



Policy on Trustee Expenses, Hospitality and Payments

This is policy of the Confederation of School Trusts (hereafter, CST), on Trustee expenses and payments in accordance with the Charities Act 2011 and Charity Commission Statutory Guidance (CC11).

Our statement of general policy is to:

- Accept and protect the general concept of unpaid trusteeship, which is one of the defining characteristics of the charitable sector, contributing greatly to public confidence in charities - no trustee should be paid for serving as a trustee or carrying out their normal duties as a trustee, whether on the CST board or any of our subsidiary, wholly owned or part owned companies.
- Operate in a way that is open, transparent and accountable in relation to the expenses, hospitality and payments.
- Uphold the principles 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.
- Pay a trustee *only* where this is clearly in CST's interests and provides a significant and clear advantage over all other options.
- Assess any potential risks and manage conflicts of interest when any payments to trustees are agreed.
- Regularly review the performance of each trustee in receipt of payments.

Part one: Trustee Expenses

1.1 Trustees are entitled to have their expenses met from the funds of the charity. Expense claims should be made on CST's cash expenses claim form and should be supported by bills or receipts. Trustee expenses will normally be approved by the Chair. In the case of the Chair's expenses, approval will be by the audit and remunerations committee.

- a) The reasonable cost of travelling to and from trustee meetings, and on trustee business and events which have been approved by the board or the delegated authority of the Chair; this can include the cost of using public transport, taxi fares, and petrol allowances to the level permitted by HM Revenue and Customs (HMRC) before tax becomes payable:
- Train fare will be reimbursed at a rate which is no higher than 'standard class' – where first class rail fare is booked, CST will only pay for standard class travel on the same line and the same train. Where first class travel has been booked, a screenshot of the difference between these two amounts should be kept for the purposes of audit.
 - The maximum allowance per taxi journey is £20 unless by agreement.



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- Mileage claims are 45p per mile.
- b) Reasonable refunds for the cost of meals taken while on charity business – for lunch meals this should be limited to £10 and for evening meals, £25 per person.
- c) The cost of postage and telephone calls on charity business from itemised bills.
- d) Special transport, equipment or facilities for a trustee with a disability.
- e) Cost of reasonable overnight accommodation while attending CST events – overnight accommodation should be booked through the CST office and is limited to £120 per night (£150 per night for London), but every effort will be made to keep the price of accommodation as low as possible.
- f) Hospitality is generally permissible if approved by the board or the delegated authority of the Chair under a threshold of £30 and on the production of a receipt with details of the occasion - hospitality expected to exceed this amount should be agreed beforehand by the Chair.

Part two: Gifts and hospitality

2.1 Trustees may retain all gifts valued at £40.00 or under, whether given in recognition of presentations or otherwise. For gifts exceeding a value of £40.00 the following options are suggested:

- Share the gift with all staff;
- Raffle the gift for charity;
- Donate the gift to charity; or
- Make a donation to charity and keep the gift.

2.2 Hospitality offered should only be accepted where there is a direct link to working arrangements and a genuine business reason can be demonstrated, for example:

- Attendance or speaking at a conference, which provides complimentary subsistence,
- Travel and accommodation (this does not need to be declared on the register except where a gift was received);
- Attending at free training course;
- Attending working lunches or dinners; and
- Attending a drinks reception to network.

2.3 Trustees in receipt of gifts or hospitality should declare this as soon as possible after the offer or receipt of gifts or hospitality. All declarations are to go to the CST office in the required format as shown below. The CST office will record the declarations in the register. The register is an annual document and will be maintained on a calendar year basis and reported annually. It is recommended that trustees make their declaration by email.



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2.4 The declaration will need to include the following information:

- Date of offer of gift or hospitality, and date of event where relevant;
- Name, job title and organisation of recipient / provider;
- Nature and purpose of gift or hospitality received or declined;
- The name of any other organisation involved;
- Estimated value.

2.5 In exceptional circumstances it may be appropriate for CST to provide a gift of up to £40.00 in value, for example:

- providing a bouquet of flowers to a seriously ill employee, or to a longstanding
- employee who is retiring;
- giving a small token to someone who spoke at a CST conference free of charge;
- and making a contribution towards staff Christmas festivities.

2.6 It is acceptable for CST to provide hospitality with the Board's or Chair's prior approval in the way of working lunches and/or dinners to existing and potential policy makers, members and stakeholders subject to a genuine business reason.

Part three: Payments to Trustees and connected persons¹

3.1 Regulatory background and CST's governing document

3.1.1 Charity Commission statutory guidance states that trustees can be paid for providing services to the charity for which they are trustees. The power to do this, and the conditions attached to using it, were introduced by the Charities Act 2006 as a change to the Charities Act 1993 (now replaced by the Charities Act 2011).

3.1.2 3.1.2 A charity can pay a trustee for *the supply of any services over and above normal trustee duties*. The decision to do this must be made by those trustees who will not benefit. They must decide that the service is required by the charity and agree it is in the charity's best interests to make the payment and must comply with certain conditions.

3.1.3 3.1.3 CST's governing document allows for payments to trustees under certain conditions and in specific circumstances. At paragraph 8.3, our Articles of Association state:

¹ 'Connected persons' are broadly, family members or businesses connected with a trustee - see [section 3.4](#) of the Charity Commission Guidance.



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“A Trustee may not be an employee of the Charity, but a Trustee or a Connected Person may enter into a written contract with the Charity, to supply goods or services in return for a payment or other material benefit if:

8 3 1 the goods or services are actually required by the Charity,

8 3 2 the nature and level of the benefit is no more than reasonable in relation to the value of the goods or services and is set at a meeting of the Trustees in accordance with the procedure in Article 8.4, and

8 3 3 no more than one-third of the Trustees are interested in such a contract in any financial year.”

At paragraph 8.4 our Articles of Association state:

“Whenever a Trustee has a personal interest in a matter to be discussed at a meeting of the Trustees or a committee, he or she must:

8 4 1 declare an interest before the meeting or at the meeting before discussion begins on the matter

8 4 2 be absent from the meeting for that item unless expressly invited to remain in order to provide information

8 4 3 not be counted in the quorum for that part of the meeting, and

8 4 4 be absent during the vote and have no vote on the matter.”

3.2 Principles

- 3.2.1 To protect the general concept of unpaid trusteeship, it will not normally be our practice to pay trustees. CST will not pay a trustee for serving as a trustee or to carry out duties that can be reasonably expected of a trustee.
- 3.2.2 However, if it is clearly in the interests of CST and where there is a clear advantage, the CST Board may from time to time consider whether to pay a trustee for services. For convenience, reference to services in the remainder of this policy includes any goods provided to CST in connection with the provision of a specific service.
- 3.2.3 In these circumstances, the CST Board will properly assess any potential risks and manage conflicts of interest when considering whether to pay trustees. Risks and conflicts of interest will be managed in line with CST’s risk management policy and conflict of interest policy respectively.
- 3.2.4 CST will be open and transparent about the decision to pay, and be prepared to justify it if publicly challenged.
- 3.2.5 CST will disclose such payments in the annual accounts in accordance with Charity SORP guidelines.
- 3.2.6 The CST Board will review the effectiveness of each trustee in receipt of a payment from the charity and assess value for money.



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3.3 Procedure for payments to be agreed

- 3.3.1 Before entering into any type of agreement, the CST Board will have regard to the Charity Commission's guidance on the subject. The CST Board will record in writing that they are aware of the guidance and have taken it into account.
- 3.3.2 The CST Board will identify and record conflicts of interest and prevent them from affecting the decision.
- 3.3.3 The CST Board will exercise reasonable care when making their decision and may take legal advice if needed.
- 3.3.4 There will be a written agreement between CST and the trustee or connected person who is to be paid under [section 4.4](#) of the Charity Commission guidance.
- 3.3.5 The agreement will set out the exact or maximum amount to be paid under [section 4.4](#) of the Charity Commission guidance.
- 3.3.6 The trustee or trustees concerned will not take part in decisions made by the CST board about the making of the agreement, or about the acceptability of the service provided as per sections [4.4](#) and [5.5](#) of the Charity Commission guidance.
- 3.3.7 The CST Board will ensure that the payment is reasonable in relation to the service to be provided as per [section 4.6](#) of the Charity Commission guidance.
- 3.3.8 The CST Board will carefully assess whether the payment is in the best interests of CST as per [section 4.7](#) of the Charity Commission guidance.
- 3.3.9 The CST Board will follow the 'duty of care' set out in the 2000 Act as per [section 4.8](#) of the Charity Commission guidance. The CST board will act honestly and in good faith, and will exercise all reasonable care and skill in reaching the decision.
- 3.3.10 The total number of trustees who are either receiving payment or who are connected to someone receiving payment will only ever be in a minority as per [section 4.9](#) of the Charity Commission guidance, and never be more than one third of the Trust Board, as per CST's governing document.
- 3.3.11 The CST Board will regularly review the acceptability of the service provided and may at any time terminate the agreement if the service with immediate effect is not deemed acceptable.

Authorised signatory

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