

Section 11.0
Administration and
Committee

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11.1 Expenses Policy

Policy statement

Staff and trustees of The Newman Pre-School Playgroup (“the charity”) are entitled to claim expenses for any reasonable costs incurred, but must ensure that they get the best value for the charity by choosing the most cost-effective option available. We understand that staff need to purchase items for planned activities and the Newman Pre-School Playgroup is committed to offering equal opportunities for all volunteers, by reimbursing reasonable expenses that allow them to carry out their duties.

This policy aims to provide clear guidance on the types of expenses that can be claimed and the procedures for making a claim.

Types of expenses

Expenses may only be claimed for amounts incurred wholly and exclusively for the charity’s work, as detailed below. If there is in any doubt as to whether an expense is reimbursable, advice is sought from the Charity Commission prior to incurring the expense.

- *Business travel:* staff and trustees are expected to use the mode of travel, which is most efficient, cost-effective, environmentally economical and consistent with reasonable travel time. Claims for taxi fares should only be made when other forms of public transport are not viable. When travelling via public transport, the charity will only reimburse the actual cost of the journey. Therefore, when pre-paid travel cards or permits are used, a receipt and evidence as to the actual cost of each journey taken must be provided. Anyone using their own car, van, motorcycle or bicycle will be reimbursed actual costs for mileage up to the Approved Mileage Allowance Payment set by HM Revenue & Customs (please refer to the HM Revenue & Customs website for current details at www.hmrc.gov.uk). The cost of car parking or toll fees may also be claimed if a receipt is provided to support the claim. The charity does not accept any liability for fines, or any other penalties for traffic offences, and encourages everyone to drive safely. The vehicle owner is responsible in the eventuality of an accident and for maintaining the vehicle in good condition. Mobile phones should not be used under any circumstances when travelling unless you have installed the appropriate hands-free kit.
- *Meals when on business:* staff and trustees may claim for meals under the following circumstances:
 - When required to stay overnight, breakfast at £5.
 - When required to work through the lunch period, lunch at £5
 - When required to stay overnight, evening meal at £10
- Expenses relating to alcohol cannot be claimed.

- *Communications*: staff and trustees can be reimbursed for expenditure on communications which are essential for trustee work, including telephone calls, postage, stationery and aids to support communication (e.g. translation of materials). Second class post should be used where possible. Reimbursement of mobile phone top-up cards is a taxable benefit, so staff and trustees can only claim for the individual cost of the calls made. When a trustee receives free call bundles for their mobile phone, expense claims must only relate to the proportion of calls that were made for charity business over and above the charge for the free calls. For example, if a trustee has 100 free minutes per month and make calls lasting 110 minutes in total and costing £8.50, and 80 of those minutes were for charity purposes, then the amount that they can claim can be calculated as $£8.50 \times 80 / 110 = £6.18$.
- *Transport, resources or facilities to support a staff member or trustee with a disability*: Reasonable adjustments are made to accommodate the needs of volunteers with disabilities; expenses can be claimed for additional travel costs, assistive resources and facilities. The charity also looks at options such as sharing resources with other organisations to ensure that opportunities are provided for all to be involved.
- *Relevant training, books or resources to support staff and trustee work*: Expenditure for costs relating to staff and trustee training and development are approved in advance by the trustees and must be in line with budgeted amounts.
- *Accommodation costs for overnight trips for any necessary training, events and meetings*: Prior agreement is required whenever it is essential for a staff member/trustee to stay overnight in a hotel in the course of their work for the charity. Staff members and trustees must research hotels in the area to ensure that the chosen accommodation is of reasonable value.
- *Care of dependents while attending staff or trustee meetings*: To enable staff members and trustees to attend meetings, they may be reimbursed for the cost of childcare and care arrangements for dependent relatives, in situations where:
 - They would normally have been providing care at the time.
 - There is no other responsible adult, such as a partner or relative, available.

Procedures for claiming expenses

1. An annual expense budget is agreed by the trustees to cover any necessary costs.
2. Only the actual costs incurred for expenses will be reimbursed, up to the approved amount.
3. Cash advances are not provided for expenses.
4. Expenses are claimed using the standard form, with all sections completed and totalled.
5. Receipts, tickets or bills must be provided with the expense claim form in evidence of all payments. Where they also contain items other than claimable expenses, they should be highlighted to indicate the relevant expense.
6. Claims will be withheld until appropriate documentation has been received and approved. Any incomplete claims will be returned for amendment, which is likely to cause a delay in the payment of expenses.
7. Expense claims will require approval as follows:
 - Claims exceeding £100 or £25 for a single item submitted by the Playgroup Leader will need to be authorised by the Chair of the Committee.

- Claims exceeding £50 or £15 for a single item submitted by any other staff member will need to be authorised by the Playgroup Leader.
- Claims exceeding £50 or £15 for a single item submitted by the Chair of the Committee will need to be authorised by the Playgroup Leader.
- Claims exceeding £25 or £15 for a single item submitted by a general committee member will need to be authorised by the Chair of the Committee.

8. Expense claims over £200, submitted by the Playgroup Leader, or £100, submitted by the Chairperson will need to be approved by the trustees. Once approved by the trustees, the treasurer signs and dates the claim to authorise it. If the treasurer is unavailable, or has submitted the claim themselves, the chair may provide authorisation. Trustees cannot authorise their own expenses.

9. Expenses under £10 will be paid in cash via petty cash. Expenses over £10 will be paid via BACS.

10. The expenses claimed are monitored against the budget to ensure it is not exceeded.

11. Trustees are advised that if they intentionally make false or inaccurate claims that this will be regarded as gross misconduct and may lead to their removal as a trustee.

This policy was adopted at a meeting of	The Newman Pre-School Playgroup	<i>(name of provider)</i>
Held on		<i>(date)</i>
Date to be reviewed		<i>(date)</i>
Signed on behalf of the provider		
Name of signatory		
Role of signatory (e.g. chairperson)		

Other useful Pre-school Learning Alliance publications

- Charity Essentials (2011)

11.2 Reserves Policy

Policy statement

Reserves are a vital part of any business. They show transparency and accountability to interested parties, show sound financial management, that contingency planning occurs and enables us to fulfil our legal obligations. The Newman Pre-School Playgroup aim to hold sufficient reserves to:

- enable us to continue running the Pre-School should our income fall below current, expected and/or projected levels.
- enable to us to continue running the Pre-School through any period of unforeseen difficulty (i.e. in the event our current premises be unusable due to fire for example and we need to find alternative, temporary premises).
- save for a particular project or new equipment
- enable us to cover staff redundancies, any debts and liabilities should the Pre-School have to close

The reserve account will contain monies set aside for the above scenarios only. Charity Commission rules dictate that we should not hold unnecessarily large amounts in the reserve account

Procedures

- Building a reserve for any small business is difficult but especially for small charities. We aim to do this by ensuring a monthly proportion of income is contributed to the reserves account.
- By increasing the amount of the reserves policy month by month, until a sufficient level is reached, we will ensure that as a minimum, and as far as is possible, there are sufficient funds to cover statutory redundancy payments. Details of statutory payments can be found on www.gov.uk.
- The Reserves Account policy and balance are reviewed annually.

Legal framework

- Charities Commission – Charities and Reserves (CC19)
- www.gov.uk

Other useful Pre-school Learning Alliance publications

- Financial Management (2010)

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11.3 Trustee Code of Conduct

The trustees of The Newman Pre-School Playgroup are jointly responsible for the control and management of the charity. This document outlines the expectations of trustees in carrying out their role.

Values and principles

- To act in the best interests of the charity and the children and families who access its services.
- To commit to achieving the aims of the charity and to act in accordance with the charity's governing document, policies and procedures to fulfil its objectives.
- To act prudently and with care when managing the finances, resources and operations of the charity.
- To commit to ensuring the charity provides quality childcare provision based on equality of opportunity and valuing diversity for all children and families.

Law

- To understand your legal responsibilities and to keep up-to-date with good practice; in order to ensure that the charity meets relevant statutory and legal requirements.
- To contribute to ensuring that all policies and procedures comply with relevant legislation.
- To ensure the childcare provision is operating within the requirements of the Early Years Foundation Stage framework.

Safeguarding and child protection

- To support the charity's commitment to safeguarding children.
- To follow the charity's safeguarding children and child protection policies and procedures, to ensure that all children in the care of the setting are protected from harm.

Meetings

- To aim to attend all trustee meetings; sending apologies in advance where possible.
- To play an active part in discussions and decision-making; exercising your own independent judgement, but understanding that decisions are collective.
- To ensure that any matters raised individually are brought to the attention of all trustees, where appropriate.
- To work effectively as part of a team with the other trustees, avoiding disagreements; expressing your own ideas, perspectives and opinions and in return respecting fellow trustees' views and experiences.

Conflicts of interest

- To avoid any potential conflicts between personal interests or loyalties and trustee responsibilities. Where identified, to bring these to the attention of the trustees and withdraw from taking part in any discussions or decisions in relation to these matters.
- To not misuse the role of trustee to gain preferential benefits or treatment.
- To not accept any gifts, hospitality, payments or financial benefit for being a trustee, except for reasonable expenses that have been approved by the trustees.
- To ensure permission is provided by the charity's governing document or the Charity Commission before receiving any payment for another role within the charity.
- Where another role is carried out for the charity, to agree to keep the two roles separate, and to withdraw from taking part in any trustee discussions or decisions in relation to the other role.

Confidentiality

- To respect the privacy of children, their families, employees and other trustees of the charity.
- To abide by the setting's confidentiality and information sharing policies and to only share information appropriately and when required.

Spokesperson

- As a spokesperson for the charity, to act professionally and only communicate information as agreed by the trustees.

Support

- To seek information, advice and guidance from relevant people or organisations as required.
- Where necessary, to undertake learning to ensure trustee duties are carried out effectively.
- To actively support the employees of the setting.
- To ensure that suitable inductions are arranged for all new trustees and employees.

Leaving the committee

- To give notice in writing to the trustees on wishing to resign. Where resignation would leave the charity unable to reach the minimum number of trustees, to remain on the committee until a suitable replacement is found.
- To understand that any trustee that brings the charity into disrepute provides fellow trustees with the power to pass a resolution to remove them as a trustee and a member of the charity.

The charity's obligations to trustees

- To be kept informed of the finances and any business activities relating to the charity and to be involved in the discussions and decision-making on these matters.
- To be informed in advance and given an agenda for all meetings.
- To have your views and opinions respected by fellow trustees.

As a trustee of The Newman Pre-School Playgroup I agree to abide by the fundamental values listed within this code of conduct.

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11.4 Conflicts of Interest Policy

Policy statement

Our trustees have a duty to act in the best interests of The Newman Pre-School Playgroup (“the charity”) and must not use their position as a trustee to their own personal benefit. Conflicts of interest occur when a trustee’s personal interests, or the interests of an organisation or person connected to the trustee, have the potential to conflict with the interests of the charity. Trustees must avoid all situations that may possibly lead to a conflict of interest and also have a legal duty to declare any potential conflicts of interest between themselves (or a connected person or organisation) and the charity. Prior legal authorisation is also required in any situation where a trustee potentially stands to receive a material benefit from the charity.

The purpose of this policy is to provide a procedure for recognising situations which can lead to potential or actual conflicts of interest and to create a clear and transparent process for declaring and managing these conflicts. All prospective trustees are made aware of this conflicts of interest policy and, to encourage transparency, a copy will also be made available publicly on the charity’s website.

Types of conflicts of interest

A conflict of interest can arise for a trustee in situations where there is the potential for:

- *Direct financial gain or benefit:* Circumstances that involve a trustee receiving a direct financial gain or benefit might include:
 - A paid employee of the charity becoming a trustee.
 - Employing a trustee to work in a paid post within the charity.
 - Paying a trustee, or an organisation which a trustee has a financial interest in, for services provided to the charity.
 - Paying a trustee for work they carry out as part of their trustee duties.
 - Selling charity equipment or land to a trustee.
 - A trustee providing a loan to the charity.
 - A waiver or reduction in childcare fees for a trustee.
- *Indirect financial gain:* This can include the employment of a trustee’s partner by the charity, as the trustee may benefit indirectly from their partner’s salary.
- *Non-financial gain:* A non-financial gain can include if a trustee is treated favourably when using the services of the charity, because they are a trustee, such as if they were given priority above other families when applying for childcare sessions.
- *Conflicts of loyalty or duty:* These might arise for trustees if:
 - A partner, relation or close friend is employed by the charity.
 - They are a trustee, employee or member of another organisation that has dealings, or may be in direct competition, with the charity e.g. for a funding bid.

Authorisation for a trustee to receive a benefit

Conflicts of interest are often created when a trustee stands to profit or personally benefit, either directly or indirectly, from the charity or their role. Explicit legal authority must be obtained from the governing document, the Charity Commission or a court of law before a trustee receives any financial or material benefit from the charity. There are limited circumstances where a benefit will not require authority i.e. reasonably incurred expenses. Benefits that are available to anyone and not just the trustees will also not generally need to be authorised. All benefits and payments to trustees are clearly detailed in the charity's accounts.

Procedure for dealing with conflicts of interest

- The charity maintains a trustee register of interests to help recognise potential conflicts of interest or loyalty for the trustees, recording information such as:
 - Sources of significant income of the trustees (not including the amount).
 - Significant business interests, including property holdings.
 - Membership or board positions in other organisations.
 - Significant participation in any form of a campaigning or political body.
 - Details of any third parties that the trustee deals with on a regular basis.
 - Relationships with any employees of the charity, or any potential employees, suppliers, service providers or funders to the charity.
 - Situations where the trustee has the opportunity to benefit, including whether authority has been obtained.
- Trustees are asked to complete a declaration of interests form, disclosing any known interests which may conflict with the work of the charity, on invitation to join the charity as a trustee and annually thereafter to keep the trustee register of interests up-to-date.
- Significant interests for prospective trustees will be pointed out to the members at the time of trustee elections.
- The trustee register of interests is used at each trustee meeting to identify any items for discussion where there is potential for a conflict of interest to arise for any of the trustees.
- As not all conflicts of interest can be predicted in advance, trustees are asked to declare any potential conflicts of interest at the start of the meeting, and must withdraw from any discussions and voting on the matter concerned.
- To ensure transparency, the trustee is usually asked to leave the meeting at this point so that it cannot be claimed that they influenced the decision; although they may be asked to provide relevant information prior to this.
- Where a trustee withdraws from discussions due to a conflict of interest, they are not included in the quorum; whether they leave the room or remain present. If this makes the discussion inquorate, voting and decision-making on the matter is postponed until the next quorate meeting.
- The conflict of interest and the action taken are recorded in the minutes of the meeting.

The above steps to declare that a conflict exists and to withdraw from the discussion and any decision-making will usually be all that is required if the conflict of interest does not involve a possible material benefit to the trustee. However, if a trustee is receiving a material benefit, specific legal authority is required and the additional conditions below are followed.

Additional conditions relating to financial or material benefits

- The trustees who do not stand to benefit from an arrangement make the decision over whether it is in the best interest of the charity for a trustee to receive a financial or material benefit. The matter is recorded on the trustee register of interests and the trustee concerned has no involvement.
- In all cases where the trustees decide it is in the best interests of the charity, the trustees ensure they have the necessary legal authority before proceeding any further; making an application to the Charity Commission for authority in instances where the charity's governing document does not provide this.
- If legal authority is provided:
 - The number of trustees receiving a financial or material benefit from the charity at any time, either directly or indirectly through a connected person or organisation, are always in the minority.
 - A written agreement is drawn up to set out the arrangements between the trustee concerned and the charity, and is approved by the trustees who do not stand to benefit.
 - Any payments or financial benefits made to a trustee are reasonable for the service provided and do not exceed the amount that would normally be paid by the charity.
 - Trustees with a conflict of interest will not be permitted to sign contracts or invoices connected with the conflict.
 - Trustees who receive a financial benefit from the charity do not hold one of the Officer positions, as implementing the procedures required to manage the conflict of interest will make it difficult to fulfil certain duties connected to these roles.
 - The benefit is clearly recorded in the charity's Annual Report and accounts.

Each trustee is responsible for declaring any matters that may present any actual or potential conflict of interest. If any trustee is uncertain about what matters they should declare, they must raise the issue with the other trustees. The trustees will seek advice from the Charity Commission where necessary. The Charity Commission advice and any actions taken in following the advice will be recorded in the minutes.

The trustees must notify the Charity Commission if they find that a trustee is receiving an unauthorised benefit, or has not acted in the best interest of the charity. In these cases, the trustee concerned may be in breach of trust and could be liable to repay the value of the benefit to the charity.

Where a conflict of interest may damage the interests or reputation of the charity, the trustee may be asked to take steps to put an end to the situation causing the conflict; if necessary by resigning as a trustee of the charity.

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