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**Introduction**

The purpose of this policy is to ensure that as a result of travelling or performing any other tasks as part of their duties, the staff, Trustees and volunteers of Fair Frome are not placed at a financial disadvantage. Equally there should be no financial gain from travelling or activities that are necessary to undertake roles within Fair Frome.

All staff, Trustees and volunteers of Fair Frome have a duty to act with care and diligence in the best interests of Fair Frome.

**General principles – all expense claims**

* Expenses claims should be kept to a minimum.
* The most cost-effective solutions available at the time should be sought, and all expenses will be reimbursed according to actual and reasonable cost.
* All expenses must be supported by itemised VAT receipts and claimed using the appropriate expense claim form (attached at appendix 1).
* Expenses will be paid through bank transfer and not in cash.

**General principles – goods and services**

* Goods and services should be procured and paid for directly from Fair Frome funds in accordance with agreed budgets and financial controls.
* Trustees, employees, contractors, and volunteers should not purchase goods and services from their own funds and reclaim through expenses unless there are exceptional circumstances.

**General principles - travel**

* The most economical mode of transport should be used.
* Given the local nature of Fair Frome’s work, travel expenses will be limited to travel in and around Frome unless prior approval has been sought from the Trustee Board.
* Mileage will be reimbursed at the current HMRC rate (see the [HMRC rules re reporting of mileage and expenses](https://www.gov.uk/expenses-and-benefits-business-travel-mileage)).
* Fuel can only be claimed when a hire car is used by prior agreement. In all other circumstances mileage must be claimed.
* If a Trustee, employee, contractor, or volunteer uses their own car for Fair Fromebusiness, they must ensure that their insurance policy covers them and any passengers that they may have for this purpose.
* Trustees, employees, contractors, and volunteers are responsible for any fines or penalties they incur whilst travelling on Fair Frome business and cannot reclaim these through expenses.
* Any parking fees incurred when travelling on behalf of Fair Frome may be claimed with the relevant receipts.

**Procedure for claiming expenses**

* Expense claim forms should be submitted promptly within a month of the expense being incurred, and at latest within two weeks of the end of the financial year (I.e. by 15 April).
* All expense claim forms must be signed and receipts attached prior to passing to the relevant person for authorisation.
* Only valid itemised receipts showing the name of the vendor, location, date and monetary amount will be accepted in support of an expense claim.
* Scanned copies of receipts are acceptable but the original receipts should be retained for six years (either by Fair Frome or by the claimant).

**Additional guidance for staff**

Staff should only incur expenditure on behalf of Fair Frome in accordance with the agreed budget and other financial policies.

Staff travel will be reimbursed at HMRC mileage rates (see general principles).

Staff will not be reimbursed for use of home as office or other home expenses without approval from the Trustee Board.

Staff claims for expenses must be approved and signed as follows:

* Senior Coordinator – Chair or Vice-chair
* Other employees – Senior Coordinator

**Additional guidance for Trustees**

**Please note that when volunteering as part of Fair Frome’s services and projects, Trustees are acting as volunteers, not Trustees, and therefore should refer to the guidance for volunteers before incurring any expenses on behalf of Fair Frome.**

Trustees will act with a higher level of care than they may do with their own finances and affairs and this will be reflected in their minimising the expenses that they reclaim from Fair Frome.

Trustee charity expenses will be a unique heading in the charity’s accounts.

**Approval and authorisation of expenses**

* Prior approval must be sought by Trustees in advance of incurring any expenditure on behalf of Fair Frome, other than travel to and from Trustee meetings:

* + Expenditure up to £50 can be prior approved by the Chair or Vice Chair
  + Expenditure above £50 must be approved in advance by the Trustee Board
* All claim forms must be authorised by the Chair and Vice Chair (where expenses are for the Chair or Vice Chair then another committee member must authorise the form).

**Additional guidance for volunteers**

Fair Frome expects to reimburse volunteers’ travel expenses so that they are not financially disadvantaged by their voluntary work for the charity. Given the local nature of our work, travel costs will be limited to journeys in and around Frome.

There is a limited range of other volunteers’ expenses that might be reimbursed (for example, a training course or a DBS check which could not be paid for by Fair Frome directly; stationery for an administrative volunteer). These will only be reimbursed if prior approval has been sought from the Senior Coordinator to incur the costs.

All claims for volunteer expenses shall be signed by the Senior Coordinator, or in their absence, the Assistant Coordinator.

**Purchasing goods and services – only in exceptional circumstances**

Volunteers should not pay for goods and services on behalf of Fair Frome.

If goods or services are required by service users or projects, volunteers should ask a member of staff to purchase or provide the items from Fair Frome funds or stock.

It is at the discretion of staff whether they make the purchase as requested.

There may be exceptional circumstances when a volunteer has to make a purchase on behalf of Fair Frome because the project or service is taking place outside of office hours (e.g. Food at Five, or Sunday lunch). Examples would be:

* A shortage of food for Food at Five that could not be foreseen or planned for
* An urgent need for a taxi for a service user who has become unwell at an evening or weekend event.

In these circumstances, a volunteer should first check that no member of staff is available to make or approve the expenditure.

IF no member of staff is available, the volunteer may meet the costs if it is within their means to do so and reclaim the expense, with the following provisos:

* Any expenditure incurred without approval is done so at the volunteers’ risk.
* The amount expended should be kept to a minimum and should only cover items or services for which there is an immediate and unavoidable need.
* The volunteer should email the senior coordinator on the next working day to explain what has happened, and how much they have spent.
* The senior coordinator will then give approval for an expenses claim form to be submitted for their approval and reimbursement via bank transfer.

**Appendix 1: Expenses Claim Form**

