



## DIRECTORS EXPENSES - PROCEDURE

### 1.0 INTRODUCTION

- 1.1 AEL Directors are entitled to reclaim reasonable expenses incurred on AEL business. This will most commonly be reimbursement of travel costs incurred in attending Board meetings and related events.
- 1.2 Other eligible expenses may include meals and/or subsistence costs, e.g. when attending a conference, seminar etc. (any course/conference fees and accommodation costs will normally be paid direct by AEL).
- 1.3 The level of authorised expenses will be those approved by the Board from time to time.
- 1.4 All expenditure should be incurred in the most cost-effective manner, taking into account location, time of event, and whether other Directors or employees will be attending, etc. (e.g. sharing of transport).

### 2.0 PROCEDURE

- 2.1 Expenses should normally be claimed quarterly, at the end of the quarter in which they are incurred.
- 2.2 The Board expenses claim form (*Appendix 1 – hard copy only*) should be completed and submitted to the Manager. If the form is completed online it should be printed off and signed by the Director before submission to the Manager. All claims should be supported by receipts wherever possible, with the exception of mileage claims.
- 2.3 The Manager will check the form and if necessary query any detail with the Director. When satisfied, the Manager will sign the form and authorise it for payment.
- 2.4 Payment will normally be made direct to the Director's bank account.

#### Travel

- 2.5 Reimbursement of travel costs will include the following:
  - Car mileage payable at current HM Revenue & Customs rates;
  - Standard (2nd class) fares on public transport (rail, bus or ferry);
  - Taxi fares (only where unavoidably necessary);
  - Bridge tolls and car parking fees (but not fines for breaching parking regulations).

- 2.6 Where public transport is to be used, travel arrangements will be confirmed in advance and wherever possible tickets will be purchased and paid for in advance by AEL.
- 2.7 Directors wishing to upgrade their travel arrangements, or make alternative (more costly) arrangements, may do so at their own expense.

### **Accommodation**

- 2.8 Accommodation, normally required as part of attending a course or conference, will usually be booked and paid for directly by AEL. Where a Director has to pay for accommodation, reimbursement will only be made on production of a receipt.

### **Meals**

- 2.9 Meal expenses will only be payable to Directors who are prevented by their duties from taking their meal at home (or where they would normally take their meals), and as a result incur additional expense.

This will not include attendance at Board or any Sub-Committee meetings, where a snack meal is provided, or where a suitable meal is provided or is included in the overall costs of an event, e.g. as part of a course or conference.

- 2.10 Actual meal expenses will only be paid up to the limits set annually by the Board at the time of approving the budget.

### **Allowances**

- 2.11 Directors may claim an allowance to cover other out-of-pocket expenses incurred as a result of staying overnight at an authorised event, e.g. an annual conference. To qualify for this allowance, the minimum period spent away from home will be 2 hours between 11.00pm and 6.00am on any one night.
- 2.12 The allowance will be reviewed annually at the time of approving the annual budget.
- 2.13 Such allowances are taxable income, and Directors will be responsible for declaring any such payments received to HM Customs & Revenue.

### **False claims**

- 2.14 Where a Director is found to have falsely claimed expenses, and following investigation of the circumstances by the Chairperson and 1 other Director in association with the auditor, the Board will consider the results of the investigation and, depending on its seriousness and whether the false claim was deliberate or inadvertent, may decide that the Director should be required to resign.

## **3.0 IMPLEMENTATION & REVIEW**

- 3.1 The Manager is responsible for ensuring that this procedure is implemented when required, and that it is reviewed at least every 3 years.