



Financial Controls for Charities: Reimbursement of Expenses

It is important that controls over expense payments are applied without exception to all those involved with the charity: trustees, all staff and volunteers.

It is recommended that a written policy is in force for the payment of expenses, to ensure that the charity only reimburses legitimate expenses properly incurred on its behalf. The policy should clarify whether the charity pays expenses for travel, hotel, conference, business, training and out-of-pocket expenses, and, if so, on what terms.

The policy should set out the requirement to complete expenses claims and to provide receipts.

It is also recommended that:

- a formal expense policy should exist applying to all trustees, volunteers and staff, including the senior management
- the policy should be clearly communicated within the charity

- expense claims should be authorised by someone other than the claimant and checked for accuracy before payment
- expense claims should contain a self-declaration that the claim is accurate and incurred in connection with the business of the charity
- to minimise the charity's cash payments, reimbursement should where possible be made by cheque or bank transfer
- any mileage rate paid for car travel should be at HMRC rates that do not result in a tax or national insurance liability for the charity or the claimant

For further information or individual support & advice, please contact:

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