**Standard Operating Procedure (SOP)**

**Expenses and Reimbursement**

**EAR-004-01**

**Purpose**

The purpose of these Standing Operating Procedures (SOPs) is to establish a clear and consistent framework for managing expenses and reimbursements for Out There Exeter (the “charity”). These SOPs aim to ensure that all expenses are incurred for legitimate charitable purposes, are properly authorised, and are reimbursed in accordance with the charity's policies.

**Scope**

ThisSOP applies to all expenses incurred by Out There Exeter, including but not limited to:

* Travel expenses (e.g., transportation, accommodation, meals)
* Staff expenses (e.g., salaries, benefits, training)
* Program expenses (e.g., supplies, materials, equipment)
* Administrative expenses (e.g., rent, utilities, office supplies)

**Responsibilities**

The following are the key responsibilities for expense management and reimbursement at Out There Exeter:

* **Trustees:**Ultimately responsible for approving the charity's expense policies and ensuring compliance with these SOPs. And responsible for authorising expenses related to the programs, works and committees of Out There Exeter.
* **Finance Officer:** Manages the charity's expense reimbursement process, reviews expense claims, and authorises reimbursements.

**Procedures**

1. **Expenses**
   1. All expenses must be incurred for legitimate charitable purposes and must be directly related to the work of Out There Exeter. And they must be reasonable and justifiable in relation to the purpose for which they were incurred.
   2. Expenses must be properly documented and supported by receipts, invoices, or other relevant documentation.
   3. The types of expenses that are considered allowable includes, but is not limited to, travel, meal, staff, accommodation, program, administrative and other miscellaneous expenses, such as office supplies, printing costs, and professional development expenses.
   4. The following types of expenses are not considered allowable for reimbursement:
      * **Personal expenses:** Expenses that are not directly related to the work of Out There Exeter, such as personal travel, entertainment, and clothing.
      * **Excessive expenses:** Expenses that are considered excessive or unreasonable in relation to the purpose for which they were incurred.
      * **Expenses without proper documentation:** Expenses that are not supported by receipts, invoices, or other relevant documentation.
      * **Expenses incurred without authorisation:** Expenses that have not been approved in accordance with the charity's approval procedures.
   5. Communicate the expense policy to all trustees, members, staff and volunteers who may incur expenses on behalf of the charity
2. **Expenditure Authorisation and Payment**
   1. Implement a system for pre-authorising expenses, ensuring that all expenses are approved before they are incurred.
   2. Use expense authorisation forms to obtain prior approval for expenses.
   3. All expenses must be authorised by two Trustees prior to being incurred, except for minor expenses up to a specified limit. The authorisation process for expenses will be as follows:

* **Expenses up to £50:** These expenses must be authorised by any individual Trustee.
* **Expenses between £50 and £200:** These expenses must be authorised by two Trustees, but at least one trustee must be the Chair, Secretary, Finance Officer, or Treasure (if these roles are trustees).
* **Expenses over £200:** These expenses must be authorised by the Trustee Board, the Finance Officer and the Treasurer.
  1. Maintain records of all expense authorisations.

1. **Expense Claims**
   1. Establish a clear and consistent process for submitting expense claims.
   2. Require all expense claims to be submitted within 30 days of incurring the expense.
   3. Expense claims must be submitted on an approved expense claim form and must include the following information:
      * Date of expense
      * Description of expense
      * Amount of expense
      * Supporting documentation (receipts, invoices, etc.)
   4. Require supporting documentation for all expenses, such as receipts, invoices, or travel itineraries.
2. **Expense Review and Reimbursement**
   1. Assign responsibility for reviewing expense claims to the Finance Officer or Program Manager.
   2. Review expense claims for accuracy, completeness, and compliance with the charity's expense policy.
   3. Verify the authenticity and legitimacy of supporting documentation.
   4. Authorise reimbursements for approved expenses.
   5. Issue reimbursements promptly and in accordance with the charity's payment procedures.
3. **Record-keeping**
   1. Maintain accurate and up-to-date records of all expenses and reimbursements.
   2. File expense claims and supporting documentation securely.
   3. Retain expense records for a specified period, as required by the charity's financial policies or regulatory requirements.
   4. Out There Exeter will maintain accurate and up-to-date records of all expenses and reimbursements. These records will be kept for a period of at least seven years.

**Review and Revision**

This SOP will be reviewed and revised annually to ensure that it remains relevant and effective, or as needed to reflect changes in the charity's strategies or the regulatory environment.

**Compliance**

Failure to comply with this SOP may result in investigation and disciplinary action, up to and including dismissal for employees and termination of volunteer appointments and membership of the charity, and a vote on removal of trustee.

**Version Control**

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| **Version:** | v1.1 FINAL |
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