

# Lenham Community Centre

Charity No 1166995

## Expenses & Payments Policy

This Expenses and Payments Policy for Lenham Community Centre was agreed and adopted by the Lenham Community Centre Trustees at their meeting dated 9<sup>th</sup> September 2025 and is to be reviewed annually.

It is good practice for charities to have an expenses and payments policy. The detailed guidance from Charity Commission in relation to paying reasonable expenses is:

Paying reasonable expenses is a good way of ensuring that the whole trustee board participates in running the charity and, more generally, of ensuring that being a trustee is open to all. For example, this might be particularly relevant when seeking to recruit younger trustees or to ensure that people on low incomes can participate. Unless by personal choice, no trustee should be 'out of pocket' through carrying out their normal duties and responsibilities. Charities should have a written expenses policy, setting out what is recoverable as an expense and what is not, and they should ensure the policy is clearly understood by all the trustees. If trustee boards are in doubt about whether something qualifies as an expense, they should take professional advice. If the Commission decides that an item is a trustee benefit rather than an expense, and there is no power in the governing document to make the payment, the Commission may be able to approve it if it can be shown to be in the charity's interest to do so.

The concept of unpaid trusteeship has been one of the defining characteristics of the charitable sector, contributing greatly to public confidence in charities.

The basic principle is that trustees must not put themselves in a position where their personal interests' conflict with their duty to act in the interests of the charity unless authorised to do so.

### EXPENSES

Trustees are entitled to have their properly incurred, legitimate expenses met from the funds of the charity.

Expenses are refunds by a charity of legitimate payments which a trustee has had to meet personally in order to carry out their trustee duties. Expense claims should normally be supported by bills or receipts, except where it is impractical to expect this, for example, where very small amounts are claimed. A refund of properly incurred expenses is not a trustee payment, nor does it count as any kind of personal benefit. Trustees that seek reimbursement for legitimate, properly incurred expenses (which must relate to the actual cost incurred) agree to provide receipts or bills unless –

it has been agreed in advance in writing and approved by the Trustees;

or in an instance where a receipt was not supplied and it is less than £10.

Expenses are to be approved by the Chair or vice-chair or delegate before payments are processed.

## PAYMENTS

In certain limited circumstances payments to Trustees can be made. These are detailed in the Constitution (See Section 6: Benefits and payments to charity trustees and connected persons and Section 6.3: Payments for Supply of Goods only - Controls) which have been extracted from the Constitution (dated May 9<sup>th</sup> 2016)

The decision to make a payment to a Trustee must be made by those trustees who will not benefit. They must decide that the service is required by the Charity & agree that it is in the Charity's best interest to make the payment and when there is a clear & significant advantage to the Charity that will outweigh any disadvantages.

There are a number of conditions, all of which must be met before payment to a trustee for services can be made validly. The conditions are that:

- there is a written agreement between the charity and the trustee or connected person who is to be paid
- the agreement sets out the exact or maximum amount to be paid
- the trustee concerned may not take part in decisions made by the trustee board about the making of the agreement, or about the acceptability of the service provided - the payment is reasonable in relation to the service to be provided
- the trustees are satisfied that the payment is in the best interests of the charity
- the trustee board follows the 'duty of care' set out in the 2000 Act

- the total number of trustees who are either receiving payment or who are connected to someone receiving payment are in a minority
- there is no prohibition against payment of a trustee

It is also a condition that, before entering into this type of agreement, trustees must 'have regard to' the commission's guidance on the subject.

The commission has used section 4: Paying trustees for services of the Charity Commission's guidance on trustee expenses & payments (CC11) to provide this guidance and trustees must be able to show that:

- they are aware of this guidance
- in making a decision where the guidance is relevant, they have taken it into account
- if they have decided to depart from the guidance, they have a good reason for doing so

Prepared by : David Needham

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Approved By : Management Trustees

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