

Alehm Policy

Payment of trustees for work undertaken for Alehm and other authorised payment arrangements September 2014

1) Introduction

Under 6.2.2 of the Alehm Articles of Association, trustees are entitled to undertake paid work on behalf of Alehm, but they cannot be paid for their work as a trustee. Under the Charity Commission rules, trustees or directors of charities can undertake paid work for their organisation as long as this is in the best interests of the organisation. Alehm will only appoint trustees to undertake work in line with the Articles of Association, the current Charity Commission Guidance and where there is a clear benefit over appointing an external person or organisation, usually because of the trustee's knowledge of Alehm, its activities, procedures, rules and regulations and contacts.

2) Circumstances when the payment of a Trustee would be appropriate.

- a) To cover work normally undertaken by the appointed secretary, in their absence. Payment will be at the same rate paid to the secretary and any limits or restrictions on the total hours available for the secretarial function in a year will apply.
- b) To undertake activities or projects, as outlined in the Alehm annual business plan and agreed by members at the Annual General Meeting. Where the annual business plan is adapted or updated during the year, as a result of emerging issues or funding opportunities, the terms of the appointment will be agreed by the Executive Board (excluding the Trustee taking on the role) and the details of the decision will be recorded in the Executive minutes, and reported in the Annual Report.
- c) Out of pocket expenses claims associated while carrying out Alehm business activity.

Note: The Executive will ensure at all times that any approved payment for Trustees complies with the Charity Commission Guidance including the following points.

- there is a written agreement between the charity and the trustee or connected person who is to be paid;
- the agreement sets out the exact or maximum amount to be paid;
- the trustee concerned may not take part in decisions made by the trustee board about the making of the agreement, or about the acceptability of the service provided;
- the payment is reasonable in relation to the service to be provided;
- the trustees are satisfied that the payment is in the best interests of the charity
- the trustee board follows the 'duty of care' set out in the 2000 Act;
- the total number of trustees who are either receiving payment or who are connected to someone receiving payment are in a minority and
- there is no prohibition against payment of a trustee.

3) Procedures

a) Standing in for the Secretary.

To undertake Alehm duties, which would normally be undertaken by the secretary, but where the secretary is unavailable, the secretary will request, by agreement with the chairman, that the work is undertaken by an elected Alehm trustee. Such work will generally be allocated at short notice and of short duration and a good working knowledge of Alehm and its activities would normally be essential. Payment would only be claimed where the work was undertaken outside of any other paid employment. Records will be kept of the work undertaken and the time taken so that the total time and resources allocated for secretarial duties is not exceeded. Claims will be submitted to the Alehm chairman prior to payment. This work will be included in the Annual Report as part of the total cost of secretarial duties.

b) Paid project work

Where trustees are appointed to lead projects, undertake grant funded work or take part in any other activities where payment will be made, the trustee will:

- Submit a project plan to the Alehm secretary and chairman which will include an outline of the project activity to be undertaken, a justification of the benefits of appointing a trustee, any potential conflict of interest and the expected cost to Alehm. The trustee will sign to confirm that they will always undertake work in the best interests of Alehm.
- Provide a statement that the trustee concerned (including one who is connected to a person providing a service) will withdraw from any discussion of the trustees which has any bearing on the terms of the agreement or the acceptability of the standard of service provided. This should not, however, prevent a trustee or connected person from providing information which the trustee board may need in order to reach a decision.
- Provide a statement that the trustee concerned will not vote on any of these matters, and must not be included when deciding whether a quorum exists at a meeting to discuss them.
- The Executive will consider if project proposals provide value for money for Alehm.
- The project plan will be considered and agreed by the Executive, when at least 4 trustees, who do not receive payment from Alehm, are present. The decision and reasons for the decision will be recorded in the Executive minutes.
- Both the Alehm chairman and the trustee will sign a project proposal agreement.
- A record will be kept of the work completed and the cost. Any claims for payment will be submitted to the chairman to be checked for approval.
- Any deviation from the project plan must first be agreed with the chairman/a majority of board members.
- A report of all annual payments made to trustees will be summarised and details included in the annual financial report.
- Declarations of interest will be made at board meetings by trustees and recorded in the minutes

c) Expenses

Expenses may be paid to Alehm's trustees or contractors for out of pocket expenses, including

- Public transport travel costs within London, up to Zone 6
- Public transport travel and residential costs to events outside London, where these are approved in advance by the Executive Board. Proposed arrangements will be submitted to the Board for approval, or if no meeting is scheduled in time, the chairman will approve the cost and report the expenditure to the board at the next meeting.
- Any direct costs incurred, including petty cash claims for purchases directly associated with Alehm activity and events, such as purchase of refreshments, postage costs, purchase of services and other similar activity. These costs will be separately recorded in the accounts.
- Payment will be on submission of evidence of expenditure to the chairman or secretary and will never be more than the actual cost incurred.

4) Purchase of goods

Any purchases of services for Alehm must show value for money. All significant purchases will be itemised (all estimated expenditure over £500), and presented to the Executive Board for scrutiny prior to approval, except where the purchase relates to the payment of contractors or students to deliver sections of approved grant funded projects or bursary schemes agreed with the placement body funding the bursary. For these payments, records will be itemised, and recorded in accounts but will not need to be presented to the board for prior approval. Where considered appropriate by the Board, the cost of similar services from other suppliers will be sought, to enable a cost comparison to be made.

Decisions on significant purchases will be recorded in the minutes and reported in the annual report.

In line with the Charity Commission advice, the Executive will consider:

- whether the charity can afford the payment;
- the value to the charity of the services provided by the trustee;
- the quality of the service and the reliability of the supplier;
- any costs previously paid by the charity in obtaining those services;
- how much other organisations pay for similar services in similar circumstances; and
- the implications for the reputation of the charity with its donors, funders, members and supporters, and with the general public.

5) Records and performance

Financial records and project work records will be kept for at least 3 years and an electronic copy held on file.

A record will be kept of trustees who receive payment for work and this will never be more than 50% of the total trustees.

A summary of trustee activity and claims throughout the year will be included in the annual report.