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**Southwark Diocesan  
Board of Education  
Multi-Academy Trust**  
Developing Church of England Education

# FINANCE POLICY HANDBOOK

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## GOVERNORS' EXPENSES POLICY

## 1. STATEMENT OF PURPOSE

This policy is designed to set out the circumstances in which members of the Board of Directors ('Directors') and Local Governing Body members ('Local Governors') are entitled to claim for expenses.

Southwark Diocesan Board of Education Multi-Academy Trust Directors and Local Governing Body members provide a voluntary service and as such should not be out of pocket for the service they provide.

This policy will be applied equally to all categories of Directors and Local Governors.

## 2. BACKGROUND

This policy has been developed with reference to:

- 2.1. School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 (Departmental advice for school leaders and governing bodies of maintained schools and management committees of PRUs in England);
- 2.2. Academies Financial Handbook;
- 2.3. The SDBE MAT Articles of Association;
- 2.4. Trustee Expenses and Payments (The Charity Commission).

## 3. WHAT ARE EXPENSES?

Expenses are refunds of legitimate payments which a director or Local Governor has had to meet personally in order to carry out his or her duties to the Trust or Local Governing Body. Expense claims should normally be supported by bills or receipts, except where it is impractical to expect this, for example, where very small amounts are claimed.

## 4. HOW TO CLAIM EXPENSES

Local Governors' expenses claims should be submitted to their academy's Business Manager (or equivalent). The Business Manager will provide the relevant form to be completed.

Directors' expenses claims should be submitted on the Trust's Expenses Claim form for Directors, for approval by the SDBE MAT Chief Executive;

As long as the academy/Trust only pays the recipient for the actual cost or expense incurred, the payment is not taxable.

Finance staff will process authorised expenses claim on Access system (The Trust finance system) and the claims will be included in the 'Supplier's payment run. All claims by governors will be paid via BACS.

## 5. LEGITIMATE EXPENSES

The following are examples of legitimate expenses which may be claimed<sup>1</sup>:

- 5.1. The reasonable cost of travelling to and from Trust or Local Governing Body meetings, and on associated business and events. This can include the cost of using public transport<sup>2</sup> (which is preferred as far as is practicably possible), and petrol allowances up to the level permitted by HM Revenue & Customs (HMRC) above which tax becomes payable;
- 5.2. Communication support: translating documents into Braille for a visually impaired Director or Local Governor, or into different languages; provision of alerting and listening devices, and other special aids for people with hearing impairment;
- 5.3. Providing special transport, equipment or facilities for a director or Local Governor with a disability whilst on Trust or Local Governing Body business;
- 5.4. Refunds for the reasonable cost of meals taken whilst on Trust or Local Governing Body business, where agreed in advance;
- 5.5. Cost of reasonable overnight accommodation and subsistence (including any essential care costs) whilst incurred in relation to Trust or Local Governing Body business;
- 5.6. The reasonable cost of childcare, or care of other dependants (for example, an elderly parent) whilst on Trust or Local Governing Body business<sup>3</sup>



5.7. The cost of postage and telephone calls on Trust or Local Governing Body business;

## 6. EXPENSES THAT DO NOT CONSTITUTE LEGITIMATE CLAIMS:

The following examples of expenses that do not constitute legitimate claims or are excessive, and/or do not relate to activities of the Trust or Local Governing Body:

- 6.1. Payment to cover the loss of earnings;
- 6.2. Attendance allowance;
- 6.3. Payment of hotel accommodation or travel costs for spouses or partners who are not themselves travelling on the business of the Trust or Local Governing Body;
- 6.4. Payment of private telephone bills for business unrelated to the Trust or a Local Governing Body;
- 6.5. Payment of private medical insurance;
- 6.6. Petrol mileage rates above the levels approved by HMRC for claimable expenses<sup>4</sup>
- 6.7. In the case of a director nominated by an organisation, expenses already allowed for under that organisation's statutory or contractual arrangements.

## 7. APPROVAL PROCESS

All expenses (with the exception of 5.5.1. and 5.5.2 in the above list) should be approved by the SDBE MAT Chief Executive (in the case of Directors) or the Chair of the Local Governing Body and the School Business Manager or equivalent (in the case of Local Governors) prior to the expenses being incurred.

<sup>1</sup> Other justifiable expense may be considered by the Trust's Executive Team or the Local Governing Body Chair and Business Manager (or equivalent). <sup>2</sup> All transport should be standard class. <sup>3</sup> The costs incurred for childcare or care of other dependants will only be refunded if the costs would not have normally been incurred at the time of the scheduled meeting. <sup>4</sup> Currently 45p/mile Car, 24p/mile motorcycle.

