**FRIENDS OF HASLINGDEN**

**CEMETERY**

Reimbursement of Expenses & Purchases:
Policies & Procedures

# Background

## Applicability

All committee members, group members and Volunteers are entitled to be reimbursed for previously agreed out-of-pocket expenses which they legitimately incur while promoting and supporting the delivery of the groups objects.

These Policies & Procedures apply to all persons involved and are also subject to taxation law in relation to such payments.

These Policies & Procedures are based on the Charity Commission’s guidance on reimbursing out-of-pocket expenses incurred by Trustees as in its publication ***“Trustee Expenses and Payments” (CC11)***

## 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).

## Expenses vs Purchases

Note that although claims for the reimbursement of purchases which have personally and properly made on behalf of the charity are usually made together with claims for the reimbursement of out-of-pocket expenses, they are not counted as expenses.
Instead they are accounted for as part of the groups general expenditure in the usual way.

## Waiving Expenses (Donating Expenses as “Gifts-in-Kind”)

Supporters who generously waive their expense or purchases as “donations” to the group inadvertently create some difficulties. If reimbursement of expenses/purchases is not claimed they cannot be entered into the accounts to show both the true costs of running and the generosity of its supporters. This can hamper funding applications.
Furthermore, even if the amount of the waived expenses/purchases is notified to the group and entered into the accounts, we are unable to claim any Gift Aid that might otherwise have been available on the donation because Gifts-in-Kind are specifically excluded from Gift Aid under HMRC rules.

Supporters who are thinking of waiving their expenses/purchase claims should therefore first read the section on ***Deferred Reimbursement of Expenses & Purchases***.

## Changes to the Policy

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

Whenever possible we will give appropriate advance notice of any such changes.
However we reserves the right to change these Expenses Policies & Procedures with minimal or no notice when reasonably expedient to do so.

# Policy

**Authorisation**

Expenses may only be incurred, and subsequently reimbursed, in respect of activities which are part of the agreed and budgeted programme of activities (*ie:* by PRIOR agreement with the relevant budget-holder).

Likewise, good and/or services may only be purchased, and subsequently reimbursed, in respect of activities which are part of the agreed and budgeted programme of activities (*ie:* by PRIOR agreement with the relevant budget-holder).

## Gifts in Kind (Waived or Unclaimed Expenses/Purchases)

Some Members, Staff, Associates and Volunteers occasionally choose to waive, or not to claim, a reimbursement of expenses and/or purchases to which they would otherwise be entitled.

These are greatly appreciated the generosity of all who choose to act in this way.

However not claiming reimbursement of legitimate expenses/purchases is not necessarily in the best interests of the group:-

1. It causes the real costs of activities (ie: including those costs which are subsidised by supporters) to be under-recorded and, therefore, under-reported (*eg:*in the Annual Report & Financial Statements);
2. It can undermine effective budgeting if a volunteer who has hitherto not claimed their expenses is unable to continue to do so, or is replaced by someone else who is unwilling to do so;
3. It hides the true generosity of supporters, particularly their financial generosity which goes unrecorded and, therefore, unreported;
4. It means that the effective gift of their expenses is not eligible for supplementation by Gift Aid;
5. Under-reporting the costs and the generosity of its supporters can hamper the making of effective appeals and applications for further funds.

**Accordingly, FOHC encourages all those who can legitimately claim reimbursement of their expenses do so.**

This includes those supporters who are minded to waive or not claim their reimbursement as a personal gift to the Group. Rather they should claim the reimbursement to which they are entitled and then back-donate it.

The procedures for doing that are detailed later under the heading

 ***“Waiving” Reimbursed Expenses/Purchases as a Gift Aided Donation***.

# Procedures: Reimbursement of Expenses & Purchases

## Submitting Claims for Reimbursement of Expenses & Purchases

* Claims for the reimbursement of expenses must be submitted on the approved claims form. *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 group reserves the right to decline to reimburse expenses for which reasonable documentary evidence has not been provided;
* Employees’ and volunteers’ completed expenses claim forms must be authorised by the person who authorised the initial expenditure and this must be submitted to the treasurer at the next board meeting to authorise payment and distribute monies.
* Committee members’ expenses must be authorised by the Chair or Treasurer;
* All expenses claims must be submitted within 30 days of the relevant activity.
Expenses may only be claimed later than 30 days 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 group.
* Claims for the reimbursement of purchases must be accompanied by documentary evidence of the each purchase (*eg:* point-of-sale receipt, travel ticket, *etc*).

### Travel Expenses

* Public transport should be used wherever possible.
* When it is not practical to use public transport, or where more than representative is travelling the same journey, travel by private vehicle (car, motorcycle, etc) is allowed and a mileage allowance set at 30 pence per mile
* You may only use your private car in connection with activities of the groupif, 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 more than 3 years old).
* Mileage should be claimed from your normal place residence.
* Parking costs incurred when on group business away from the normal place of work will be reimbursed.

### Subsistence

Subsistence costs (*eg:* for refreshments, meals & hotel accommodation) can not be claimed

### Telephone Calls

The group will not re-imburse for telephone calls at the present moment but will review this policy annually.

### 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, a person appointed by the treasurer to act on his/her behalf.

## Reimbursement of Expenses & Purchases

* All claims submitted for the reimbursement of expenses incurred on activities and/or purchases made on behalf of the group will be vetted for compliance before being authorised for reimbursement.
* Claims which are not in the prescribed form, incomplete (e*g:* 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 cheque or, in the case of small claims (less than £5) may instead be made by cash, where appropriate.

## Deferred Reimbursement of Expenses & Purchases

Where a claimant is intending to donate the reimbursement of their expenses/purchases claim back to their charity, the rigmarole of having to go through a separate “claim – reimbursement – donation” procedure on each occasion can be reduced if the claimant is willing make the claim in the usual way but to allow the group to defer the reimbursement (*eg:* till the end of the charity’s financial year).

## Procedure

* Claimants who are considering waiving their claim as a gift should tick the “Defer Reimbursement” box on the Expenses & Purchases Reimbursement Claim Form (attached).
* We will maintain a record of those deferred claims in the same way as for any other outstanding payment.
* About a month before the end of the deferred payment date (*ie:* the end of the financial year) it will make to the claimant one single reimbursement for the total of all their outstanding (*ie:* deferred) expenses claims.
* The claimant then has 3 options:
1. They can decide that they would like to keep the reimbursement of their expenses after-all. In that case they need take no further action (other than banking the cheque if that is the method of reimbursement).
It is emphasised that everyone is completely entitled to do that – it will not cause any difficulty or embarrassment. So claimants should not feel obliged to honour any earlier suggestion that they would donate the reimbursement of their expenses back to the Charity.
2. Having received/banked the reimbursement of their expenses the claimant then makes a single donation of their choice (*ie:*it could be for the same amount as their total reimbursement, or less, or more as they see fit) by cheque, BACS transfer.
3. If, having received reimbursement by cheque, the claimant feels that the rigmarole of banking it and writing another cheque back to the Charity isn’t worth the time and effort (particularly if the amount is small or they are not able to Gift Aid it) they can still waive the reimbursement for the benefit of the group. They just write “Cancelled” on the front of the cheque and return it.

It was duly agreed by those present on the

21 November 2019

That the above policy be adopted by Friends of Haslingden Cemetery and appended to the group constitution

Endorsed on behalf of the Friends of Haslingden Cemetery:

A Taylor L Drew A N Taylor

Chair Secretary Treasurer

|  |  |
| --- | --- |
| **Expenses & PurchasesReimbursement Claim** |  |
| ***Description:***  |
| ***Vchr*** | ***Item*** | ***Amount*** |
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|  | **Total Reimbursement Claimed** |  |  |

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

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 financial year

Please make the reimbursement by: **⬜** cash *(less than £20 only)*, **⬜** cheque, **⬜** BACS *(on-line)*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| For reimbursement by BACS my bank sort-code is:   |  | - |  | - |  |
| And my 8-digit account number is:   |  |

 Name:  *(Print)* Approved:  *(Print)*

 Signed:  Signed:

 Date:  Date:

**Notes on Completing the Form**

* Please provide original point-of-sale vouchers for all expenditures, wherever possible.
* 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.