



Cambridge Operatic Society

**Travel, Expenses & Purchasing
Policy**

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Version history

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Background

Applicability

All Cambridge Operatic Society CIO (“the Charity”) Trustees, Members, Associates and Volunteers are entitled to be reimbursed for out-of-pocket expenses that they legitimately incur while promoting and supporting the delivery of the Charity’s objectives.

This policy is based on the Charity Commission’s guidance for reimbursing out-of-pocket expenses incurred by Trustees as in its publication [“Trustee Expenses and Payments” \(CC11\)](#). Some sections of this policy have been taken verbatim from that publication. Crown copyright acknowledged.

Expenses vs Remuneration

In all cases it is important to ensure that the reimbursement of out-of-pocket expenses is not, nor gives rise to the perception of, making income payments (remuneration) to the recipient(s).

Expenses vs Purchases

Note that although claims for the reimbursement of purchases which have been personally and properly made on behalf of the Charity are usually made together with claims for the reimbursement of out-of-pocket expenses, they are not counted as expenses. Instead they are accounted for as part of the Charity’s general expenditure in the usual way.

Changes to the Policy

The Charity reserves the right to change its Expenses Policy to maintain consistency with current accepted best practice, and otherwise to meet the needs of the Charity or any legal or regulatory requirements

Policy

Scope

Trustees, Members, Associates and Volunteers are entitled to be reimbursed by the Charity for all travelling and other expenses actually, necessarily, reasonably and incidentally incurred by them in carrying out their duties, or if undertaking necessary actions as part of the required purposes of the Charity, on submission of an appropriately authorised claim form (See Appendix B) and relevant supporting point-of-sale receipts.

Travel to and from auditions, rehearsals and performances are not covered, unless they are specifically agreed and form part of a contract of engagement (e.g. travel expenses that form part of a Director’s contract for a production).

“**The Charity**” means Cambridge Operatic Society CIO.

“**Actually**” means that the claimant actually incurred the claimed expenditure. e.g. the bus fare for a journey cannot be claimed if the claimant had decided to leave earlier and walk the journey instead.

“**Necessary**” means that the charitable activity could not have been undertaken efficiently and effectively without incurring the expenditure.

“**Reasonable**” means that the cost of the expense must be commensurate with prudent, value-for-money use of the Charity’s funds to promote and deliver its charitable purposes.

Authorisation

Expenses, goods and/or services may only be incurred/purchased, and subsequently reimbursed by the Charity, in respect of activities which are part of the Charity’s agreed and budgeted programme of charitable activities (i.e. by prior agreement with the Business Manager or Treasurer).

Gifts in Kind (Waived or Unclaimed Expenses/Purchases)

Some Trustees, Members, Associates and Volunteers occasionally choose to waive, or not to claim, a reimbursement of expenses and/or purchases to which they would otherwise be entitled.

The Charity greatly appreciates the generosity of all who choose to act in this way. However not claiming reimbursement of legitimate expenses/purchases, can cause some unforeseen consequences that may not necessarily be in the best interests of the charity:

- It causes the real costs of the Charity's activities (i.e. including those costs which are subsidised by supporters) to be under-recorded and, therefore, under-reported (e.g. in the Charity's Annual Report & Financial Statements);
- It can undermine effective budgeting if a volunteer who has hitherto not claimed their expenses is unable to continue to do so, or is replaced by someone else who is unwilling to do so;
- It hides the true generosity of the Charity's supporters, particularly their financial generosity which goes unrecorded and, therefore, unreported;
- It means that the effective gift of their expenses is not eligible for supplementation by Gift Aid;
- Under-reporting the Charity's costs and the generosity of its supporters can hamper the making of effective appeals and applications for further funds for the Charity.

Accordingly, the Charity encourages all those who can legitimately claim reimbursement of their expenses do so. This includes those supporters who are minded to waive or not claim their reimbursement as a personal gift to the Charity. Rather they should claim the reimbursement to which they are entitled and then back-donate it to the Charity, thereby making it eligible for Gift Aid.

Please see Appendix A for further detail and HMRC processes.

Procedures: Reimbursement of Expenses / Purchases

Submitting Claims for Reimbursement of Expenses & Purchases

- Claims for the reimbursement of expenses, good or services must be submitted on the Charity's approved claims form. Ad hoc claims will not be considered.
- Claims for the reimbursement of expenses must be accompanied by documentary evidence of the expense (e.g. point-of-sale receipt, travel ticket, etc).
- Where such evidence is not available the claimant should contact the Treasurer to provide further details. The Charity will reserve the right to decline to reimburse expenses for which reasonable documentary evidence/details has not been provided.
- Trustees' expenses must be authorised by the Chair or Treasurer.

Please claim any expenses within a reasonable time (this is set at within 60 days of the activity – or later by agreement with the Business Manager or Treasurer)

Subsistence

The Charity will not normally reimburse expenses for overnight stays away from home or subsistence/meal costs. If such a need arises, it must be agreed in advance with the Business Manager or Treasurer so that reasonable arrangements may be made.

The contract of engagement for professional Directors or creative team members will form part of their separate contractual arrangements, and this is not covered or enabled by this policy.

Other Types of Expenses

Any expenses not detailed above may be paid if authorised (in advance whenever possible) by the Treasurer or Business Manager, using the Charity expenses claim form.

Purchases

Purchases are sometimes required to ensure that the Society can operate sufficiently on a day-to-day basis. These can include items such as:

- Website subscription costs
- Marketing materials
- Subscription costs (such as accountancy systems, NODA membership etc.)
- Props, Consumables and Ancillaries for Productions
- Set/Costume Hire
- Refreshments
- Venue Hire

A budget is produced for each financial year by the Treasurer and Business Manager, which in turn is approved by the Trustees.

An incidental/petty cash facility is available where the following limits apply without requiring approval from the Committee:

Committee Members/Trustees

A £50 transaction limit drawn from a budget agreed annually by the Committee. Any spend below this limit will not require approval from the Committee. If the transaction limit is exceeded then further approval is required by the Treasurer or Business Manager and a record of all such spend must be submitted. Spend against this budget is reportable to the committee on a quarterly basis by the Treasurer.

Volunteers/Non-Committee Members/Non-Trustees

An incidental/petty cash facility is available during Production periods to non-Committee members (volunteers, productions teams etc.). All spend regardless of value must be approved by the Business Manager or Treasurer in advance who are the accountable budget holders.

Reimbursement of Expenses / Purchases

Valid claims will be authorised for reimbursement as soon as is reasonably practical after receipt. Payment will usually be made by BACS transfer directly to the claimant's bank account.

Appendix A

“Waiving” Reimbursed Expenses as a Gift Aided Donation

HM Revenue & Customs Guidelines – i.e. Rules – on Gift Aid Donations

HM Revenue & Customs guidelines on what constitutes a Gift Aid donation are:

3.4.4 A donation must be a payment of a sum of money. A donation cannot be made in kind, by loan waiver or by debt/loan conversion.

What this means is there cannot be any form of quid-pro-quo exchange or “deal” between the Charity and the claimant/donor along the lines of “don’t reimburse my expenses claim, keep the money as a donation”.

The Charity first has to make an actual repayment of the expenses claim in a way that is verifiable by HMRC (usually by BACS transfer or by cheque to the claimant’s own account) and then the claimant must separately make a similar, reciprocal, verifiable donation to the Charity. The donation has to be made by cheque or BACS/online payment (and also by debit or credit card if the Charity is able to accept such card payments).

This can cause difficulty for supporters who frequently incur small expenses which they are happy to “donate” to their charity and would be even happier to be able to add the extra “bonus” of Gift Aid to their generosity.

Deferred Reimbursement of Expenses

Where a claimant is intending to donate the reimbursement of their expenses/purchases claim back to their charity, the process of making a separate “claim – reimbursement – donation” procedure on each occasion can be reduced if the claimant is willing make the claim in the usual way but to allow the charity to defer the reimbursement (e.g. till the end of the charity’s financial year).

Procedure

- Claimants who are considering waiving their claim as a gift to the Charity should tick the “Defer Reimbursement” box on the Expenses & Purchases Reimbursement Claim Form (attached).
- The Charity will maintain a record of those deferred claims in the same way as for any other outstanding payment.
- About a month before the end of the deferred payment date (i.e. the end of the Charity’s financial year) it will make to the claimant one single reimbursement for the total of all their outstanding (i.e. deferred) expenses claims.
- The claimant then has 3 options:
 1. They can decide that they would like to keep the reimbursement of their expenses. In that case they need take no further action (other than banking the cheque if that is the method of reimbursement). It is emphasised that everyone is completely entitled to do that – it will not cause any difficulty to the Charity and nor should it to the claimant. Donations to the Charity are, and always will be, entirely voluntary. So claimants should not feel obliged to honour any earlier suggestion that they would donate the reimbursement of their expenses back to the Charity.
 2. Having received/banked the reimbursement of their expenses the claimant then makes a single donation of their choice (i.e. it could be for the same amount as their total reimbursement, or less, or more as they see fit) by cheque, BACS transfer, or – if the Charity is able to receive it – by debit or credit card.
If the claimant has included (or has previously made) a Gift Aid Declaration the Charity will then be able to reclaim the Gift Aid on their donation. The current version of the HMRC Gift Aid Declaration form can be found by searching the internet for “*Gift Aid Declaration Form*”

(but make sure that you only use the form from a gov.uk website).

3. If, having received reimbursement by cheque, the claimant feels that the process of banking it and writing another cheque back to the Charity is not tenable, they can still waive the reimbursement for the benefit of the Charity. They just write "Cancelled" on the front of the cheque and return it to the Charity.
This will enable the Charity to document the expenses claimed and the claimant's generosity in waiving them, but the Charity will not then be able to claim Gift Aid on the amount.

