18.
18. The maximum overnight expenditure that can be claimed by a Trustee/Director is £170 per night in London and £160 per night for the rest of the UK. This is deemed to cover all expenditure including accommodation, breakfast, lunch (where applicable - see paragraph 20.b) and dinner.

19. When a Trustee/Director is required to stay away from home on charity business and chooses to stay in non-commercial accommodation (i.e. with friends or relatives) then a maximum of £25 may be claimed. HMRC has set this limit. No claim can be made by anyone staying in his or her own property. This covers all costs including accommodation, evening meal and breakfast.

### **SUBSISTENCE**

20. Subsistence expenses may be claimed as follows, only where supported by valid, itemised receipts:
- a. Up to £10 for breakfast (except where breakfast is taken in a hotel as part of an overnight stay);
  - b. Up to £10 for lunch only where Trustees/Directors are away from their main residence or place of work for more than seven hours and are not provided with lunch at the location of the meeting or event. (Any special dietary requirements will be catered for by the charity so Trustees/Directors are encouraged to inform the event organiser prior to the event.);
  - c. Up to £20 for an evening meal, including a small drink. The charity will not reimburse a Trustee/Director for gratuities paid except where the gratuity is compulsory and the total claimed is within the £20 allowance.
21. Claims for evening meals and drinks will only be considered where an overnight stay is involved or the Trustee/Director arrived home after 10.00pm.
22. Sundry expenses incurred during an overnight stay, such as private telephone calls, of up to £5 a night will be reimbursed without being supported by receipts. This limit has been set by HMRC.
23. Reimbursement will not be made for any other items including alcoholic drinks not taken with an evening meal, newspapers, pay per view videos or childcare costs.

### **EXCEPTIONAL ITEMS**

24. The guidance set out in this document will be appropriate for most charity service but there may be occasions when the normal procedure cannot operate or the expenditure limits may be insufficient. Such cases will be considered individually, adhering to the principle that no one should be out of pocket over reasonable costs incurred in the course of charity business. There should be prior agreement by the Board of Trustees/Directors before incurring expenditure that exceeds normal limits, unless exceptional circumstances arise. Where exceptional circumstances arise a full description of these circumstances should be detailed on the claim form.

## **PROCEDURE FOR CLAIMING EXPENSES**

25. All claims for reimbursement of travel and subsistence expenditure must be submitted on the current approved expenses claim form (Form A2 – Expenses claim). They should be submitted to the Treasurer of Operation Florian Ltd. Claims should be submitted as soon as practicable, preferably within one month and certainly no later than 90 days after the expenditure being incurred. The charity will pay claims made later than 90 days only in exceptional circumstances.
26. Claims made by Trustees/Directors should clearly set out the title and dates(s) of the meeting or event, its location and the name of the organiser.
27. Itemised original receipts are required for all expenditure, except for the minor items mentioned in paragraph 22. Please ensure that receipts are attached to the relevant claim form in a secure but readable manner.
28. Credit and debit card vouchers are not acceptable as receipts and associated amounts will be deducted from a claim.
29. Trustees/Directors will only be reimbursed for their own personal expenditure. Any costs incurred paying for staff or other Trustee's/Directors expenses will not be reimbursed by the charity.
30. Every effort must be made by Trustee's/Directors to keep all expenses and costs for charity business down to a minimum. Whenever possible Trustee's/Directors should try to travel together to reduce costs.