

**Ruyton XI Towns
Parish Plan Steering Committee**

Draft Expenses Policy

Enclosed is a simple table suggesting our policy on Expenses – obviously yet to be considered by the full Committee.

In the Left Column are the Guidelines contained on the Volunteering England Web Site (www.volunteering.org.uk) This is the one that Ros advised at our meeting on 10th July. I have done a little research and agree that this forms the “National Standard” – many Policies for other Groups published on the Web are obviously drawn from this.

In the Right Column are my suggestions for how we should interpret each section. I shall keep it simple – our main task is to Assemble a Parish Plan – but it is wise to have some ground-rules.

<p>Volunteer Expenses - overview</p> <p>There are a number of definitions of volunteering, but they generally boil down to describing an activity that is socially useful, freely entered into and unpaid. But the lack of payment doesn't mean that volunteers should be out of pocket after giving their time. The reimbursement of expenses should be a straightforward matter, but there are a number of legal or good practice issues to be aware of.</p>	
<p>Why reimburse?</p> <p>It's not unknown for managers of organisations to query why they should reimburse expenses. Some volunteers too might feel that they shouldn't take money from a charity.</p> <p>The reimbursement of expenses is an equal opportunities issue. The cost of travelling and a meal eaten out is significant to someone on benefits or a low income. Any organisation serious about involving a diverse range of volunteers should reimburse expenses. Volunteer expenses should be built into any funding application.</p> <p>It's worth remembering too that volunteers are making a gift of their time – one that has substantial monetary value. They should not be expected to give up money as well.</p>	<p>We should adopt a Policy of Reimbursement.</p>
<p>Which expenses should be reimbursed?</p> <p>In general any reasonable expense incurred as part of the voluntary work should be reimbursed.</p> <p>This can include:</p>	<p>Yes.</p>

<ul style="list-style-type: none"> • travel to and from the place of volunteering. • travel while volunteering. • meals taken while volunteering. • care of dependants, including children, during volunteering. • postage, phone calls, stationery etc. • cost of protective clothing/special equipment etc. <p>It's fine to put sensible limits on some expenses to prevent the unlikely occurrence of a volunteer ordering steak and champagne for lunch then presenting your finance team with the receipt. But be sure to set your limit at a level that allows volunteers to have a hot meal and drink in the local cafés.</p> <p>It is also reasonable to ask volunteers to come in by the cheapest reasonable form of public transport. Do remember though that it may be necessary for some volunteers to take taxis – because of disability, for example, so try to be flexible and budget for extra costs.</p> <p>HM Revenue and Customs (formerly the Inland Revenue) sets a rate for the reimbursement of driving expenses. They are set at a level to take into account depreciation and other running costs as well as fuel.</p> <p>HM Revenue and Customs approved mileage rates 2006-2007. Cars and vans – 40p per mile for the first 10,000 miles, 25p per mile over 10,000. Motorcycles – 24p per mile.</p>	<p>No need for this – we are all within walking distance – though some may choose to drive! However, expenses should be covered for any disabled or otherwise infirm member of the Committee.</p> <p>Yes – this might be to Oswestry or Shrewsbury for a meeting, for example. Or driving about sticking notices up.</p> <p>Yes, if the travel period includes a normal meal time. Limited to £8 and supported by receipts?</p> <p>Yes – I suggest minimum wage rate contribution?</p> <p>Yes, with receipts.</p> <p>Yes, with receipts.</p> <p>I can't see that this can apply to our environment. We should use the car rate below, and car-share where possible.</p> <p>Cars 40p/mile, Motorcycles 24p/mile, Bicycles 20p/mile The individual needs to consider</p>
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<p>Bicycles – 20p per mile. (See the Volunteering England information sheet on 'Volunteer Drivers' for more information.)</p>	<p>tax implications – they may exceed 10,000 if this is in addition to employment travel, for example.</p>
<p>How to reimburse expenses It's extremely important to reimburse out of pocket expenses only. This means reimbursing against receipts, bus tickets etc. Some organisations prefer to pay a flat rate – eg £5 a day. While this might be simpler to administer in terms of admin, it can cause problems for both the organisation and its volunteers.</p> <p>Volunteers in receipt of benefits are entitled to receive out of pocket expenses only. Claimants receiving more than their actual expenses may lose part of their means tested benefit, and the nature of their volunteering may also be called into question.</p> <p>Money over and above out of pocket expenses is regarded as income by HM Revenue and Customs, and is therefore taxable. Note that the entire sum a volunteer received would be taxed, not just the portion above the actual expense. It is likely too that the organisation would have to put such volunteers through PAYE, as HM Revenue and Customs would treat such 'volunteers' as they would employees.</p> <p>Local tax offices may in rare circumstances agree flat rates for volunteer expenses, but this would not prevent the payments being regarded as income for the purpose of benefits. The flat rate expenses could also be regarded as payments forming part of a contract by a tribunal or similar body.</p> <p>Asylum seekers who volunteer are only allowed to receive out of pocket expenses. They must not be given something that would be regarded as income.</p> <p>Expenses payments that exceed volunteers' actual costs may be regarded as a payment in return for the work they have carried out. This could be regarded as a contract by a tribunal or similar body, giving the volunteers the same rights as workers or employees – including the national minimum wage. This is a complex issue. For more information contact Volunteering England's information team (contact details below).</p> <p>Some organisations try to avoid the above problems as referring to payments to volunteers as 'honoraria'. While HM Revenue and Customs does accept genuine one off payments as non-taxable gifts, such payments are likely to</p>	<p>We will only reimburse out of pocket expenses. No payment for time etc. and no Honoraria payments. Expenses will be reimbursed by cheque only – to ensure our Accounts reconcile. Only against receipts, except for mileage and carers.</p>

<p>affect benefits. If the honorarium is in any way expected it may also be regarded as a payment for services, affecting the legal status of the volunteers.</p> <p>In any case, even for tax purposes a honorarium should be a genuine one-off ‘thank you’ payment. If it is expected, hinted at or regularly given it would be treated as any other taxable income.</p>	
<p>For all the above reasons it is important to reimburse out of pocket expenses only, which means asking volunteers to produce receipts, bus tickets etc. It makes sense to create a simple claim form that you can keep with copies of the documentation.</p> <p>Some organisations only reimburse expenses on a monthly basis. This might be easier for the organisation to manage, but it can be very difficult for people on low incomes to wait that long to be reimbursed. Volunteers should be able to claim back expenses as soon as possible.</p> <p>For this reason organisations should consider reimbursing expenses in advance. This is now permissible for volunteers on benefits under the Social Security Amendment (Volunteers) Regulations 2001. The reason this was introduced was to recognise that for a person on benefits it can be hard to come up with the money for travel, food etc even if it is reimbursed later. Note that this is still reimbursement. Any unspent money should be returned, and evidence of the expenses should still be collected.</p> <p>It’s generally much better for volunteers to receive their expenses as cash rather than a cheque. Some people do not have bank accounts, and in any case cheques have to clear.</p>	<p>We shall use the “Volunteer England” Sample Claim Form – modified only to “Personalise” it to our Committee. (I will circulate a sample)</p> <p>Expenses can be claimed as soon after incurring them as required. Expenses over 3 months old when presented will not be considered.</p> <p>In exceptional circumstances there may be a need to pay expenses in advance. These will be considered on a case-by-case basis.</p> <p>I suggest our Policy is to pay by cheque only. This avoids the need for a “petty Cash” tin, and the Bank keeps good records. However, if this presents a problem, we can reconsider.</p>
<p>As mentioned earlier, some volunteers may feel that they do not need or even should not be offered expenses. Explain the equal opportunities issue – that not everyone can afford to write off costs incurred through volunteering. It’s important that there is no stigma attached to claiming expenses, so it would be better if everyone put in a claim, even if they returned the sum as a donation. Another key reason for encouraging everyone to take their expenses is so that organisations have an accurate picture of volunteer costs for funders.</p>	<p>These are good points – in our case, the point about “matched” funding may well be relevant. We can give a copy of our Policy to any co-opted members as the need arises.</p>