

Ormiston Academies Trust

Ormiston Venture Academy Governor expenses policy

Policy version control

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Contents

1. Policy statement and principles	3
1.1. Policy aims and principles.....	3
1.2. Complaints	3
1.3. Monitoring and review	4
2. Governor expenses.....	4
2.5. Travel expenses.....	4
2.6. Subsistence	5
2.7. Other reasonable expenses	5
2.8. Expenses requiring prior approval or decided on a case by case basis.....	6
2.9. Making a claim for expenses.....	7
3. Payment for services.....	7

1. Policy statement and principles

1.1. Policy aims and principles

- 1.1.1. Governance in England is rooted firmly in the principle of voluntary service therefore individuals cannot be paid for their role as a governor. There are a limited number of specific circumstances in which individuals serving as governors can receive payments from the trust's annual budget.
- 1.1.2. Allowances will only be paid where it is clearly in the best interests of the trust and does not include payments to cover loss of earnings or an allowance for attending meetings.
- 1.1.3. There are three circumstances in which governors may be paid by the trust:
 - Reimbursement of reasonable expenses properly incurred when acting on behalf of the trust
 - Payment for services provided outside the role of governor
 - Payment of salary to staff governors in their capacity as an employee and not as a governor.
- 1.1.4. We believe that paying governors' expenses is important in ensuring equality of opportunity to serve as governors for all members of the community. This makes sure that financial reasons do not prevent an individual from becoming a governor or for them to fulfil the requirements of their role.
- 1.1.5. To adoption of this policy does not mean that governors will always claim for expenses, it is the responsibility of the governors to decide for themselves whether or not to make a claim.
- 1.1.6. The objectives of this policy are:
 - To ensure such expenditure represents the necessary and reasonable costs incurred by or on behalf of governors who are properly engaged on trust business
 - To reimburse governors promptly for expenses incurred on trust business
 - To detail the allowances that governors can claim for and the processes that should be followed
- 1.1.7. This policy is consistent with all other policies adopted by the trust and is written in line with current legislation and guidance.

1.2. Complaints

- 1.2.1. All complaints are dealt with under the OAT Complaints Policy.
- 1.2.2. Complaints should be made in writing and will follow the OAT complaint procedures and set timescales. The handling of complaints may be delegated to an appropriate person.
- 1.2.3. The outcome of the complaint will be communicated in writing.

1.3. Monitoring and review

1.3.1. This policy will be reviewed annually or in the following circumstances:

- changes in legislation and / or government guidance
- changes in HM Revenue & Customs (HMRC) expenses rates
- as a result of any other significant change or event
- in the event that the policy is determined not to be effective

1.3.2. If there are urgent concerns these should be raised to the OAT Head of Finance in the first instance for them to determine whether a review of the policy is required in advance of the review date.

2. Governor expenses

2.1. Any expenses paid must be considered reasonable, necessary and incurred as a result of fulfilling the role of governor.

2.2. Governors will be able to claim expenses providing the allowances are incurred in carrying out their duties as a governor. We consider that the following expenses are reasonable costs that may be claimed for:

- The cost of travel to meetings, training and conferences (see section 2.5)
- Subsistence (see section 2.6)
- Other reasonable expenses (see section 2.7)

2.3. Other expenses should be paid on provision of a receipt and be limited to the amount shown on the receipt.

2.4. Section 2.8 details expenses that can be claimed if they are agreed by the chair of governors in advance.

2.5. Travel expenses

2.5.1. Mileage

2.5.2. Where governors use their own private car on trust business, payments will be made at the HMRC approved mileage rates as detailed at <https://www.gov.uk/expenses-and-benefits-business-travel-mileage/rules-for-tax>

2.5.3. The cost of motoring offences cannot be reclaimed under any circumstances.

2.5.4. Passenger payments - cars and vans

2.5.5. Any additional allowance of 5p per passenger per business mile for carrying fellow governors, or trust employees, in a car or van on journeys which are also work journeys for them can be claimed. The expense claim should clearly state the journey and passenger details.

2.5.6. Public transport

2.5.7. Where public transport is used receipts should be retained for reimbursement. First class tickets can only be reimbursed where prior approval has been obtained.

2.5.8. It is recommended that UK rail travel is booked well in advance of the date of travel in order to take advantage of reduced / discounted fares and that costs are further minimised, wherever possible, by committing to a particular train / time.

2.5.9. Hire of Taxis

2.5.10. The use of taxis should be restricted to essential localised business journeys only. Governors are expected to use public transport where possible. Circumstances in which a governor may claim for the use of a taxi are:

2.5.10.1. Where taking a taxi would result in a significantly shorter travel time than using public transport;

2.5.10.2. Where there are several employees travelling together;

2.5.10.3. Where pre-agreed by the Head of Finance in the case of pregnancy, disability or sickness.

2.5.11. A receipt must be submitted with the expense claim detailing the date, place of departure and destination of the journey. The names of any other passengers, and a note of whether they are a fellow governor, employee or a business contact, should be detailed in the expense claim form.

2.5.12. Where governors have worked late (after 9pm) and there is a lack of public transport / it is unsafe to use other transport, a taxi can be provided to get home on these rare occurrences.

2.5.13. Car Parking

2.5.14. Parking costs incurred in the course of travelling away from the normal place of work may be claimed via the expenses system, with a valid receipt. Parking fines and fines incurred for road traffic offences will not be reimbursed

2.6. Subsistence

2.6.1. Any payments for subsistence will be made in line with the trust policy for staff expenses and must be accompanied by an itemised receipt. Alcohol must also not be purchased and reclaimed as an expense.

2.7. Other reasonable expenses

2.7.1. Telephone charges

2.7.2. The cost of making business calls on a personal mobile telephone may be claimed by attaching an itemised telephone statement to an expense claim form. The cost of rental,

top up cards or other charges in respect of personal mobile telephones will not be reimbursed.

2.7.3. Administration charges

2.7.4. The costs associated with photocopying, stationery, postage etc. may be claimed as expenses but only in circumstances where using electronic alternatives are not appropriate. Where documents can be sent by email this should be done in all instances.

2.7.5. Overnight accommodation

2.7.6. Governors may reclaim the actual cost of overnight accommodation where such costs have been incurred wholly, exclusively and necessarily in the performance of their duties as a governor. The cost of overnight accommodation cannot be reclaimed where the location is within a two hour journey distance by public transport of the claimant's home other than in exceptional circumstances (e.g. when attending a conference). The reason for the exceptional circumstances must be given on the expenses claim form.

2.7.7. Actual expenses incurred (supported by receipts for all items) may be claimed up to a maximum of:

	Cost per night (excluding VAT)	Cost per night (including VAT)
Outside of Greater London		
Room only	£83.33	£100.00
Bed & breakfast	£91.67	£110.00
Greater London		
Room only	£116.67	£140.00
Bed & breakfast	£125.00	£150.00

2.7.8. Where it is not possible to find suitable accommodation within these rates, approval of a higher rate must be obtained in advance from the academy Finance Director. A copy of the approval must be submitted with the expense claim form.

2.8. Expenses requiring prior approval or decided on a case by case basis

2.8.1. The following types of expenses can only be claimed where prior approval from the chair is obtained and these will be judged on a case by case basis. All decisions related to this and the reasons why expenses were agreed / refused should be recorded. Such expenses include:

- Childcare or babysitting allowances (excluding payments to a current/former spouse or partner)
- Cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
- The extra costs they incur in performing their duties either because they have special needs or because English is not their first language.

2.9. Making a claim for expenses

- 2.9.1. In order to make a claim for expenses an expenses form should be completed (available from the academy finance team) and submitted for approval within three months from the date the expense was incurred. Claims for expenses are submitted to the academy finance team.
- 2.9.2. Expense claims which are less than £500 will be submitted by the academy finance team to the principal for approval. Claims which exceed £500 will be submitted by the OAT finance team to the chair of governors for approval. Claims which exceed £500 and which are made by the chair of governors will be submitted to the National Director of Finance for approval.
- 2.9.3. Expense claims which are submitted more than three months from the date the expense was incurred will be submitted by the academy finance team to the chair of governors for approval. Expense claims which are submitted by the chair of governors more than three months from when the expense was incurred will be submitted to the National Director of Finance for approval.
- 2.9.4. Approved expense claims will be paid by BACS to the governor's personal bank account.
- 2.9.5. Claims will be subject to independent audit and may be investigated by the chair of governors or chair of the FOR oversight and risk committee if they appear excessive or inconsistent.

3. Payment for services

- 3.1. There may be instances where a governor may be paid for goods and / or services that fall outside of the governor role. In these situations, strict guidelines will be followed and the Business & Pecuniary Interests Policy must be adhered to.
- 3.2. We will first ensure that any decision relating to a governor providing goods and / or services is in the best interests of the trust and any conflicts of interests are dealt with appropriately in the decision-making process.
- 3.3. It is essential that any financial or contractual relationship does not undermine an individual's ability to continue to act impartially and objectively in their role as a governor.
- 3.4. When paying governors for another role:

- The amount paid must be reasonable in all the circumstances and must comply with the Academies Financial Handbook which requires services to be provided at cost in certain circumstances where goods or services are provided by individuals or organisations connected to the trust
- The governor must be absent from any part of a meeting in which there is a discussion of the payment, not vote and is not counted in the quorum for that part of the meeting
- The other governors must be satisfied that it is in the best interests of the trust to contract with that governor rather than someone who is not a governor
- The reasons for their decision must be recorded in the minutes

3.5. A governor can also take part in the normal trading and fundraising activities of the trust on the same terms as members of the public.