



# Trustee and Local Governor Expenses Policy

Our vision is to enable all to flourish

Status and review cycle: Two years

Responsible group: CEO

Implementation date – June 2014

Review date – April 2026

Next review date – April 2028

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## **1.0 Policy Statement**

1.1 The Trust is an organisation with a Christian foundation. The ethos, values and relationships of the Trust, and its schools, are central to witnessing to the value of the foundation. The Charity Commission outlines the entitlement for Trustees and local governors to claim direct expenses incurred in carrying out their duties.

## **2.0 Legal framework**

2.1 This policy has due regarding to statutory legislation including, but not limited to, the following:

- The Charities Act 2022
- The Trustee Act 2000

2.2 This policy has due regard to guidance, including, but not limited to, the following:

- The Charity Commission (2022) 'Trustee expenses and payments'
- ESFA 'Academy Trust Handbook'

## **3.0 Purpose and scope**

3.1 This policy is intended to provide guidance to Trustees and members of local governing boards on expenses and allowances.

3.2 For the purpose of this policy, "expenses" are refunds paid to Trustees or local governors to cover the costs incurred whilst fulfilling their governance duties for the Trust or an individual school.

## **4.0 Trustees and governors' expenses entitlement**

4.1 Trustees and local governors will be entitled to claim the actual costs, which they incur on a case-by-case basis, as follows:

4.2 Payments can only be paid for expenditure necessarily incurred to enable the person to perform any governance duty.

4.3 Expenses will be paid on provision of a receipt, at the rate set out in the scheme, and will be limited to the amount shown on the receipt.

4.4 Trustees and local governors are permitted to claim expenses in the following instances, on a case-by-case basis:

4.5 Travel:

4.5.1 Claims for expenses may be made for travel between the Trustee's or local governor's household and a Trust school or the Trust's central office in their personal car, at the level of mileage rates published by HMRC (45 pence per mile).

4.5.2 The nature of the travel must be related to the work of the Trust Board or local governing board, e.g. Trustee/LGB meetings or training courses.

4.5.3 Payments will be reimbursed for use of public transport or taxis, upon production of a valid receipt.

4.5.4 The costs of parking for business away from the Trust or school, where necessary, will be returned upon production of a valid receipt.

#### 4.6 Hospitality

4.6.1 Claims for expenses may be made for the costs of meals taken whilst undertaking their Trustee or local governance duties and upon production of a valid receipt.

4.6.2 The costs for reasonable overnight accommodation and subsistence while attending Trustee or LGB meetings or conferences will be reimbursed, only when the proposed claim has been agreed by the Trust Board or Head of Governance and People in advance.

#### 4.7 Childcare

4.7.1 In cases where a Trustee or local governor does not have a spouse or family member to care for a child/children when the Trustee or local governor must attend meetings relating to the work of the Trust Board/LGB, expenses will be returned for the cost of childcare or a babysitter.

4.7.2 Allowances will also be reimbursed for the cost of care for elderly or dependant relatives where the Trustee or local governor must be absent due to their Trustee/local governor duties.

#### 4.8 Specific needs

4.8.1 Trustees or local governors may claim allowances for expenses relating to specific needs incurred when carrying out approved duties.

4.8.2 The circumstances in which Trustees or local governors can claim expenses for specific needs may include: taxi fares, audio equipment or support from a signer, braille transcription, special transport for individuals with disabilities, etc.

#### 4.9 Telephone charges, broadband, photocopying, stationery, etc.

4.9.1 Claims for reimbursements can be made where a Trustee or local governor is unable to use a school or the Trust's central office facilities for any of the above.

4.9.2 Allowances will be returned upon production of a valid receipt, where appropriate. In all other cases, a full written report must be submitted.

#### 4.10 Reimbursement for loss of earnings

4.10.1 Trustees and local governors are able to claim expenses for loss of earnings if there is suitable authority to do so and it would be of an advantage to the academy trust.

4.10.2 The Trust Board will consider this type of payment to be viable where the Trustee or local governor:

- Brings particular skills or perspectives which are valuable.
- Cannot afford to serve as a Trustee or local governor as their employer does not pay them for their time spent undertaking their duties for the Trust.
- Is self-employed, and carrying out their Trustee or local governor duties would cause them to suffer financially.
- If the payment is approved, the Charity Commission will normally impose a condition that the reimbursement is no more than:
  - The amount which could be regarded as reasonable payment for the work undertaken; or
  - The amount lost by the Trustee or local governor, whichever is lower
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4.10.3 NB. This list is not exhaustive, and the Trust Board may decide to reimburse in other instances; however, this will be discussed by the Board prior to any repayment of expenses.

## **5.0 Payments which do not count as expenses**

5.1 Trustees and local governors are not able to receive allowances for the following:

- Payments for hotel accommodation or travel costs for spouses or partners who are not participating in the business of the Trust or school
- Payments for private telephone bills for business unrelated to the Trust or school
- Payments for private medical insurance
- Petrol mileage rates above the mileage rates published by HMRC (45 pence per mile)
- Parking fines

5.2 This list is not exhaustive and the Trust Board or local governing board may decide to reject other requests for expenses which are excessive, false or unreasonable.

5.3 Any Trustee or local governor that attempts to claim expenses which are excessive or false, as outlined above, may be liable to removal from the board of Trustees or local governing board and, if the expense has already been reimbursed, may be liable to repay the Trust or school for the amount paid.

## **6.0 Claims**

6.1 Trustees and local governors wishing to make claims under these arrangements, should complete a claims form (appendix 1) attaching receipts, and return it to the head of governance and people or headteacher for approval within three months of the date when the expenses were incurred.

6.2 The Trust Board/local governing board will account for all expenses in the Trust or schools accounts; this includes:

- The total amount of Trustee expenses

- The nature of the various expenses
- The number of Trustees involved

## **7.0 Audit**

7.1 Claims will be subject to independent audit and may be investigated by the Chief Finance Officer (CFO) or Chief Operating Officer (COO) if they appear excessive or inconsistent.

## **8.0 Trustee payments**

8.1 Trustee payments are paid from the Trust's funds in return for the work the Trustee has carried out on behalf of the Trust Board, and usually involves paying the Trustee for services above their normal Trustee duties.

8.2 Trustees may also receive benefits "in kind", i.e. free use of a school or Trust office within the Trust's facilities for which other users would need to pay.

8.3 Such payments are classed as taxable income and, therefore, the Trust will only grant these payments if there is suitable authority from the Charity Commission to do so and the Trust's governing document does not prohibit these payments.

8.4 The Charity Commission will only authorise these payments where it has been clearly shown to be in the Trust's interests, and will consider issues such as the following:

- The reasons for the payment
- Whether conflicts of interest have been managed appropriately
- Whether the Secretary of State for Education is in agreement
- Whether the payment of any trustees is in the longer-term interests of a school in the Trust or the Trust.

8.5 Before the payment can be validated, and authority is received from the Charity Commission, the Trust Board will ensure that the following conditions are met:

- There is a written agreement between the Trust and the Trustee or connected person to whom the payment is to be paid.
- The written agreement sets out the exact or maximum amount to be paid.
- The Trustee concerned will not partake in decisions made by the Trust Board concerning the making of the agreement or the acceptability of the service provided.
- The payment is reasonable in relation to the service provided and equivalent to the same service that may be provided by an equally qualified and experienced person.
- The payment is no more than 'cost' for the relevant goods or services. This 'at cost' requirement applies to contracts with a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the Trust's

cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.

- The Trust Board follows the duty of care guidelines outlined in the Trustee Act 2000
- The total number of Trustees, or those connected to the Trustees, who are receiving the payment is a minority.
- There is no prohibition against payment of a Trustee.
- The Charity Commission's guidance surrounding Trustee payments has been considered and adhered to where relevant.
- The payment is in the best interests of an individual school, schools or the Trust.

## **9.0 Written agreements**

9.1 Any written agreements for payments to Trustees will be recorded separately to Trust meeting minutes and include the following details:

- An accurate description of the goods or services to be provided.
- The name of the Trustee or connected person (including a business) who will receive the payment.
- Details of the amount, if a 'one-off' or fixed-term payment, or else the maximum amount for goods or services to be provided over the duration of the agreement. Where the benefit is a 'payment in kind', details of the benefit and its approximate value will be given.
- A statement that the Trustee concerned (including one who is connected to a person providing goods or services) will withdraw from any discussion of the trustees which has any bearing on the terms of the agreement or the acceptability of the standard of goods or services provided.
- A statement that the Trustee concerned will not vote on any of these matters and will not be included when deciding whether a quorum exists at a meeting to discuss them.
- The agreement will be signed by someone authorised by the Trustees to do so. This could be one or more of the Trustees who do not stand to benefit under the agreement, or someone who is not a trustee but who has a sound knowledge of the matter. The agreement will also be signed by the Trustee or connected person who is to be paid.
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9.2 As the agreement forms part of the Trust's accounting records, it will be retained for 6 years as recommended best practice.

9.3 When exercising the duty of care in deciding whether a payment to a Trustee is viable, the Trust Board will fulfil its requirements to:

- Act honestly, in good faith and exercise all reasonable care and skill in reaching their decision.
- Exercise the power responsibly in the best interests of the Trust
- Seek professional advice when in doubt.
- Be clear that the payment of a Trustee can be justified.

- Ensure that conflicts of interest are properly and openly managed in accordance with the Trust's Conflicts of Interest Policy.
- Ensure that agreements are complied with and that any poor performance is identified and addressed.
- Retain the agreement.
- Disclose the payments in the Trust's accounts.

9.4 In the application to the Charity Commission to approve a payment, the Trust Board will demonstrate:

- What steps have been taken to recruit Trustees without payment for their services and, if none, the reasons why.
- Why it is considered advantageous to the Trust to pay a Trustee.
- Whether the functions to be carried out are genuinely those of a Trustee.
- That the payment is reasonable and affordable and will not affect the ability of the Trust Board to carry out its duties.
- What risks have been identified and how they will be managed.
- How the unpaid trustees will be able to review performance, judge value for money and, if necessary, bring the payments to an end.
- How conflicts of interest will be managed in accordance with the Conflicts of Interest Policy.

## **Appendix 1**

### Claim Form

This claim form consists of two sections. Section two must only be completed when payment has been made to another party, e.g. child carer.

Section one

<b>Name of Trustee/local governor:</b>		<b>Date:</b>
<b>Date of expenditure:</b>	<b>Details of expenditure:</b>	<b>Claim:</b>
<b>Total claim:</b>		<b>£</b>

I certify that the above expenses are actual and necessary and confirm that cash/cheque has been received.

<b>Signature of Trustee/local governor:</b>		<b>Date:</b>
<b>Signature of chief operating officer/SBM/Head of Governance and People:</b>		<b>Date:</b>
<b>Reimbursed by (name):</b>		<b>Date:</b>

Section two

<b>Duty of service, e.g. childcare:</b>	
<b>Name of provider:</b>	
<b>Amount received (£):</b>	
<b>Signature:</b>	
<b>Date:</b>	