



POLICY DOCUMENT	
Policy:	Expenditure
Last Review Date:	17 March 2016
Reviewed By:	Committee

The Committee resolves that the following policy shall be binding on the members of the Committee:

(A) Definitions

- a. 'Transfer of Asset' refers to either:
 - i. A transfer of any asset with a positive monetary value, or reasonably likely to have a positive monetary value in the future
 - ii. A promise or agreement to transfer, or to arrange or procure the transfer of, any asset with a positive monetary value, or reasonably likely to have a positive monetary value in the future
- b. 'Expenditure' is any Transfer of Asset(s) that also meets any one of the following criteria:
 - i. A Transfer of Asset(s) out of the name of the Association
 - ii. A Transfer of Assets(s) out of the direct or indirect control of the Association
 - iii. A transaction that leads directly or indirectly to a reduction in the total net monetary worth of the Association
- c. But, for the purposes of this policy, 'Expenditure' does not include:
 - i. Bank charges, interest, and other financing costs from banking and financing arrangements in existence at the time this resolution is passed, and which are deducted automatically from the Association's balances.
 - ii. Taxes, duties, excises and other costs imposed on the Association by relevant tax authorities, except fines and penalties.
- d. Expenditure is 'Incurred' when it is reasonably more likely than not that a transaction will require a Transfer of Asset(s) to be fulfilled.

(B) General Rule of Expenditure

- a. In advance of it being incurred, all Expenditure must be approved by either any three of the following Officers of the Association:
 - i. President
 - ii. Deputy President
 - iii. Honorary Treasurer
 - iv. Honorary SecretaryOr by a meeting of the Committee.

- b. Should any Officer post be vacant, the Committee may appoint Approvers such that the number of Officers and Approvers shall not exceed four.
 - i. Independent Examiners of the Association's Accounts shall not be appointed Approvers
 - ii. Notwithstanding point (i) above, the Committee may appoint and revoke the appointment of Approvers as it sees fit.
 - iii. Approvers appointed by the Committee shall rank equally alongside Officers in their ability to approve expenditure.

(C) General Rule of Control

- a. Any Expenditure that meets any one of the following criteria must be approved in advance of it being incurred by a meeting of the Committee:
 - i. Any expenditure exceeding £500
 - ii. Any expenditure that is part of a group of expenditures that may reasonably be linked, where the total expenditure of the group exceeds £500
 - iii. Any expenditure that is part of series of expenditures in time, the total of which exceeds £500, or where the series has no fixed end-point.
 - iv. Any expenditure that is linked to a legally binding agreement lasting more than 6 months, or that contains clauses that have the possibility of subjecting the Association to further expenditure in the future
 - v. Any expenditure that is capital in nature under IFRS
 - vi. Any expenditure ultra vires, outside the aims and objectives of the Association, or that has the potential to cause damage to the standing or reputation of the Association, its members, or the members of the Committee.
- b. Any Expenditure that meets any of the following criteria must be approved in advance of it being incurred by the Honorary Treasurer, or in the case of the Honorary Treasurer, the Honorary Secretary:
 - i. Travel expenditure.

(D) Payment

- a. Payment of Expenditure shall require proof that the expenditure has been incurred.
 - i. Where VAT is applicable, such proof must take the form of a valid VAT invoice or VAT receipt.
- b. Payment of Expenditure that has been properly documented as per paragraph (a) above shall be paid promptly by the Treasurer, who will take into account any allowable credit periods and the cash flow position of the Association.

(E) Out-of-Pocket Expenses

- a. Any person may make an Application for Reimbursement for Expenditure they have incurred, provided that all of the following criteria are met:
 - i. The Application is made in writing to the Honorary Treasurer, or in the case of the Honorary Treasurer, to the Honorary Secretary
 - ii. The Application details that the expenditure has been incurred directly as a result of the Association's business, or in such a manner as to produce a positive benefit to the Association in the future
 - iii. The Expenditure meets the General Rules in sections (B) and (C) above
 - iv. The Application is accompanied by proof of the expenditure meeting the criteria in section (D) above

- b. Should the Treasurer or Secretary not be satisfied that any part of an Application satisfies the criteria under paragraph (a) above, then they shall rule against those parts of the Application and those parts shall not be reimbursed.
 - i. Such a ruling shall not prejudice any other part of the Application, which shall be reimbursed if the criteria in paragraph (a) are met.
 - ii. The applicant may appeal this decision to the next Committee meeting, and in the event of further dissatisfaction with the decision, to the next General Meeting, whose decision on the matter shall be final.
- c. No application shall be made for payment for time incurred by a committee member on Association business.

(F) Breach of Policy

- a. An accusation against any Committee member of a breach of any part of this policy shall constitute an accusation of Gross Misconduct against that member.