

Governor (Director) Expenses Policy



Date Created:	September 2014
Last Review:	September 2016
Reviewed By:	Governing Body
Approval Date:	3rd November 2016 .
Approved By:	Desmond Jaddoo
Next Review:	November 2017



Governor (Director) Expenses Policy

1. Governing Body Statement

- 1.1 CUL Academy Trust recognises that from time to time Governors may incur expenses whilst executing their duties on behalf of the academy. The Governing Body is committed to ensuring openness and transparency in all their activities and to promoting accountability across the academy.
- 1.2 The Governing Body seeks to act with the highest ethical standards and probity, to be honest and act in good faith. In doing so the academy will only reimburse expenses that have been reasonably incurred whilst fulfilling of any obligations to the academy as a Governor.
- 1.3 The academy believes that paying Governors expenses, as set in this policy, is important in ensuring equality of opportunity to serve as Governors for all members of the community and so is an appropriate use of academy funds.

2. Purpose

- 2.1 The purpose of the policy is to ensure the academy complies with the statutory and regulatory requirements with respect to probity and conduct by providing clarification on claimable expenses.
- 2.2 The policy seeks to outline the agreed procedure to be followed by individuals with respect to claiming reimbursements of reasonable out-of-pocket expenses in line with best practice. The policy also seeks to protect the reputation of the academy to enable stakeholders to have confidence in our integrity.

3. Scope

- 3.1 This policy recognises the restrictions and implications outlined in the Income Tax (Earnings and Pensions) Act 2003 for Company Directors and actively considers the requirements set out in the Companies Act 2006 and Charities Act 2011, as well as the School Governance Regulations 2013, which is also reflected in the Financial Handbook for Academies. The policy also observes The Seven Principles of Public Life set out by the Nolan Committee, as follows:
 - Objectivity
 - Openness
 - Honesty
 - Leadership
 - Integrity
 - Selflessness
 - Accountability
- 3.2 Academy Trusts are independent companies with charitable status delivering public services. As a result Governors are not only Company Directors but Charity Trustees



operating in a voluntary capacity and cannot be paid for their role as a Governor, however may claim for all reasonable out of pocket expenses legitimately and reasonably incurred by them in connection with carrying out their duties as a Governor of the academy. Any other payment received by a Governor must be specifically allowed by the academy's Articles of Association or with express authorisation from the Charity Commission.

3.3 Under provision 6.6 of the Articles of Association, Governors are not entitled to receive remuneration or any other financial benefit unless the payment is permitted under the provision 6.7 and the conditions outlined in provision 6.8 are satisfied. Where fees are to be paid to a Governor with respect to any goods or services provided outside of their role, the requirements of the Charity Commission must be adhered to as follows:

- There must not be any strict restrictions for paying Trustees in the governing document (NOTE: the statutory power may be relied on if a professional service is being provided);
- The service being provided should be tendered to 3 different companies and the price of the goods or service justified where the quote provided by the Governor is not the cheapest;
- The terms and conditions including exact payment are clearly outlined in an agreement.

3.4 In line with the School Governance Regulations and Financial Handbook, the policy provides that the Governing Body is required to demonstrate that public funds have been used as intended by Parliament. As a result, the Governing Body must ensure there is probity in the use of public funds and that no Governor, employee or related party gains from their position by receiving payments under preferential terms. Therefore Governors must be mindful of the costs being incurred and ensure that any expenses claimed must be accurate and complies with legislation. Governors are also encouraged to take account of the environmental impact of the way in which expenses are incurred.

3.5 The policy applies to all Board and Committee members of the academy at any time who are required to familiarise themselves with this policy and the documents to which it relates.

4. Definitions

4.1 Reasonable out-of-pocket expenses expected to be incurred during the undertaking of relevant include the following:

- Travel including public transport;
- Subsistence;
- Incidental expenses;
- Costs associated with care arrangements including child care;
- Training costs; and
- Disabled facilities.



- 4.2 Governors will be reimbursed for any mileage from their home address to the venue of the meeting, training or event being attended provided such costs do not exceed Her Majesty's Revenue and Customs (HMRC) approved mileage rates. Car parking expenses incurred will also be reimbursed however, in no circumstance, will the academy be responsible for paying parking fines or the removal of wheel clamps. It is the responsibility of the Governor to ensure they park in permitted areas and that they have adequate car insurance.
- 4.3 The academy will reimburse actual costs incurred by Governors for public transport from their home address to the venue of the meeting, training or event. Where more than one class of fare is available, the rate shall be limited to second class fares. The cost of travel by taxi will be reimbursed only in reasonable circumstances. Further details on using these are available from the Clerk or Business Manager for the academy on request.
- 4.4 Where Governors are on relevant business for a period in excess of four hours in one day, costs of breakfast, lunch or dinner bought on the day will be covered, provided they are reasonable. It is unlikely that the academy will require a Governor to stay away from home overnight in the course of his or her activities for the academy but in such a rare circumstance, the academy will cover all reasonable costs for necessary accommodation. It should be noted that the academy will minimise costs where possible and will make the required arrangements as early as possible. A median nightly rate will be applied.
- 4.5 Governors may be reimbursed for incidental expenses such as telephone charges, photocopying, stationery, postage or other reasonable administrative costs; however where practicable Governors are expected to make use of facilities made available within the academy. With respect to any devices provided by the academy for Governor usage (e.g. iPad), the academy will only be responsible for any basic charges applied.
- 4.6 Child care costs or costs of carers for elderly or disabled, partner or relatives (except to a current/former spouse or partner) may be reimbursed, however only with the prior approval of the Finance and General Purposes Committee.
- 4.7 The academy will cover the costs of any training which Governors are required to attend on the recommendation of the academy for the purposes of executing their duties.
- 4.8 Costs incurred in performing Governor duties as a result of the Governor having a disability or other special needs, including difficulties due to English not being their first language will be covered with the prior approval of the Finance and General Purposes Committee.
- 4.9 The academy may indemnify a Governor against any expenses incurred by that Governor in connection with any civil or criminal proceedings in relation to the academy in accordance with provision 133 of the academy's Articles of Association.



This includes any application for relief from liability for negligence, default, breach of duty or breach of trust in relation to the academy.

- 4.10 Any other expenses not including payments to cover loss of earnings for attending meetings may also be reimbursed, provided it is considered justifiable by the Finance and General Purposes Committee and given prior approval. Any exceptions to the above is required to be justified to and approved by the Finance and General Purposes Committee of the academy before any reimbursable costs are incurred and reimbursements made. Where Governors require anything above the limits stated in this policy or by law they are required to cover the difference in costs.

5. Claiming for Expenses

- 5.1 Expenses should be submitted in a timely manner by the end of the month (or at least half termly) being claimed for, using the Expenses Claim Form available from the academy's Business Manager. Forms should be submitted to the Business Manager along with any receipts relating to the period. It should be noted that the academy is under no obligation to pay or repay any expenses claimed by a Governor who is unable to produce appropriate receipts or other evidence that they have been incurred.
- 5.2 All expense claims will be reviewed by the academy's Business Manager and submitted for approval to the Chair of the Finance and General Purposes Committee or the Chair of the Governing Body. All approved expenses will normally be paid direct into Governors bank accounts unless a specific request is made for payment by cash or cheque.

6. Accounting for Expenses

- 6.1 In accordance with the requirements of the Financial Handbook and Academies Account Directions, the total value of claims paid per year to Governors will be declared in the academy Financial Statements at the end of each financial year.
- 6.2 Claims will be subject to independent audit and may be investigated by the Chair of the Governing Body (or Vice-Chair in respect of the Chair) if they appear excessive or inconsistent.

7. Monitoring and Review

- 7.1 The Chair will be responsible for monitoring the academy's compliance with this policy. This policy should be reviewed every 2 years by the Finance and General Purposes Committee but may include consultation with other person(s) as appropriate.
- 7.2 This policy is to be amended by the Clerk or appropriate persons in line with the recommendations made by the Finance and General Purposes Committee or Governing Body.



Signed (Chairperson): 

Print Name: D. JADDOO

Approval Date: _____



Bank Details (where not previously provided):

Bank Name: _____ Account No. _____

Bank Branch: _____ Sort code: _____

Name on Account: _____

Declaration:

I confirm that the mileage for which I claim has been incurred wholly and necessarily in the performance of my duties.

Claimer's Signature: _____

Date Claimed: _____

Authorised By: _____

Date Authorised: _____

For Office Use Only:

Previous Expense (£): _____

Payment Method: _____

Expenses to Date (£): _____

Cheque Number: _____

Payment Date: _____

BACS Ref: _____

Payment Amount (£): _____

Petty Cash Voucher Ref: _____