



Expenses Policy

Reviewed by Management Committee 11th March 2021

EXPENSES POLICY

1. OBJECTIVES

- To ensure that all voluntary committee members and paid staff are reimbursed for expenses reasonably incurred while on Association business
- To demonstrate accountability and probity in a potentially sensitive area of activity
- To avoid any potential breach of good practice or legislation
- To provide clear guidance to committee members, staff and external auditors on the nature of allowable expenses and the approved methods of re-imbursement

2. RISK MANAGEMENT

The following risk factors have been considered by Committee in development of this policy

- ♦ Inappropriate use of revenue
- ♦ Misappropriation of funds
- ♦ Exclusion of voluntary members in participatory, business and training events due to personal financial constraints

3. REGULATORY COMPLIANCE AND ASSURANCE

The Management Committee will monitor implementation and administration of this policy through quarterly reports on staff and committee expenses presented to the Governance and Finance Sub-committee.

Annual expenditure on staff and committee expenses will be published on the Association's website.

4. RESPONSIBILITY OF INDIVIDUALS

In defining the nature of expenses that are legitimate within the context of this policy, care has been taken to comply with advice from HMRC and DWP.

However, all individuals remain responsible for their own personal finance, and the Association is not responsible for tax or benefit disadvantages that may arise as a consequence of receiving expenses.

5. SCOPE OF POLICY

All committee members and staff are encouraged to claim expenses in accordance with the terms of this policy. This enables the organisation to maintain accurate records of its running costs and assists financial planning.

Individuals who do not wish to accept the cash may come to an arrangement with the Finance Section about appropriate alternative uses. Any such arrangements will be confidential but recorded for auditing purposes.

This policy document sets out the general principles that will govern payment of expenses. Rates of payment within each of the eligible categories are subject to review more frequently than the policy itself, and will therefore be detailed in an appendix which will be replaced as appropriate.

Staff conditions of service may provide guidance on specific expenses, such as subsistence. In these circumstances, the EVH rates at the time of the claim will apply.

6. ALLOWABLE EXPENSES

The following categories of expenses are considered legitimate

- 6.1 Training and Conference Expenses
- 6.2 Care of Dependents
- 6.3 Travel
- 6.4 Subsistence
- 6.5 Loss of Earnings

7. ELIGIBILITY AND CLAIMS PROCEDURES

7.1 Training and Conference Expenses

- a) Essential training or conference costs will be met by the Association.
- b) Fees will be paid direct to the training provider by the Finance Section
- c) All such bookings are within the terms and conditions of the training policy
- d) The training programme includes budget provision for training events and conferences and is administered by the Chief Executive or duly authorised substitute. The Chief Executive is also responsible for monitoring the programme, including the authorisation of bookings and expenses. These tasks may be delegated by the Chief Executive as appropriate.

- e) Where meals are provided in the costs paid direct by the Association, no further subsistence is payable.
- f) For conferences involving an overnight stay away from home, the Association will pay accommodation costs.

If these are not included in the conference booking arrangements they will normally be arranged and paid in advance by the Association. If this is not possible, receipts must be obtained and presented to the Finance Section within seven working days following the conference.

Reimbursement up to the authorised limit will be made within three working days.

- g) Accommodation arrangements will be made as far as possible to meet the needs of individuals.

Where surcharges are imposed for additional facilities to meet the physical, cultural or social requirements of individuals, the Association will meet the additional costs.

- h) Where individuals wish to upgrade accommodation arrangements beyond their basic requirements, the Association will make appropriate arrangements providing the committee member concerned has paid the difference in cost to the Association prior to the booking.
- j) Payment levels for bed and breakfast accommodation will be in accordance with the local authority approved scales for subsistence (Refer to Appendix 1)
- k) Where creche facilities are provided, the Association will pay for the accommodation and meal charges for dependent children who qualify for the child rate.
- l) For safety and security reasons, the Association will not pay for children to attend conferences with no creche or supervision facilities.
- m) Because it is accepted that a residential conference will involve an element of socialising, the Association will pay an allowance for members for reasonable out of pocket expenses.

The Scottish Housing Regulator has indicated that this is permissible provided the allowance equates to the price of a round of drinks for a small group of people, and that where possible, receipts are produced.

- n) The sums involved will be reviewed every two years.
- o) The allowance levels will be as detailed in Appendix 1

Such expenses may be subject to tax or benefit scrutiny.

- p) Where the Management Committee considers that additional expenses are appropriate for events outwith the standard conference cycle, decisions on the level of allowances permitted will be taken according to the specific circumstances. For example, entertaining visitors from abroad.
- q) Out of pocket expenses will not normally be paid for non- residential events.

7.2 Childcare / Care of Dependents

Where a committee member has to pay for care services in order to carry out Association business, such expenses will be refunded in accordance with the conditions below.

- a) The person requiring care is either a child under the age of 16 or an adult in receipt of Disability Living Allowance (or equivalent benefit).
- b) The person requiring care is a permanent member of the committee member's household, and the committee member is the primary carer.
- c) The person providing the care is not a member of the carer's household nor a relative of either the carer or the dependent.
- d) The committee member will provide a signed receipt from the service provider detailing the date and hours of service.
- e) The committee member will provide a self signed declaration that all of the above conditions have been met.
- f) Payment will be limited to a daily maximum of 8 hours
- g) Payment rates will be reviewed every two years.
- h) The payment rates will be as detailed in Appendix 1
- i) Where a member of the Management Committee has to pay for cat or dog boarding facilities in order to attend a residential conference because there is no one available at home to look after a pet, the Association will refund basic expenses on production of a receipt from a registered kennel or cattery .

7.3 Travel Expenses

The Association will provide or refund all legitimate travel expenses incurred by committee members travelling on the organisation's authority.

- a) Where public transport or taxis are used, actual costs will be paid. Tickets should be retained and produced with claims. Where possible, members are asked to share taxis, and signed receipts must be obtained

from the driver.

- b) For travel outwith the boundaries of the City of Glasgow, committee members may use their own cars and claim mileage within the terms of Inland Revenue approved schemes for volunteer drivers.

This allows a tax free mileage system to be operated within a range of limits set annually by the tax office.

Alternatively, drivers may prefer to claim the equivalent of the second class rail fare.

- c) Any tax or benefit disadvantage relating to either option will be the responsibility of the individual .
- d) Where drivers are receiving mileage allowance, passengers will not be entitled to claim travelling expenses.
- e) Current rates will be as detailed in Appendix 1.

7.4 Meals

Where meals are not provided in the booking arrangements, the following terms will apply:

- a) Breakfast will be allowed where overnight stays are required, or where the journey from home starts before 7 am.
- b) Lunch will be allowed where a committee member is on Association business outwith the geographical area of operation for a period of at least five hours between 9 am and 4 pm.
- c) Dinner will be allowed where a committee member is on Association business outwith the geographical area of operation for a period of at least five hours when duty commences between 2 pm and 7 pm.
- d) Receipts should be obtained wherever possible.
- e) The meal allowances will be reviewed every two years.
- f) Payment levels will be as per local authority subsistence scales .
- g) Any tax or benefit liabilities arising from meal allowance claims are the responsibility of the individual.

7.5 Loss of Earnings

Loss of earnings will only be paid in exceptional circumstances where it is absolutely essential that a committee member has to miss work to attend to

YHA business. Such payments must be validated by the employer and must be made in strict accordance with SHR guidance.

3. Personal Liabilities

Yorkhill Housing Association Ltd depends on the commitment of paid staff and voluntary committee members to manage the organisation's business activities.

From time to time, individuals will require to carry out some of these activities away from the office premises with additional essential expenditure required.

In establishing this policy, the organisation has identified the most common situations where additional costs are likely to be incurred, and has thus attempted to create a regulated system of accountability that will ensure no individual will be out of pocket.

At the same time, the Association must also take cognisance of the laws of the land. Staff and committee members as individual citizens are subject to the same financial regulations as everyone else.

In particular, legislation in relation to income tax or welfare benefits affects how the Association can operate any system of reimbursement.

It is important that all staff and committee members recognise their individual responsibility for these matters.

HRMC

The Association is obliged to advise HRMC of all expense claims whether or not the recipient is liable for tax payments.

Where claims are for actual costs incurred for allowable items and are accompanied by receipts, there will generally be no tax liability.

Potential liability arises in situations where an allowance is paid, even if it is for an item that is considered to be a legitimate expense.

For example, if the Association refunds a £15 train fare, no tax will be due. If the Association gives a £15 travel allowance, there may be a tax implication if the recipient is a taxpayer.

Other Government Agencies

The Association must allow appropriate Government departments access to all payment records if required. This may include expense payments made to staff and voluntary members.

APPENDIX 1 Expenses Policy

Payment rates from March 2021 (2014 figures in brackets)

Increased by RPI each year since last update in March 2014

1.1 Training and Conferences

Policy reference 7.1 (i) Accommodation

Where an overnight stay is required and such costs are not covered by other arrangements, a maximum of **£90.00** (£90.00) will be paid for bed and breakfast.

Policy reference 7.1 (n) Out of pocket expenses

Rate per overnight stay	£54.86	(£48.20)
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Rate for final day	£27.43	(£24.10)
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1.2 Care of Dependants

Policy reference 7.2 (h)

Hourly rate

(6.50)	7.40	1 child	1 adult – basic care
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(7.00)	7.97	2 children	-
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(7.50)	8.54	3+ children	1 adult with additional or special needs
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1.3 Travel

Policy reference 7.3 Travel Up to 10,000 miles 45p per mile

In accordance with Inland Revenue volunteer driver scheme:

1.4 Subsistence

Policy reference 7.4 (f) Meals

Where costs of meals are not otherwise included:

Breakfast allowance	£ 8.50	(7.68)
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Lunch allowance	£ 10.48	(9.60)
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Dinner allowance	£17.12	(15.37)
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Based on EVH 2020 subsistence rates