

Association of Church Accountants and Treasurers

Director expenses policy and the award of ex-gratia payments

1. Purpose and general policy

- 1.1** The purposes of this director expenses policy are to:
- Provide a framework for expectations and budgeting of director expenses;
 - Provide accountability for the Board of directors of the Corporate Trustee of the Association of Church Accountants and Treasurers (ACAT);
 - Provide a level of confidence to external parties and other stakeholders;
 - Protect the integrity and reputation of directors.
- 1.2** In constructing this policy, the directors have paid due consideration to the Charity Commission guidance “Trustee expenses and payments (CC11)” and “Ex gratia payments by charities (CC7)”.
- 1.3** The purposes of the policy in awarding ex gratia payments are to:
- Provide a framework for expectations around when such payments might be made to comply with charity law;
 - Provide accountability for the Board of directors of the Corporate Trustee of the ACAT;
 - Provide a level of confidence to external parties and other stakeholders and protect the integrity and reputation of directors.
- 1.4** All directors and staff are recommended to read this guidance.

2. Directors and aspects that should not be paid

- 2.1** In constructing this policy, it is important to distinguish between payments that the Charity Commission considers as requiring special authority (those that provide profit or reward to a director) and those that are reimbursement of appropriate expenses incurred in order to fulfil the role the individual has in the charity.
- 2.2** Payments to either the director or to connected persons which are not considered to be appropriate expenses as referred to in 2.1 include the following:
- Reward for time spent;
 - Recompense for loss of earnings;
 - Allowances for living, domestic or other personal costs;
 - Honoraria, stipends or a non-contractual “thank you”;
 - Payment for goods sold or services to the charity;
 - Payment of rent or storage at a premises owned by a director;
 - Other items mentioned as not permitted in Charity Commission guidance CC11.
- 2.3** Where there is doubt over whether a payment would be in a category which the Charity Commission would consider to be a payment requiring authorisation by

the governing document or themselves, the directors should seek appropriate professional advice.

3. Definition of legitimate expenses to be claimed or paid away on behalf of directors

3.1 No expenses can be claimed unless they fall within both:

- the categories set out in Para 3.2 **and**
- within the budget levels of Para 3.3
- **unless** they have specific authorisation as set out in Para 3.4 **and**
- are incurred for the charitable purposes of the charity.

3.2 Expenses that do not require prior approval fall into the following categories:

- A. Travel to meetings at which the director will discuss or otherwise discharge the business of the charity.
- B. Accommodation/subsistence expenses for a meeting in A.
- C. Expenses of caring for children or dependents where this is required to allow the director to attend meetings (but normally only when a spouse or other suitable individual who regularly provides childcare was not available).
- D. Expenses incurred on items purchased for the work of the charity, where requested or authorised by the appropriate party or within an approved budget where the claimant is the budget holder.

3.3 The levels for expenses within Para 3.2 that do not need prior approval for claiming are:

- A. £150 per meeting.
- B. £150 per meeting.
- C. £100 per meeting.
- D. Up to the agreed budget amount.

3.4 Expenses outside of the categories in Para 3.2 or the budget levels in Para 3.3 can be approved for payment or claiming if the directors approve (excluding those who are conflicted as set out in Para 3.7) the expenditure where there is a quorum of directors as set out in the charity's governing document. Approval of these expenses can be by means of a meeting in person, electronically or by a clear exchange of e-mails or equivalent electronic communication.

3.5 Expenses may only be paid/claimed for the director themselves and, should it be required, for any necessary carer. Expenses of carers should be approved in advance. Expenses should not be paid/claimed for any other companions.

3.6 Expense claims must be accompanied by a receipt or evidence of payment and subsistence claims, where not included in a booking for accommodation, can only be reimbursed up to a limit of £20 for breakfast, £25 for lunch or £30 for an evening meal inclusive of non-alcoholic beverages. No other amounts may be claimed, for example for miscellaneous out of pocket expenses. On an exceptional basis the procedure set out in paragraph 3.4 may be followed to approve expenses outside of these limits

- 3.7** All director expenses, claims or payments made on a director's behalf should be authorised by the Executive Officer.
- 3.8** A conflicted individual (the claimant or a connected person) cannot vote or be included when considering whether there is an appropriate quorum of directors and cannot seek to influence other directors.

4. Definition of legitimate ex gratia payments that can be made

- 4.1** An ex gratia payment may arise where ACAT wants to make a payment that is not necessarily incurred in support of its aims, but which the directors consider it is morally right to make due to considerations of fairness, equity or maintenance of its reputation.
- 4.2** Requests for an ex-gratia payment will only be considered where not in conflict with the Charity Commission's guidance and where the potential recipient has not been told in advance to expect such a payment.
- 4.3** No ex gratia payment will be made to a serving or former director in respect of their time of service with ACAT as a director.
- 4.4** In the event that a director makes a request of the Board to approve an ex gratia payment to an individual then they will be considered conflicted and shall take no further part in the discussion or decision-making on that request.
- 4.5** A request of the Charity Commission to approve an ex gratia payment can only be made by a Board member following approval by the Board to that request being made.
- 4.6** For those awards of ex gratia payments where the consent of the Charity Commission is no longer required by charity law, the Board will consider each request and determine whether the amount paid, if any, is at or below the level requested.

5. Adoption of this policy

- 5.1** The directors of the Corporate Trustee of the Association of Church Accountants and Treasurers (ACAT) formally accepted this policy at the board meeting held on 24 February 2025.
- 5.2** Approved for publication at the Board meeting of 15 September 2025

Livia Velicu
Chair