Last updated: 22/07/2020

Reimbursement of Expenses & Purchases:
Policies & Procedures

# Background

## Applicability

All Committee Members are entitled to be reimbursed for out-of-pocket expenses which they legitimately incur while promoting and supporting the delivery of the charity’s objects.

These Policies & Procedures apply to all committee persons involved with FHLTA.

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)***[*www.gov.uk/government/publications/trustee-expenses-and-payments-cc11/trustee-expenses-and-payments*](http://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11/trustee-expenses-and-payments)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).

## 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 charity’s general expenditure in the usual way.

## Changes to the Policy

The FHLTA 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 FHLTA.

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

# Policy

## Scope

Committee members are entitled to be reimbursed by the FHLTA for all travelling and other expenses actually, necessarily, reasonably and incidentally incurred by them in carrying out their duties, on submission of 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 FHLTA 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 FHLTA’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 FHLTA activity being promoted/delivered. For example: the claimant had attended a meeting the venue for which had been chosen specifically because it also enabled the claimant to visit a nearby friend. In such a scenario, even though the costs of attending the meeting in that venue would otherwise have been necessary and reasonable, they would not also have been incidental and, therefore would not be eligible for reimbursement.

## Authorisation

Expenses may only be incurred, and subsequently reimbursed by the FHLTA, in respect of activities which are part of the FHLTA’s agreed and budgeted programme of charitable activities (*ie:* by PRIOR agreement with the committee).

Likewise, good and/or services may only be purchased on behalf of the FHLTA, and subsequently reimbursed, in respect of activities which are part of the Charity’s agreed and budgeted programme of charitable activities (*ie:* by PRIOR agreement with the committee).

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

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

The FHLTA greatly appreciates 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 FHLTA:-

1. It causes the real costs of the Charity’s activities (ie: including those costs which are subsidised by supporters) to be under-recorded and, therefore, under-reported (*eg:*in the Charity’s 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 the Charity’s 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 Charity’s costs and the generosity of its supporters can hamper the making of effective appeals and applications for further funds for the Charity.

**Accordingly, the Charity 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 Charity. Rather they should claim the reimbursement to which they are entitled and then back-donate it to the Charity, thereby making it eligible for Gift Aid.

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 FHLTA 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 FHLTA reserves the right to decline to reimburse expenses for which reasonable documentary evidence has not been provided.
* Volunteer/members completed expenses claim forms must be authorised by a member of the committee.
* Trustees’ 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 FHLTA.
* Claims for the reimbursement of purchases must be accompanied by documentary evidence of 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 one volunteer is travelling the same journey, travel by private vehicle (car, motorcycle, etc) is allowed and a mileage allowance (at the rates stated on the expense form) will be paid.
* You may only use your private car in connection with FHLTA 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 more than 3 years old).
* Mileage should be claimed from your normal place of work unless you are travelling from home and the distance is less than that from your normal place of work in which case you should claim from home.
	+ Parking costs incurred when on charity business away from the normal place of work will be reimbursed.
* Taxis (preferably pre-booked mini-cabs rather than “on demand” hire) may be used where either no public transport is available or the journey time by public transport is unreasonably long (particularly where the journey involves multiple changes).

### Subsistence

Subsistence costs (*eg:* for refreshments, meals & hotel accommodation) can only be claimed when a volunteer is on authorised FHLTA business for more than 4 consecutive hours.

### Telephone Calls/Broadband

All committee members are entitled to claim for phone (mobile and landline) and broadband. On completing the expense form the telephone/broadband bill must be included and the cost will be divided by 1.3.

 ***Volunteers***

Any reasonable expense incurred by a volunteer on FHLTA business may be entitled to any expense incurred on behalf of the FHLTA (on production of receipts). This is at the discretion of the FHLTA committee and to be agreed prior to the actual event.

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 Trustees to act on his/her behalf.

`***British Transplant Games***

* The FHLTA will pay 100% of the registration fee and Gala Dinner
* A subsidy will be given towards each competitor’s accommodation costs based on the official accommodation tariff.
* The Sport’s Manager and Children’s Sports Manager and Chairperson all carry out FHLTA activities at event and will receive a 100% of the package deal.
* The Assistant Sport’s Manager will receive 50% of the package deal.
* Travel expenses will be paid to and from events at 33%, standard travel only.
* There will be no financial support for any supporters of the competitor. The exception to this is where the competitor is identified as a vulnerable adult. In this case the main carer will receive the same subsidy as the competitor.
* Any competitor unable to attend may have to reimburse the FHLTA for any amounts already paid on their behalf.

***European Heart and Lung Transplant Championships***

* It is mandatory that all competitors must have adequate medical insurance in place before committing to participating in the event and at their own cost.
* 25% of the full package price per competitor will be paid.
* Travel expenses will be paid towards the cost of travel to and from events to a maximum of £100. (Standard Travel).
* There will be no financial support for any supporters of the competitor. The exception to this is where the competitor is identified as a vulnerable adult. In this case the main carer will receive the same subsidy as the competitor.
* Any competitor unable to attend may have to reimburse the FHLTA for any amounts already paid on their behalf.

***World Games***

* It is mandatory that all competitors must have adequate medical insurance in place before committing to participating in the event and at their own cost.
* The FHLTA subsidies will be determined every two years in the year that the World Transplant Games are to be held.
* A subsidy of 25% will be given towards each competitor’s accommodation costs based on the official accommodation tariff.
* The total amount of funding may be limited and will be subject to availability of funds and number of competitors.
* Any competitor unable to attend may have to reimburse the FHLTA for any amounts already paid on their behalf.

***Subsidies will be decided in the October before the World Games are to take place.***

***Satellite Events***

* The Association will pay 100% of the registration fee and Gala Dinner.
* A subsidy of 25% will be given towards each competitor’s accommodation costs based on the official accommodation tariff.
* Travel expenses will be paid towards the cost of travel to and from events at 33% standard travel only.
* There will be no financial support for any supporters of the competitor. The exception to this is where the competitor is identified as a vulnerable adult. In this case the main carer will receive the same subsidy as the competitor.
* Any competitor unable to attend may have to reimburse the FHLTA for any amounts already paid on their behalf.

## 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 and these policies and procedures 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 BACS transfer directly to the claimant’s bank account. Alternatively payment can be made by cheque or, in the case of small claims (less than £5) may instead be made by cash, where appropriate.

# Change Record

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| --- | --- | --- |
| Date of Change: | Changed By: | Comments: |
| 05/08/2020 | LMcL | Policy approved by the Trustees |
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| **FHLTA COMMITTEE EXPENSES CLAIM FORM 2020** |
| Name and Role: |  |  |  |
| Address/Post Code: |  |  |  |  |   |
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| Date (s) claimed for: |  |
| Date | Reason for Claim | From | To | Total miles or travel cost | Authorised mileage rate (45p per mile) | Amount Claimed  | Total Claimed |
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| **I certify that all mileage and costs claimed for have been accrued whilst carrying out FHLTA business: Total amount claimed:** |  |

**Signed: Date:**

\*\*Please note your telephone bill/internet claim will be divided by 1.3 (copy of full bill required) if used for FHLTA business\*\*

INCLUDE ALL OTHER RECEIPTS YOU WISH TO CLAIM – IF NO RECEIPT IS PRESENT YOU WILL NOT BE ABLE TO CLAIM