



## Policy and Procedure for Expenses

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Approved by: Board of Directors

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### Policy Statement

This Policy sets out the entitlements to claim reimbursement of reasonable expenses incurred by Directors and Officers of The 16mm Narrow Gauge Modellers Association in line with the Company constitution.

Directors and officers should not be financially advantaged or disadvantaged as a result of incurring genuine business expenses.

## References:

<http://www.hmrc.gov.uk/guidance/480.pdf>

[www.financial-ombudsman.org.uk/.../expenses-policy-directors.pdf](http://www.financial-ombudsman.org.uk/.../expenses-policy-directors.pdf)

## **Introduction and Scope:**

Expenses can be incurred by Directors and Officers of the Association whilst carrying out their duties or by others asked to carry out duties on the board's behalf.

This Policy details the expenses that can be reimbursed through submitting a claim and the amounts payable.

This Policy applies to all Directors and Officers of the Association of 16mm Narrow Gauge Modellers.

All others being asked to undertake duties on the Boards behalf must obtain the Chairman and Treasurers approval prior to submitting a claim.

## **Definitions:**

- Mileage

This is the distance travelled from home to business location/meeting place using the most effective route possible.

- Subsistence

Costs incurred for accommodation during overnight stays on official Company business and costs incurred for meals in certain circumstances.

## **Duties:**

It is the Directors/Officers responsibility to:

- Be familiar with, and adhere to, this policy and procedure.
- Obtain agreement from both the Chairman and Treasurer in advance if incurring expenses above £200.
- Retain receipts for expenditure incurred and submit them with the claim.
- Ensure that claims are submitted promptly.

It is the Chairman and Treasurer's responsibility to:

- Ensure that all Directors/Officers are aware of the Policy.
- Ensure that individuals undertaking Association business are aware of the Policy
- Implement this Policy and Procedure equally, fairly and consistently

## **Travel Expenses:**

The Association will pay the reasonable costs of necessary travel to all meetings, including the Annual General Meeting.

Travel must be by the most cost effective mode of transport, taking into account journey time as well as monetary cost.

### **By Car**

Where it is cost effective to make a journey by car, a mileage allowance may be claimed in line with HMG mileage rates (currently 45p per mile, for 2013).

These rates are reviewed annually and updated in HMRC guidelines <http://www.hmrc.gov.uk/rates/travel.htm>

### **By Taxi**

Taxis should only be used where necessary. If a taxi is used, a VAT receipt should be obtained for the fare and submitted with the expenses claim.

### **By Train**

Travel should be by standard class.

Tickets should be booked as far in advance as possible to obtain cheaper fares.

Proof of ticket purchase needs to be submitted with the expenses claim.

### **Other Travel Expenses**

Other expenses connected with travel e.g. parking or tolls, may be reimbursed provided they were necessary and suitable receipts are attached to the claim.

## **Accommodation**

Hotels may be booked after prior agreement with Chairman/Board for the construction and overseeing of the National Show.

As far as possible, accommodation should be selected for convenience and booked in advance to obtain the best possible rates. A copy of the hotel VAT bill must be attached to the expenses claim. Where possible the invoice should be addressed to The Association of 16mm NGM to enable VAT reclaim.

## **Subsistence**

When it is necessary to stay away from home overnight reasonable out of pocket expenses incurred will be reimbursed against a valid VAT receipt.

This includes: Breakfast, Lunch, Evening meal and Beverages, to an overall maximum of £45 per day or £20 per meal.

## **Other Expenses:**

### **Postage**

Postage costs will be reimbursed as incurred for the benefit of the Association with a valid receipt. Where VAT is charged a VAT receipt is required.

### **Sundry Expenses**

Items purchased to carry out Association duties e.g. stationary will be reimbursed provided there is a valid VAT receipt.

## Claim procedure:

### Reimbursement of expenses

Expenses will be reimbursed if they are:

- supported by valid VAT receipts
- submitted with the Association Claim form (*Appendix 1*)
- authorised in accordance with the procedure below

<b>Company Position</b>	<b>Authorisation by</b>	<b>Authorisation Limit</b>
Chairman	Vice Chair/Treasurer	£200
Treasurer	Chairman	£200
Director	Treasurer	£200
Officer	Treasurer	£200
Other acting under Board instruction	Chairman/Treasurer	£200

Expense amounts over £200 will require wider Board approval.

Authorised expenses submitted in accordance with this policy will be paid directly into the claimant's bank or building society account within a month of the claim.

Example of claim form which can be done on an Excel Spreadsheet.

Date	Amount	Description	Notes
<i>( 20.10.13 )</i>	<i>( £9 )</i>	<i>(mileage)</i>	<i>(20 miles @ 45p)</i>