Expense Policy and Procedures

Applicability

All trustees, volunteer members and associates are entitled to be reimbursed for out-of-pocket expenses which they legitimately incur while promoting and supporting the delivery of the Doctors’ Support Network’s objects.

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) Some sections of this policy have been taken verbatim from that publication. (Crown copyright acknowledged).

Notes

1. 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).

2. 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.

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

Supporters who generously waive their expense or purchases as “donations” to DSN inadvertently create some difficulties. If reimbursement of expenses/purchases is not claimed they cannot be entered into DSN’s accounts to show both the true costs of running DSN and the generosity of its supporters. This can hamper funding applications.

Furthermore, even if the amount of the waived expenses/purchases is notified to DSN and entered into the accounts, DSN is not able 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.
Policy

4. Scope

Trustees and volunteer members are entitled to be reimbursed by DSN for all travelling and other expenses actually, necessarily, reasonably and incidentally incurred by them in carrying out their duties, on submission of a 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 DSN’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.

“Incidental” means that the expense(s) must not have been determined by considerations unrelated to the charity 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.

5. Authorisation

Expenses may only be incurred, and subsequently reimbursed by DSN, in respect of activities which are part of DSN’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 DSN, and subsequently reimbursed, in respect of activities which are part of DSN’s agreed and budgeted programme of charitable activities (ie: by PRIOR agreement with at least 2 members of the committee).
6. Gifts in Kind (Waived or Unclaimed Expenses/Purchases)

Some trustees, volunteer members and associates occasionally choose to waive, or not to claim, a reimbursement of expenses and/or purchases to which they would otherwise be entitled.

DSN 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 charity:

6.1 It causes the real costs of DSN’s activities (ie: including those costs which are subsidised by supporters) to be under-recorded and, therefore, under-reported (eg: in DSN’s annual Treasurer report);

6.2 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;

6.3 It hides the true generosity of DSN’s supporters, particularly their financial generosity which goes unrecorded and, therefore, unreported;

6.4 It means that the effective gift of their expenses is not eligible for supplementation by Gift Aid;

6.5 Under-reporting DSN’s costs and the generosity of its supporters can hamper the making of effective appeals and applications for further funds for DSN.

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

The procedures for doing that are detailed later under section 12. “Waiving” Reimbursed Expenses/Purchases as a Gift Aided Donation.

Procedures: Reimbursement of Expenses & Purchases

7. Submitting Claims for Reimbursement of Expenses & Purchases

DSN expense claim form

7.1 Claims for the reimbursement of expenses must be submitted on DSN’s approved claims form. Ad hoc claims will not be considered;

7.2 Claims for the reimbursement of expenses must be accompanied by documentary evidence of the expense (eg: point-of-sale receipt, travel ticket, etc).

7.3 Where such evidence is not available the claimant must provide a written explanation to the treasurer for approval;
7.4 DSN reserves the right to decline to reimburse expenses for which reasonable documentary evidence has not been provided;
7.5 Trustee and volunteer members’ completed expenses claim forms must be authorised by the treasurer;
7.6 All expenses claims must be submitted within 30 days of the relevant activity;
7.7 Expenses may only be claimed later than 30 days with prior approval from the Treasurer.
7.8 Expenses claim forms may also include claims for the reimbursement of goods/services purchased by the claimant on behalf of the Charity.
7.9 Claims for the reimbursement of purchases must be accompanied by documentary evidence of each purchase (eg: point-of-sale receipt, travel ticket, etc).

8. Travel Expenses
8.1 Public transport should be used wherever possible.

8.2 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 available from the charity) will be paid.

8.2.1 You may only use your private car in connection with DSN 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).

8.2.2 Parking costs incurred when on charity business will be reimbursed.

8.3 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).

9. Subsistence

Subsistence costs (eg: for refreshments, meals & hotel accommodation) can only be claimed under exceptional circumstances when pre-agreed by the DSN committee.

10. 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 the chair.

11. Reimbursement of Expenses & Purchases
• All claims submitted for the reimbursement of expenses incurred on DSN activities and/or purchases made on behalf of DSN 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 (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.

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

HM Revenue & Customs guidelines on what constitutes a Gift Aid donation are absolutely specific, if frustratingly pedantic and bureaucratic:

• A donation must be a payment of a sum of money.
  A donation can’t be made in kind, by loan waiver or by debt/loan conversion.

What this means is there cannot be any form of quid-pro-quo exchange or “deal” between DSN and the claimant/donor along the lines of “don’t reimburse my expenses claim, keep the money as a donation”. DSN first has to make an actual repayment of the expenses claim in a way that is verifiable by HMRC (usually by BACS transfer or by cheque to the claimant’s own account) and then the claimant must separately make a similar, reciprocal, verifiable donation to DSN. The donation has to be made by cheque or BACS/online payment (or by debit or credit card).

13. Changes to the Policy

DSN 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 charity.

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