

REIMBURSEMENT OF EXPENSES & PURCHASES

Policies & Procedures

Background

Applicability

All Trustees, Members, Staff, Associates and Volunteers are entitled to be reimbursed for out-of-pocket expenses which they legitimately incur while promoting and supporting the delivery of CRESS UK's objects.

These Policies & Procedures apply to all persons involved with Small Charity Support, though employees are also subject to taxation law in relation to such payments.

These Policies & Procedures are based on The Charity Commission's guidance on reimbursing out-of-pocket expenses incurred by Trustees as in its publication "Trustee Expenses and Payments" (CC11)

www.gov.uk/government/publications/trustee-expenses-and-payments-cc11/trustee-expenses-and-payments

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 – OR DOES NOT APPEAR TO BE – a disguise for making income payments (remuneration) to the recipient(s).

Expenses vs Purchases

Note that although claims for the reimbursement of purchases which have personally and properly made on behalf of CRESS UK 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 CRESS UK's general expenditure in the usual way.

Waiving Expenses (Donating Expenses as "Gifts-in-Kind")

Supporters who generously waive their expense or purchases as "donations" to CRESS UK inadvertently create some difficulties. If reimbursement of expenses/purchases is not claimed they cannot be entered into CRESS UK's accounts to show both the true costs of running CRESS UK and the generosity of its supporters. This can hamper funding applications.

Furthermore, even if the amount of the waived expenses/purchases is notified to CRESS UK and entered into the accounts, CRESS UK is not able to claim any Gift Aid that might otherwise have been available on the donation because Gifts-in-Kind are specifically excluded from Gift Aid under HMRC rules.

Supporters who are thinking of waiving their expenses/purchase claims should therefore first read the section on Deferred Reimbursement of Expenses & Purchases.

Changes to the Policy

CRESS UK reserves the right to change its Expenses Policies & Procedures to maintain consistency with current accepted Best Practice, and otherwise to meet the needs of CRESS UK.

Whenever possible CRESS UK will give appropriate advance notice of any such changes.

However CRESS UK reserves the right to change these Expenses Policies & Procedures with minimal or no notice when reasonably expedient to do so.

Policy

Scope

Employees and volunteers are entitled to be reimbursed by CRESS UK for all travelling and other expenses actually, necessarily, reasonably and incidentally incurred by them in carrying out their duties, on submission of an appropriately authorised claim form and relevant supporting point-of-sale receipts. However, taxation law does NOT permit paid employees to claim travel expenses from their home to their normal place of work.

“Actually” means that the claimant actually incurred the claimed expenditure. eg: 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 CRESS UK’s funds to promote & deliver its charitable purposes. Thus, the cost incurred must be competitive with (ie: similar to) the costs of alternatives of similar quality and suitability-for-purpose.

However, this does NOT mean that the cheapest goods/services must always be purchased. Where the additional benefits **TO THE CHARITABLE ACTIVITY BEING PROMOTED/DELIVERED** demonstrably outweigh the additional cost of more expensive goods/service they can be chosen in preference to the cheaper alternatives. However, the claimant must always be ready and able to give a credible justification for their choice if challenged.

“Incidental” means that the expense(s) must not have been determined by considerations unrelated to CRESS UK activity being promoted/delivered. For example: the claimant had attended a meeting the venue for which had been chosen specifically because it also enabled the claimant to visit a nearby friend. In such a scenario, even though the costs of attending the meeting in that venue would otherwise have been necessary and reasonable, they would not also have been incidental and, therefore would not be eligible for reimbursement.

Authorisation

Expenses may only be incurred, and subsequently reimbursed by CRESS UK, in respect of activities which are part of CRESS UK’s agreed and budgeted programme of charitable activities (ie: by PRIOR agreement with the relevant budget-holder).

Likewise, good and/or services may only be purchased on behalf of CRESS UK, and subsequently reimbursed, in respect of activities which are part of CRESS UK’s agreed and budgeted programme of charitable activities (ie: by PRIOR agreement with the relevant budget-holder).

Gifts in Kind (Waived or Unclaimed Expenses/Purchases)

Some Trustees, Members, Staff, Associates and Volunteers effectively make a donation to their charity by choosing not to claim a reimbursement of expenses and/or purchases to which they would otherwise be entitled.

CRESS UK greatly appreciates the generosity of all who choose to act in this way.

However not claiming reimbursement of legitimate expenses/purchases is not necessarily in the best interests of CRESS UK:-

It causes the real costs of CRESS UK's activities (ie: including those costs which are subsidised by supporters) to be under-recorded and, therefore, under-reported (eg: in CRESS UK'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 CRESS UK's supporters, particularly their financial generosity which goes unrecorded and, therefore, unreported;

It means that their effective donation to CRESS UK by not claiming reimbursement of their expenses/purchases is not eligible for Gift Aid in the way that it would have been if they had claimed the reimbursement and then donated that money back to CRESS UK;;

Under-reporting CRESS UK's costs and the generosity of its supporters can hamper the making of effective appeals and applications for further funds for CRESS UK.

Accordingly, CRESS UK 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 CRESS UK. Rather they should claim the reimbursement to which they are entitled and then back-donate it to CRESS UK, thereby making it eligible for Gift Aid.

The procedures for doing that are detailed later under the heading "Waiving" Reimbursed Expenses/Purchases as a Gift Aided Donation.

Procedures: Reimbursement of Expenses & Purchases

Submitting Claims for Reimbursement of Expenses & Purchases

Claims for the reimbursement of expenses must be submitted on CRESS UK'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 (eg: point-of-sale receipt, travel ticket, etc).

Where such evidence is not available the claimant must provide a written explanation to the Treasurer for approval;

CRESS UK reserves the right to decline to reimburse expenses for which reasonable documentary evidence has not been provided;

Employees' and volunteers' completed expenses claim forms must be authorised by their respective line manager or CRESS Office Manager;

Trustees' expenses must be authorised by the Chair or Treasurer;

All expenses claims must be submitted within 30 days of the relevant activity.

Expenses may only be claimed later than 30 days with prior approval from the Treasurer.

Expenses claim forms may also include claims for the reimbursement of goods/services purchased by the claimant on behalf of CRESS UK.

Claims for the reimbursement of purchases must be accompanied by documentary evidence of the each purchase (eg: point-of-sale receipt, travel ticket, etc).

Travel Expenses

Public transport should be used wherever possible.

When it is not practical to use public transport, or where more than one employee or volunteer is travelling the same journey, travel by private vehicle (car, motorcycle, etc) is allowed and a mileage allowance (at the rates available from CRESS UK office) will be paid.

You may only use your private car in connection with Charity business if, at the time of each journey, it has a valid: (a) certificate of insurance for the kind of journey involved; (b) road tax (if required); (c) MOT certificate (if more than 3 years old).

Mileage should be claimed from your normal place of work unless you are travelling from home and the distance is less than that from your normal place of work in which case you should claim from home.

Parking costs incurred when on charity business away from the normal place of work will be reimbursed.

Taxis (preferably pre-booked mini-cabs rather than "on demand" hire) may be used where either no public transport is available or the journey time by public transport is unreasonably long (particularly where the journey involves multiple changes).

Subsistence

Subsistence costs (eg: for refreshments, meals & hotel accommodation) can only be claimed when an employee or volunteer is on authorised Charity business away from his/her normal place of work for more than 4 consecutive hours.

Telephone Calls

CRESS UK will reimburse employees and volunteers for the actual costs of calls made from their personal telephones made whilst carrying out work for CRESS UK because Charity-provided telephone services were not available.

This includes calls made on a home or mobile telephone or in a public call box.

No 'reimbursement' will be made for the notional cost of calls which incurred no actual cost to the claimant because they were covered by a contract which included an allocation of 'free' calls;

Other Types of Expenses

The above examples of expenses claims are illustrative, not definitive.

Expenses not detailed above will only be paid if authorised (in advance whenever possible) by the Treasurer or, if not available, a person appointed by the Trustees to act on his/her behalf.

Reimbursement of Expenses & Purchases

All claims submitted for the reimbursement of expenses incurred on Charity activities and/or purchases made on behalf of CRESS UK will be vetted for compliance with charity law, taxation law and these policies and procedures before being authorised for reimbursement.

Claims which are not in the prescribed form, incomplete (eg: missing required supporting documents), inaccurate or otherwise not compliant with relevant legislation will be returned for correction or rejected.

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. Alternatively payment can be made by cheque or, in the case of small claims (less than £5) may instead be made by cash, where appropriate.

“Waiving” Reimbursed Expenses/Purchases as a Gift Aided Donation

HM Revenue & Customs Guidelines – ie: Rules – on Gift Aid Donations

HM Revenue & Customs guidelines on what constitutes a Gift Aid donation are absolutely specific. The relevant information is contained in section 3.41 of HM Revenue & Customs guidance Chapter-3 Gift Aid: <https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid>

The key clauses are:

3.41.2 One of the requirements of the Gift Aid Scheme is that the gift by a donor to a charity ‘takes the form of a payment of a sum of money’. So a Gift Aid payment to a charity cannot be made by book entries following a waiver of expenses.

3.41.3 CRESS UK must physically pay the expenses to the volunteer. The volunteer is then free to keep the money or pay part or all of it back to CRESS UK as a Gift Aid payment. If they give all of the expenses paid back to CRESS UK, they're not returning the expenses but making a payment of an equivalent amount.

.....but Small Charity Support recommends that you look at the whole section 3.41, which is not long.

What this means is there cannot be any form of quid-pro-quo exchange or “deal” between CRESS UK and the claimant/donor along the lines of “don't reimburse my expenses claim, keep the money as a donation”. CRESS UK 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 CRESS UK. The donation has to be made by cheque or BACS/online payment (and also by debit or credit card if CRESS UK is able to accept such card payments).

This makes life particularly difficult 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. But, not surprisingly, the rigmarole of each time having to claim an actual monetary

reimbursement of their expenses and then make a separate actual monetary donation to their charity on a claim-by-claim basis simply makes the process hideously inefficient and impractical for most small claims.

Deferred Reimbursement of Expenses & Purchases

Where a claimant is intending to donate the reimbursement of their expenses/purchases claim back to their charity, the rigmarole of having to go through 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 CRESS UK to defer the reimbursement (eg: till the end of CRESS UK’s financial year).

Procedure

Claimants who are considering waiving their claim as a gift to CRESS UK should tick the “Defer Reimbursement” box on the Expenses & Purchases Reimbursement Claim Form (attached or online).

CRESS UK 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 (ie: the end of CRESS UK’s financial year) it will make to the claimant one single reimbursement for the total of all their outstanding (ie: deferred) expenses claims.

The claimant then has 2 options:

They can decide that they would like to keep the reimbursement of their expenses after-all. 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 or embarrassment to CRESS UK and nor should it to the claimant. Donations to CRESS UK are, and always will be, entirely voluntary. So claimants should not feel legally obliged to honour any earlier suggestion that they would donate the reimbursement of their expenses back to CRESS UK.

Having received/banked the reimbursement of their expenses the claimant then makes a single donation of their choice (ie: 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 CRESS UK is able to receive it – by debit or credit card.

If the claimant has included (or has previously made) a Gift Aid Declaration CRESS UK 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).

CRESS Expenses & Purchases Reimbursement Claim Charity No: 1141343

Description:			
Vchr	Item	Amount	
Total Reimbursement Claimed			

I claim reimbursement of the above out-of-pocket expenses and/or purchases which were actually, necessarily, reasonably and incidentally incurred by me in promoting the purposes of CRESS UK.
Once approved I would like the reimbursement to be:

- ☐ made immediately (tick as appropriate – see Policies & Procedures for more details)
☐ deferred until the end of the Charity's financial year

Please make the reimbursement by: ☐ cash (*less than £20 only*), ☐ cheque, ☐ BACS (*on-line*)

For reimbursement by BACS my bank sort-code is:

	-		-	

And my 8-digit account number is:

Name: (Print) Approved: (Print)

Signed: Signed:

Date: Date:

Notes on Completing the Form

- ☒ Please provide original point-of-sale vouchers for all expenditures, wherever possible.
- ☒ Identify each sales voucher, receipt, etc with a unique number in a circle (eg: ④) and write the number in the column headed "Vchr".
- ☒ Please remember to SIGN & date the form above. The date should be the date when you make the claim, not the date when the expenses were incurred.
- ☒ If you have any problems or queries please contact the Treasurer.

CONTACT DETAILS

This policy has been approved and authorised by the Trustees:

Name:	Jeremy Metcalfe OBE
Position:	Chair of the Trustees
Date:	29 June 2026
Signature:	
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