



# The Royal School

*Wolverhampton*

## Governor Expenses Policy

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## Statement of intent

At **The Royal School, Wolverhampton**, we are dedicated to good practice and ensuring equality through school processes.

Academies are free to decide whether they wish to pay allowances and expenses to governors. **The Royal School, Wolverhampton** believes that no governor should be out-of-pocket in respect to carrying out their duties on behalf of the academy and, therefore, payments for governors are important in ensuring equality for all governors of the school community.

**The Royal School, Wolverhampton** encourages all governors to submit claims for reasonable expenses incurred whilst carrying out their duties.

Signed by:

_____	Headteacher	Date: _____
_____	Chair of governors	Date: _____

## 1. Legal framework

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

- The Charities Act 2011
- The Governance Act 2006

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

- Charity Commission (2012) 'Governor expenses and payments'
- DfE (2015) 'Governance handbook'

## 2. What are expenses?

For the purpose of this policy, "**expenses**" are refunds paid to governors to cover the costs incurred whilst fulfilling their duties for the academy.

Allowances of properly incurred expenses are not a payment to governors for their services, nor do they count towards any kind of personal benefit.

## 3. What can governors claim expenses for?

Governors of **The Royal School, Wolverhampton** are permitted to claim expenses in the following instances, on a case-by-case basis and with prior approval from the **board of governors**:

### Travel:

- Claims for expenses may be made for travel between the governor's household and the academy in their personal car, at the level of mileage rates published by HM Revenue and Customs (HMRC) (45 pence per mile).
- The nature of the travel must be related to the work of the **board of governors**, e.g. governor meetings, training courses, etc.
- Payments will be reimbursed for use of public transport or taxis, upon production of a valid receipt.
- The costs of parking for business away from the academy, where necessary, will be returned upon production of a valid receipt.

### Hospitality:

- Claims for expenses may be made for the costs of meals taken whilst undertaking their governor duties and upon production of a valid receipt.
- The costs for reasonable overnight accommodation and subsistence while attending governor meetings or conferences will be reimbursed.

### Childcare:

- In cases where a governor does not have a spouse or family member to care for a child/children when the governor must attend meetings relating to the work of the **board of governors**, expenses will be returned for the cost of childcare or a babysitter.
- Allowances will also be reimbursed for the cost of care for elderly or dependant relatives where the governor must be absent due to their governor duties.

### Specific needs:

- Governors may claim allowances for expenses relating to specific needs incurred when carrying out approved duties.

- The circumstances in which 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.

#### **Telephone charges, broadband, photocopying, stationery, etc.:**

- Claims for reimbursements can be made where a governor is unable to use the academy's facilities for any of the above.
- Allowances will be returned upon production of a valid receipt, where appropriate. In all other cases, a full written report must be submitted.

NB. This list is not exhaustive and the academy may decide to reimburse in other instances; however, this will be discussed by the **board of governors** prior to any repayment of expenses.

## **4. Payments which do not count as expenses**

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 for the academy
- Payments for private telephone bills for business unrelated to the academy
- Payments for private medical insurance
- Petrol mileage rates above the mileage rates published by HMRC (45p per mile)
- Parking fines

NB. This list is not exhaustive and the academy may decide to reject other requests for expenses which are excessive, false or unreasonable.

Any governor that attempts to claim expenses which are excessive or false, as outlined above, may be liable to removal from the **board of governors** and, if the expense has already been reimbursed, may be liable to repay the academy for the amount paid.

## **5. Governor payments**

Governor payments differ to allowances such that they are payments granted to the individual or to a 'connected person', which have significant personal benefit.

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

These benefits can also include payments for serving as a governor as well as payments to a governor as an employee of the academy in a separate role, e.g. headteacher or chief executive who is also a member of the **board of governors**.

Governors may also receive benefits "in kind", i.e. free use of the academy's facilities for which other users would need to pay.

Such payments are eligible for a taxable income and, therefore, the academy will only grant these payments if there is suitable authority from the Charity Commission to do so and the governing document does not prohibit these payments.

The Charity Commission will only authorise these payments where it has been clearly shown to be in the academy'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 governors is in the longer-term interests of the academy

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

- There is a written agreement between the academy and the governor 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 governor concerned will not partake in decisions made by the **board of governors** concerning the making of the agreement or the acceptability of the service provided
- The payment is reasonable in relation to the service provided
- The **board of governors** follows the duty of care guidelines outlined in the Governor Act 2000
- The total number of governors, or those connected to the governors, who are receiving the payment is a minority
- There is no prohibition against payment of a governor
- The Charity Commission's guidance surrounding governor payments has been considered and adhered to where relevant
- The payment is in the best interests of the charity.

Any written agreements for payments to governors will be recorded separately to minutes and will address the necessary criteria, as outlined in the 'Governor expenses and payments' document.

When exercising the duty of care in deciding whether a payment to a governor is viable, the academy will fulfil its requirements to:

- Exercise the power responsibly in the best interests of the charity.
- Seek professional advice when in doubt.
- Be clear that the payment of a governor can be justified.
- Ensure that conflicts of interest are properly and openly managed in accordance with the academy'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 academy's accounts.

In the application to the Charity Commission to approve a payment, the academy will demonstrate:

- What steps have been taken to recruit governors without payment for their services and, if none, the reasons why.
- Why it is considered advantageous to the academy to pay a governor.
- Whether the functions to be carried out are genuinely those of a governor.
- That the payment is reasonable and affordable, and will not affect the academy's ability to carry out its duties.
- What risks have been identified and how they will be managed.
- How the unpaid governors 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**.

## 6. Reimbursement for loss of earnings

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.

The academy will consider this type of payment to be viable where the governor:

- Brings particular skills or perspectives which are valuable.
- Cannot afford to serve as a governor as their employer does not pay them for their time spent undertaking their duties for the academy.
- Is self-employed, and carrying out their 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 governor, whichever is lower.

## 7. How are expenses claimed?

Governors should claim expenses on a **termly** basis, unless the amount to be claimed is substantial and/or urgent.

Claims should be made using a claim form, and submitted to the **school support manager**, **name of school support manager**, via the **school office**.

An example of the Claim Form which will be used by the academy can be found in the appendices.

Any claims will not be reimbursed unless authorised by the **headteacher**.

All claims will be subject to independent audit. If claims appear to be too frequent or excessive, the **board of governors** may ask for further details.

The academy will account for all expenses in the charity's accounts; this includes:

- Details of the payments and other benefits to governors and connected persons.
- Details of the legal authority upon which the payment has been made and the reasoning for it.

## 8. Monitoring and review

The **headteacher** will review this policy on an **annual** basis in conjunction with the **board of governors**, and will make any changes necessary.

All governors are required to familiarise themselves with this policy upon their appointment to the **board of governors**.

## 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

Name of governor :		Date:
Date of expenditure:	Details of expenditure:	Claim:
Total claim:		£

[To be completed once authorisation of the claim has been approved.]

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

Signature of governor:		Date:
Signature of Head or DFS:		Date:
Reimbursed by (name):		Date:

### Section two

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