



MEMBER, TRUSTEE and GOVERNOR EXPENSES POLICY

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1. INTRODUCTION

The Believe Engage Succeed Trust is dedicated to good practice and ensuring equality through trust and school processes.

The governance of MATs and schools in England is deeply rooted in the principle of voluntary service. Academies have the opportunity to decide whether they wish to pay expenses to members, trustees and governors. BEST believes that no member, trustee or governor should be out-of-pocket in respect to carrying out their duties on behalf of the trust or one of its schools. Therefore, the payment of expenses for members, trustees and governors is important in ensuring equality for all members of the trust community.

The trust board has decided to reimburse reasonable expenses from the trust or school budget to cover costs that members/trustees/governors necessarily incur through carrying out their duties. BEST encourages all members, trustees and governors to submit claims for reasonable expenses incurred whilst carrying out their duties.

This policy sets out the terms on which such expenses will be reimbursed. By adopting this policy, BEST will ensure that no member of the community is prevented from becoming a member/trustee/governor on the grounds of cost.

2. LEGISLATION AND GUIDANCE

This policy is consistent with the relevant legislation and guidance, including, but not limited to, the following:

- DfE 'Governance handbook' (2019) and its successors.
- The Charity Commission (2012 – new format February 2017) Guidance 'Trustee expenses and payments' and its successors.

2.1. Governance Handbook - DfE

The DfE Governance Handbook (2019)¹ includes the following paragraphs which explain the legislation as it applies to academies and also provides some guidance.

Academy trusts

57. Academy trusts are exempt charities, and must have charitable purposes and apply these for public benefit. Trustees are, therefore, charity trustees of an exempt charity and have the same general duties and responsibilities as trustees of other charities and, as such, must comply with Charity Law. This means that they can only receive payment for carrying out Trustee duties if this payment is specifically allowed by the academy's governing document or has express authorisation from the Charity Commission. For academies, this power is not in the department's model Articles of Association and any change to allow payment to trustees would need Charity Commission authorisation.

58. The Charity Commission will only authorise amendments to allow payment to academy Trustees where it has been clearly shown to be in the charity's interests. They will consider issues like the reasons for payment, whether conflicts of interests are managed appropriately, whether the Principal Regulator (for academies this is the

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/788234/governance_handbook_2019.pdf

Secretary of State for Education) is agreeable and whether payment of any Trustees is in the longer-term interests of the charity.

59. The people who sit on committees, including any LGBs in a MAT, are not Charity Trustees unless they also sit on the MAT board. That means that the charity law restrictions on payment to Trustees do not apply to them.

60. However, the government expects voluntary service to remain normal practice for LGBs and other committees. The legality of paying people that sit on them does not remove academy trusts' duty under charity law to act only in the interests of their charitable objectives. Any academy trust considering paying people to sit on their LGBs or other committees should review very carefully, whether this is in the best interest of the trust and whether this would be an appropriate use of public funds. Our expectation is that any payment would most likely be for a time limited period, for example in relation to bringing in highly skilled individuals to oversee the turnaround of an underperforming academy. MATs must also ensure that they manage any conflicts of interest in accordance with their trust's Articles of Association.

65. Boards in academies are free to determine their own policy on the payment of allowances and expenses, in line with their Articles.

2.2. Trustee expenses and payments - Charity Commission

The Charity Commission's Trustee expenses and payments² document provides the following very helpful key points:

1. Key points about expenses and trustee payments

This section summarises the main points for charity trustees to consider. They are based on a mixture of case law, charity law, and good practice, and are covered in more detail in the guidance.

- *The concept of unpaid trusteeship has been one of the defining characteristics of the charitable sector, contributing greatly to public confidence in charities.*
- *The basic principle is that trustees must not put themselves in a position where their personal interests conflict with their duty to act in the interests of the charity unless authorised to do so.*
- *However, trustees are entitled to have their expenses met from the funds of the charity. Expenses can include a wide range of costs including, for example, travel and other costs of attending meetings, specific telephone and broadband charges, travelling on trustee business, and providing childcare or care of other dependants while attending to trustee business.*
- *Charities can pay some of their trustees for the supply of services. The power to do this, and the conditions attached to using it, were introduced by the Charities Act 2006 as a*

²https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/855414/Trustee_expenses_and_payments_CC11_v2.pdf

change to the Charities Act 1993 (now replaced by the Charities Act 2011). The power is summarised in this guidance. The power cannot be used if the governing document prohibits this type of payment.

- *A charity trustee may only be paid for serving as a trustee where this is clearly in the interests of the charity and provides a significant and clear advantage over all other options. There is no general power in law for this type of payment - a charity would need a specific authority which may be found in its governing document, or be provided by the Charity Commission, or, more rarely, the courts.*
- *Where a charity proposes to employ a trustee in some other role, or where a charity wishes to compensate a trustee for loss of earnings to enable them to attend meetings during working hours, it must firstly ensure that it has the necessary authority. If it is not provided by the governing document, the charity will need to approach the commission or the courts.*
- *In any case where a charity wishes to make a payment, but has no clear power to do so, the trustee board must apply to the commission for authority before the payment is made.*
- *Properly assessing any potential risks and managing conflicts of interest are important factors when a charity is proposing to pay trustees. Trustee boards should be open and transparent about their decision to pay, and be prepared to justify it if publicly challenged. For all charities, disclosing such payments in the charity accounts in accordance with Charity SORP guidelines is not only a legal requirement for companies and larger charities but will help charities of all sizes dispel any perception that payments might have been made in secret.*
- *Charities should have clearly defined procedures for identifying and managing conflicts of interest. Ideally, these procedures should be set out in the charity's governing document.*
- *As good practice, a trustee board should regularly review the performance of each trustee (including the chair). This is particularly important where a trustee is receiving a payment from the charity.*
- *Ensuring that the opportunity to be a trustee is open to all is one of the keys to achieving strong, effective boards of trustees. Clear policies on payment of expenses can help with this. Other forms of payment, including compensating individuals for loss of earnings, can also be used as a tool to attract promising candidates who might otherwise be unable to afford to serve.*
- *if a trustee board is considering whether to make a payment to a trustee (as opposed to reimbursement of expenses) there are six key factors to consider:*
 - *who will receive the payment - will it be a trustee, or a person or business connected with a trustee?*
 - *what is the payment expected to cover?*
 - *is the payment clearly in the best interests of the charity?*

- *is there a legal authority for it?*
- *what conditions must be met if the payment is to be made?*
- *how will any conflict of interest be managed?*

The guidance on trustee expenses and payments applies equally to charity trustees and persons or businesses connected with them.

Whilst the above key points are specifically for trustees, their principals are good practice and this policy adopts these for members and governors too.

This policy complies with BEST's funding agreement and articles of association.

3. MEMBER, TRUSTEE AND GOVERNOR EXPENSES

3.1 Eligibility to claim expenses

Charity Commission guidance provides that expenses are refunds by a trust of legitimate payments which a trustee has had to meet personally in order to carry out his or her trustee duties. In the context of this policy, the reimbursement of legitimate expenses shall be held to apply for the members of the trust in the carrying out of their duties as set out in the Articles of Association. This policy has also extended this principal to apply to the LGB/SIB governors.

Members, trustees, and LGB/SIB governors of each trust school may claim reimbursement of expenditure solely to enable them to perform their duties.

All members, trustees and LGB/SIB governors of BEST shall be treated equally and are eligible to claim expenses. Members, trustees and governors can only claim allowances for attendance at meetings, if they are recorded in the minutes as having attended that meeting.

Any reasonable costs that allow members, trustees and governors to carry out their duties can be classed as legitimate expenses – see section 3. and 4. for details. So long as the trust only reimburses the person for the actual cost or expense, the payment is not taxable.

Please note that the CEO, though an ex-officio trustee, will be subject to their school's Staff Expenses Policy.

As a national charitable company, it is important that members, trustees and governors are mindful of the potential costs of expenses incurred on the trust, and as such act responsibly when selecting expense options. The policy applies equally to all members/trustees/governors but it is for each individual to choose whether or not to claim.

3.2 What are legitimate expenses?

For the purpose of this policy, "expenses" are refunds paid to members/trustees/governors to cover the costs incurred whilst fulfilling their governance duties for the trust.

Allowances of properly incurred expenses are not a payment to members/trustees/governors for their services, nor do they count towards any kind of personal benefit.

3.3. What can members/trustees/governors claim expenses for?

Members, trustees and governors, like staff, may claim reasonable expenses for travel and other expenses necessarily incurred to enable the person to perform any BEST governance duty. BEST expects that claims will only be made for expenses that would leave a person out-of-pocket compared with their routine personal expenditure.

Members/trustees/governors of BEST are permitted to claim expenses for:

3.3.1 Travel

The nature of the travel must be related to the work of the board of trustees/LGB/SIB, e.g. trustee meetings, training courses.

Public Transport

- Costs incurred for ordinary, second class or any cheaper fare available plus any expenditure incurred for seat reservations or similar supplements. In exceptional circumstances claims for public transport at other than a second class fare may be made but must be accompanied by an explanatory note.
- If travel by train is required, the cheapest available ticket consistent with the timings of the activity for which you are attending should be purchased. If eligible, members/trustees/governors should use Senior Railcards or any other discount card that they are entitled to.
- If a higher grade train travel ticket is purchased, BEST will only reimburse you for the standard rate for the equivalent journey. Members/trustees/governors should seek authorisation from the chair of the board or LGB/SIB in advance of travel, if their journey necessitates a higher tariff to be purchased.

Taxi

- Taxis should only be used where there is no public transport alternative or where it may be dangerous to use public transport (e.g. late at night) or the business is urgent i.e. to meet a submission or meeting deadline. In which case, the fare plus a reasonable gratuity may be claimed, but the claim must be accompanied by a receipt. In all other cases or where no receipt is provided, reimbursement will be made on the cost of the journey by public transport.
- In all cases, the upper limit for taxis travel that BEST will reimburse is £25 per journey.

Car

- The Trust encourages use of means of transport other than private motor vehicles and in the spirit of this, the scheme does not seek to encourage their use. It is recognised that individual circumstances, the nature of the journey, travel times etc. may make use of a private motor vehicle the only viable option. Sharing of vehicles, whenever practical, is encouraged.
- In order for an expense claim for the use of a private vehicle to be eligible:
 - the vehicle must have a current Road Fund Licence, a current MOT certificate where appropriate and be maintained in a roadworthy condition,
 - the driver must hold a valid driving licence for this category of vehicle,
 - the driver must have confirmed with their insurance company that use in connection with member/trustee/governor duties is fully covered by their insurance.
 - on request from the trust or one of the trust's schools, the driver must provide all of the above documentation to validate the private vehicle's use and eligibility.

- Claims for expenses may be made for travel between the member's/trustee's/governor's household and a trust school or the trust's central administration office in their own personal transport i.e. car, motorcycle or bicycle.
- The rate per mile is the approved rate set out by HMRC at the time the expense is incurred. This rate is to be paid regardless of the actual capacity of the vehicle.
- The mileage which can be claimed will be the number of miles from home to the venue, or the actual miles travelled on such occasions, whichever is the lesser figure. (For example, a member/trustee/governor travelling to a meeting at a school from his/her place of employment would claim the actual mileage, if that were a shorter distance than travelling from their home.) AA route planner or similar will be used to determine and verify mileage claimed.
- Mileage claims do not need to be supported by receipts. However, please bear in mind that it may be cheaper for BEST if you use public transport, even if travel by private vehicle is more convenient.
- The full cost of car parking and congestion charges where these have been necessary for attendance at a meeting of or on behalf of the trust/LGB/SIB. Where possible receipts should be obtained. The daily maximum is £15.
- Reimbursement of parking charges does not cover payment of parking fines.
- Car hire may be agreed in advance where it is considered to be more cost effective, e.g. where it enables more than one individual to travel together.

3.3.2 Subsistence

Member/trustee/governor duties are voluntary and therefore subsistence allowance would not normally be applicable or considered.

In exceptional circumstances, any claims for subsistence must be agreed with their justification by the chair of the board or the LGB/SIB prior to any expense being incurred. The chair of the board should agree his/her expenses with the chair of the Finance and Audit Committee. The chair of the LGB/SIB should agree his/her expenses with the chair of the Board.

3.3.3 Family Care

- Cost of care arrangements for a child or children for the period of time taken up by the meeting and a reasonable period of time to travel to and from the meeting.
- Cost of an elderly or dependant relative for the period of time taken up by the meeting and a reasonable period of time to travel to and from the meeting
- The allowance will be the actual expenses incurred or a maximum of £10 per hour.
- No payment will be allowable where the care of a child or dependent is being provided by an existing or former partner or by a responsible person who normally lives in the family home, as a member of the family.

3.3.4 Specific needs

- Members/trustees/governors may claim allowances for expenses, relating to specific needs incurred when carrying out approved duties.
- Extra costs incurred because they have a special need or English as a second language.
- The circumstances in which trustees/governors can claim expenses for specific needs may include: taxi fares, audio equipment or support from a signer, braille transcription, special transport for individuals with disabilities, etc.

3.3.5 Telephone charges, broadband, photocopying, stationery, etc.

- No claim will be accepted normally for telephone charges, photocopying or printing, stationery including paper or postage, as all of the trust schools can supply all of this equipment and services to members, trustees and governors.
- BEST will not reimburse the cost of mobile phone contracts, landline rental or internet providers unless the chair of the board gives explicit authorisation of this.
- In exceptional circumstances and with prior consent from the chair of the trust board or chair of the LGB/SIB, claims for reimbursements accompanied by valid receipts can be made where a member/trustee/governor is unable to use a school's or the trust's central administration office facilities for any of the above.

3.3.6 Other expenses

- Any expenditure not covered by the categories outlined in the paragraphs above should be discussed and agreed with the chair of the board (or the deputy chair in the instance of the chair) or the chair of the LGB/SIB (or the deputy chair in the instance of the chair) before it is incurred. Otherwise, there is no guarantee that it may be reimbursed.

The following would be regarded as legitimate expenses:

- travel to and from the meetings of the board and its committees, LGB/SIB meetings, training courses and conferences, to visit staff at central Head Office or trust schools, or if you are representing the trust or a trust school in some other way in your capacity as member/trustee/governor.
- the reasonable cost of travelling to and from member/trustee/governor meetings, and on member/trustee/governor business and events; this can include the cost of using public transport, taxi fares, and mileage allowances to the level permitted by HMRC before tax becomes payable.
- the reasonable cost of childcare, or care of other dependants (for example, an elderly parent) whilst attending member/trustee/governor meetings.
- communication support: translating documents into Braille for a blind member/trustee/governor into different languages; provision of alerting and listening devices, and other special aids for people with hearing impairment.
- providing special transport, equipment or facilities for a member/trustee/governor with a disability.

Whilst this policy provides a framework for a working expenses policy, it is recognised that it cannot be fully comprehensive and the chair of the trust board or chair of the LGB/SIB may authorise expenses not explicitly referred to herein, for example expenses incurred by an individual that may be related to a long term medical condition.

Please note that where members, trustees or governors ask a BEST member of staff to book travel arrangements on their behalf, the upper limits stipulated within the policy will still apply, and a record of the person's expenses will be maintained for annual disclosure.

4. PAYMENTS WHICH DO NOT COUNT AS EXPENSES

BEST acknowledges that:

- Members/trustees/governors may not be paid attendance allowance.
- Members/trustees/governors may not be reimbursed for loss of earnings.

Members/trustees/governors are NOT able to receive reimbursement expenses for the following:

- Payments for travel costs for spouses or partners who are not participating in the business of the trust.
- Payments for private telephone bills for business unrelated to the trust.
- Payments for private medical insurance.
- Mileage rates above the most mileage rates published by HMRC at the time the expense was incurred.
- Parking fines.

NB. This list is not exhaustive and the board of trustees/LGB/SIB may decide to reject other requests for expenses which are excessive, false or unreasonable.

Any member/trustee/governor that attempts to claim expenses which are excessive or false, as outlined above, may be liable to removal from the board of trustees/LGB/SIB and, if the expense has already been reimbursed, may be liable to repay the trust/school for the amount paid.

Reimbursement of members, trustees or governors for purchases they have personally and properly made on behalf of the trust or trust school are not counted as expenses and are accounted for as part of the trust's/school's general expenditure.

5. HOW TO CLAIM

Members/trustees/governors may claim reimbursement for expenses allowances by completing the Trust Travel and Expenses Claim Form, which are available in the School Office and submitting it to the TFL for member/trustee claims and the relevant School Business Manager/Finance Officer for governors.

Claims will be paid in arrears on a case-by-case basis. Reimbursable costs should be agreed in principle by the CFO of the trust or chair of LGB/SIB before they are incurred.

Members/trustees/governor should claim expenses on a regular monthly basis, unless the amount to be claimed is substantial and/or urgent. This helps us to process your claim more swiftly and to keep an accurate track on spending on the trust and school budgets from which expenses are paid.

Late claims which are not submitted within a term of the expense being incurred may not be reimbursed.

Expenses will be reimbursed on presentation of a completed Trust Travel and Expenses Claim Form, accompanied where appropriate by receipts, travel tickets etc. and along with any business cases where applicable and bank account details for the payment. Where it is a mileage claim then start and finish mileages must be given. The claim form must be properly completed and signed.

Expenses will be paid on provision of a receipt, at the rate set out in the scheme, and will be limited to the amount shown on the receipt. Expense claim items should normally be supported by bills or receipts, except where it is impractical to expect this, for example, where very small amounts are claimed.

A copy of the original VAT receipt from the supplier of the goods / service must be attached to the claim form, except in the case of local bus and tube fares. Expenses without a supporting receipt or adequate explanation may not be reimbursed.

If VAT receipts are not attached to a claim, no payment will be made other than in exceptional circumstances, and the reason for the lack of attaching a receipt must be stated on the claim (e.g. wallet stolen).

Payment will be made by BACS, directly into a bank account. In exceptional circumstances, a cheque may be issued within four weeks from the date on which the claim is submitted.

Member/trustee expenses will be met from the central trust budget. LGB/SIB governor expenses will be met from the relevant school's budget.

Where a business case has been submitted alongside the expense form, the board of trustee's approval (for members/trustees) or the chair of the LGB/SIB (for governors) will be sought prior to payment

The board of trustees will account for all expenses in the trust's accounts; this includes:

- Details of the payments and other benefits to trustees/governors and connected persons.
- Details of the legal authority upon which the payment has been made and the reasoning for it.

The chair of the trust board or chair of the LGB/SIB each trust school (or the deputy chair, where appropriate) may investigate claims that appear excessive or inconsistent.

All claims will be subject to an independent audit. If claims appear to be too frequent or excessive, the CFO may ask for further details.

6. AUTHORISATION OF CLAIMS

6.1 Members/trustees

Completeness and eligibility checks on all submitted claim forms will be completed by the TFL, prior to authorisation being sought. In order to prevent delays in payment, once validated and verified, all expense claim forms will be sent electronically to the appropriate person(s) for authorisation and will be kept on record by the TFL.

Claims that meet the criteria of this policy and do not exceed £50 will be authorised for payment by the CFO and/or CEO.

Claims over £50 or where receipts are not available will be authorised by the chair of board of trustees. Such authorisation may be given electronically provided the claim has been seen by the chair. In the case of a claim from the chair of board, authorisation will be provided by the CEO.

Claims submitted by trustees who are also staff members, including the CEO, for expenses incurred solely in their role as a trustee must be authorised by the chair of trustees. Such authorisation may be given electronically provided the claim form, including original receipts has been seen by the chair.

Officers of the trust who attend meetings in that capacity and at the request of trustees will be able to claim out of pocket expenses under the scheme for staff, subject to the usual line management approval for the claim.

6.1 Governors

Completeness and eligibility checks on all submitted claim forms will be completed by the relevant School Business Manager/Finance Officer, prior to authorisation being sought. In order to prevent delays in payment, all expense claim forms, once validated and verified, will be sent electronically to the appropriate person for authorisation and will be kept on record by the relevant School Business Manager/Finance Officer.

For governors, the relevant school limits will dictate the authorisations required. However, in all cases, the chair of the LGB/SIB will provide the final approval.

7. DISPUTES

Should any individual dispute arise over the payment of expenses which cannot be settled informally, BEST's Finance and Audit Committee shall review the matter at a regular meeting. Their decision shall be final. If the dispute is in relation to a trustee who is also a member of the BEST's Finance and Audit Committee, that individual shall be required to absent themselves from this part of the meeting.

Where it is established that expenses have been claimed in excess of this policy, and have not been correctly approved, the sums involved will be recovered from the member, trustee or governor.

8. LINKED POLICIES

This Policy is linked to the following policies of the Trust:

- Whistleblowing Procedure (Public Interest Disclosure Policy)
- Procurement and Tendering Policy
- Code of Conduct – Trustee
- Code of Conduct for Governors SIB and LGB
- Financial Procedures – comprising Finance Policy and Record of Financial Responsibility
- Trust Scheme of Delegation

9. MONITORING ARRANGEMENTS

This policy will be reviewed biennially by the Finance and Audit Committee of the trust board. Any amendments will be presented at a meeting of the trust board.

All members/trustees/governors are required to familiarise themselves with this policy upon their appointment.