

EXPENSE CLAIMS

Guidance for forums on creating a good expense claim policy. Includes different approaches to approving expenses.

Authorisation of expenses:

When the grants team do their financial checks we always look at expense claim forms to ensure they have been authorised.

Appropriate authorisation helps us to confirm that:

1. Claimants aren't signing off their own expenses.
2. Expenses are for participation work only.
3. DfE funds are not being misappropriated.
4. Forums are not at risk of accusations of fraud.
5. Expense claims are accurate and within agreed guidelines - i.e. accurate mileage, appropriate activities, subsistence within agreed limits etc.

What does authorisation look like?

All forums should have an expenses policy which includes instructions regarding authorising claims.

Hard copy model

The traditional and most risk free approach involves a handwritten signature (in person) of a hard-copy expense claim. The signatory is commonly the treasurer or senior member of the committee.

Challenges of the hard copy model

The hard copy model is labour intensive. Forms need to be printed off and the signatory needs to physically sign the forms which often means travel or postage costs. Many forums exist in rural areas where long distances need to be covered for parents to meet to get expenses authorised (signed). This can delay parents getting the money they are owed and can therefore threaten the stability of the forum and the number of parents who wish to continue working for the forum.

Soft copy model

We are aware that the hard-copy model is not always effective and forums may need to adopt a policy. This means using an online (soft-copy) approach to approving expense claims which is more effective and manageable.

What is a good expense claim policy?

All forums are different and expense claim policies need to be flexible to allow for these differences. However, there are some key points to consider when authorising expenses:

Who does what role (for expenses to be paid)?

- The claimant – claims the expense for forum related activities.
- The approver – makes sure the activities claimed for actually took place and haven't been claimed for before, checks that the mileage is accurate and everything adds up correctly. They approve the claim.
- The authoriser – checks that the work has been approved by a member of the committee, gives a double check to the adding up/mileage and authorises the payment.
- The treasurer – pays the claimant (making sure that the forum can afford to pay) and adds it to their book-keeping system – either a spreadsheet or other accounts software packages.



Not all forums will have enough people for each stage of the process. The more layers of checking, the more protected they will be. Ideally each role is taken on by a different person. Sometimes, due to a very small team, someone adopts two of these roles. In some rare cases one person might do everything which would highlight a very weak financial policy.

HIGH RISK POLICY - one person adopts all three roles:

- When someone claims, authorises and pays their own expenses.
- This could lead to accusations of fraud and a lack of confidence in the forum's work, by members and external sources such as local partners or other groups.
- If there was ever an audit, this could be deemed negligent. There would need to be exceptional extenuating circumstances and a high level of transparency re: these expenses (such as each expense being minuted at Steering group meetings and agreed by the Steering Group).

HIGH RISK POLICY - one or two people claim majority of expenses:

- When the majority of expenses are paid to 1 or 2 people, and these people sign each other's expenses off.
- If 1 or 2 people do have the most expenses, then it is recommended that they are countersigned by the treasurer and that the treasurer knows that the work is appropriate and fits in with the Conditions of Grant.
- The risk is amplified if the person signing off each other expenses are related in any way. There would also be other questions asked as to the reach and capacity of the forum if there are only one or two active members.

LESS RISKY POLICY - one person adopts two roles:

- When the authoriser is also the treasurer.
- We would always recommend three signatories on the forum's bank account so that the person paying the money to the claimant is not the person authorising it. We do appreciate that sometimes this is not possible.
- It is not a robust procedure if the treasurer and the claimant are also the same person.

Authorising signatures:

We have discussed the reasons why we need to see authorising signatures, but we understand that some forums will need to authorise soft-copy expenses.

HIGH RISK (digital signature)

Some forums have copied in an image of their authorising signature. This isn't an adequate process as the image could be copied and pasted by anyone receiving it. This makes it a high risk process as the claimant could copy in an authorising signature themselves and send to the treasurer claiming that it has the relevant authorisation.

To make this process more robust it would need to state that the treasurer will only accept claim forms that have been forwarded to them by the agreed authoriser so that they know the claim is approved for payment. This is a lower risk procedure.



REAL LIFE EXAMPLE

We asked one forum who had typed approvals for more information to ensure that their procedure was adequate and low risk. This forum demonstrated that their policy is robust and therefore low risk, as below:

1. A **worker** requests the expenses from claimants.
2. Once received the **worker** checks this against meetings on Google calendar for accuracy.
3. The **worker** will query anything they are unsure about with the **authoriser**.
4. Once checks have been made to ensure all expenses are valid the **worker** will email the **treasurer** with the amount each person is claiming.
5. If the **authoriser** has any further enquires they will audit the expense forms by double-checking details and making sure activities took place etc.
6. Once the **treasurer** is satisfied they are correct they will reply to the **worker** (by email) to authorise the expenses.
7. The **worker** will then pay these direct into people's accounts on the 20th of each month*
8. The **worker** will then file the expenses forms, update our book-keeping software and the grant spreadsheet.

*This example might prove tricky for some forums if there is only one monthly payment run, some parents would not be able to wait that long.

There are adequate checks and balances to this approval process: all claims are checked for legitimacy; anomalies are queried; nobody can sign off their own expenses; there is a clear audit trail for approval. Claimants, the worker and authoriser are protected from risk.

Petty Cash:

The majority of expenses should follow your forum's expense claims process and be paid via authorised expense claim forms from the forum's bank account.

We do understand that from time to time petty cash can be a useful resource for forums. However, it is recommended that petty cash is used on an ad-hoc basis and for small amounts. For example, when a parent doesn't have the resources to cover the cost themselves.

Things to be aware of with petty cash:

- The fewer people who have access to the petty cash, the better. Ideally this should be two people. One should have responsibility for replenishing the petty cash fund and the other should have responsibility for recording the petty cash transactions into your forum's bookkeeping system/expenditure spreadsheet.
- Keep the petty cash fund in a secure place in a designated location within your office from which it should not be moved.
- Keep receipts for each petty cash transaction and request receipts from those that claim the petty cash to show it has been spent as intended.
- Replenish the petty cash fund back to the approved amount as needed. (£250)
- Set expenditure limits for petty cash transactions. (£20)



Software/App solutions:

- There are electronic signature services available such as DocuSign and Adobe Sign, to enable signing soft copy expense claim forms.
- These would allow forums to add signature boxes to existing documents.
- The authoriser would receive an automatic email requesting their signature. They could then forward the form for payment by the treasurer.
- This would keep an accurate record of the expenses that haven't been authorised and would help forums that deal with a high volume of expenses to keep track of them and ensure that they are all authorised.
- It would help forums in remote areas as the signatures can be done using a mouse/or tablet stylus. This is the ideal method and meets legal requirements for things obtained like contracts and other legal documents, so it is **LOW RISK & ROBUST** but the cost can be prohibitive.

JotForm/Formsite

Forums that have time could create their own expense claim forms on a platform such as JotForm/Formsite where you can sign things online either using DocuSign/Adobe Sign/etc. You can set 'conditional logic' or 'workflows' to the notifications. That means once someone completes a claim form the first authoriser is instantly emailed a link to an approval form to approve the expense claim, then once this is approved the treasurer is notified that it needs paying.

More information regarding this process here:

JotForm

<https://www.jotform.com/answers/547000-Does-jotform-have-logical-workflow-and-approval-routing-functions>

Formsite

<https://support.formsite.com/hc/en-us/articles/360000282634-Workflow-Overview>

Make sure that bank account details are not recorded in full, are encrypted, or are omitted from email notifications and only accessed by the admin of the JotForm site so that you are GDPR compliant.