

**Policy Type: Guidance and
Policy**

GOVERNORS' ALLOWANCES



BARNSLEY
Metropolitan Borough Council

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BMBC's Internal Audit have been consulted on the development of this guidance and policy.

INTRODUCTION

It is recognised that being a school governor is not a cost free activity and that on occasions governors do incur expenditure in order to carry out their duties.

Governing bodies that have a delegated budget can choose whether or not to pay allowances to governors and associate members of the governing body.

The responsibility for paying allowances to governors and associate members who serve on temporary governing bodies is that of the Local Authority.

It is for individual governing bodies to determine whether or not to pay allowances to governors. Where a governing body decides to pay governors' allowances they must:

- (a) have a written policy that has been approved by the governing body;
- (b) use an approved claim form;
- (c) establish an effective system for authorising and processing payment.

Allowances are normally referred to in local authorities as expenses, in that the person making a claim can only do so for actual expenditure incurred.

ALLOWANCES

The legal basis for paying allowances to governors is the Education (Governors' Allowances) Regulations 2003. These Regulations are related to governing bodies that decide to pay expenses and it should not be implied that a governing body must pay allowances as a statutory requirement.

Payments can only be made in respect of expenditure necessarily incurred for the purposes of enabling the person to perform any duty as a governor and must be verifiable.

Governing bodies should make provision from within their delegated budget if they anticipate expenditure in making adjustments for disabled governors, or in providing support to those governors whose first language is not English.

Travel expenses must be paid at a rate not exceeding the maximum of the Inland Revenue Authorised Mileage rate. The Inland Revenue rates are changed annually and can be found on the Inland Revenue website at www.inlandrevenue.gov.uk Governing bodies may pay less than the authorised mileage rate if they wish but they may not pay more than the maximum level of those rates. If a governing body has any doubt about whether or not payments made under its scheme attract tax liability, it should contact the Inland Revenue for advice. Where Approved Mileage Allowance Payments are used and this is adhered to then no tax will be due. Other expenses should be paid on the provision of a receipt (at a rate predetermined by the governing body and set out in its scheme) and should be limited to the amount shown on the receipt.

Issues to consider when drawing up an allowances policy

Governors' allowances cannot include any provision for loss of earnings and payment as a reward for being a governor eg attendance allowance. The Regulations are not specific but leave it to the individual governing body to decide what should be eligible.

Examples of eligible expenses necessarily incurred are:

- child care or baby sitting expenses
- care arrangements for an elderly or dependant relative
- telephone charges, photocopying, stationery etc
- travel and parking
- subsistence
(ie reimbursement for meals purchased that would not have otherwise been bought)

This is not intended to be an exhaustive list. However, individual governing bodies should bear in mind that any payment made to an individual should do no more than reimburse the reasonable costs incurred and all claims should be supported by appropriate receipts.

Governors are classified as volunteers and in such circumstances HMRC are happy to accept that no tax is due on any allowance payments made to them as long as the payment does not reimburse more than the amount actually incurred (ie there is no profit element). Additionally the payment must be deemed reasonable eg lunch at a 3 star Michelin restaurant would not be considered appropriate.

The governing body that decides to pay allowances should consider whether to set an annual budget limit for the allowances fund.

Governors' allowances will normally be met from the school's delegated budget, however, allowances can also be paid from any other source of income to the school, providing that any person contributing to that income is aware that the funds may be used for allowances.

All members of the governing body are permitted to vote on the nature and rates of allowances irrespective of the rules on declaring direct and indirect financial interests. However, if an individual governor's claim is being considered or approved, that individual must withdraw from the meeting as he or she will have a financial interest in the outcome of the discussion. It would be good practice for the governing body to set criteria for paying claims.

Once the governing body have agreed a policy to pay governors' allowances it applies to all categories of governors and associate members.

It is recommended that the approval for the payment of allowances is delegated to the committee dealing with finance and this has been included in the accompanying policy.

Where a governing body adopt a policy to pay allowances the Terms of Reference of the appropriate committee must be amended to include the following:

- to approve the payment of allowances to governors.

**Name of
School**

GOVERNORS' ALLOWANCES POLICY

This policy is in accordance with The Education (Governors' Allowances) Regulations 2003 and is for the purpose of paying governors specific allowances as reimbursement for expenditure incurred in the carrying out of their authorised and approved duties as a school governor.

The Governing Body believes that paying governors' allowances, in the categories set out in this policy, is important in ensuring equality of opportunity to serve as governors for all members of the community and so is an appropriate use of school funds.

From the date that the Governing Body resolves that this policy takes effect all Governors of _____ School will be entitled to claim the actual costs incurred in carrying out their duties where the costs are provided for below:

- Child care or baby sitting allowances (excluding payments to a current/former spouse or partner);
- Cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner);
- The extra costs they incur in performing their duties either because they have special needs or because English is not their first language;
- The cost of travel relating only to travel to meetings/training courses at a rate which does not exceed the specified rates for local authority employees and members;
- Travel and subsistence costs, payable at the current rates associated with attending national meetings or training events, unless these costs can be claimed from the Local Authority or any other source;
- Telephone charges, photocopying, stationery, postage etc.

The provisions set out in the list above do not prevent any governor submitting a claim for any expenditure incurred whilst carrying out their duties. These claims shall be considered by the Governing Body and not delegated to any committee or individual.

Any claim for expenditure incurred must be made on the school's approved claim form.

All individual items shall be accompanied by a receipt unless this is unreasonable or impracticable.

All claim forms shall be submitted to _____.

All claims shall be considered by the Committee with responsibility for Finance who will be the body to approve payment.

All claims paid shall be recorded in the minutes of the Committee meeting.

A schedule of payments shall be presented annually to the Governing Body

All claims will be subject to independent audit. Copies of submitted claims and supporting receipts must be retained in school for a period of 2 years after the end of the current financial year.

The Chairperson of the Governing Body may investigate any claims where they appear excessive or inconsistent.

This policy will be reviewed annually.

**Name of
School**

GOVERNORS' ALLOWANCES CLAIM FORM

The purpose of this form is to enable School Governors to claim reimbursement of expenditure incurred whilst carrying out their duties in connection with the authorised and approved business of the Governing Body.

Name	
Address	

Expenditure incurred as set out in the School's Policy.

Date	Purpose of Expenditure	Receipt attached <i>Please</i> ✓	Amount (£)
		Total	

I certify that the items set out on this form are actual expenditures for which I am claiming reimbursement.

_____ Governor's signature

_____ Date

This Section to be completed at the Committee/Governing Body meeting.

Date of the meeting _____

Payment approved/not approved.

_____ Chairperson's signature

Where the claim is submitted by the Chairperson of the Governing Body or the Chairperson of the Committee approving the claim, verification should be signed by the Headteacher.

THIS FORM MUST BE RETAINED FOR THE PURPOSES OF AUDIT.