

# POLICY



LONDON  
MATHEMATICAL  
SOCIETY  
EST. 1865

## PAYMENTS TO TRUSTEES POLICY

### Introduction

1. This document deals with the Charity Commission's guidance document CC11: *Trustee expenses and payments*, and provides policy specific to the London Mathematical Society (the Society) in the following areas:

- Payment of expenses to a trustee
- Paying trustees for services
- Paying for trusteeship
- Employing a trustee or connected person
- Compensating trustees for loss of earning

### Payment of expenses to a trustee

2. The Charity Commission's summary guidance states: "...trustees are entitled to have their **expenses** met from the funds of the charity. Expenses can include a wide range of costs including, for example, travel and other costs of attending meetings, specific telephone and broadband charges, travelling on trustee business, and providing childcare or care of other dependants while attending to trustee business."
3. The full Charity Commission guidance for **Payment of expenses to a trustee** can be found at: <http://www.charity-commission.gov.uk/Publications/cc11.aspx#4>
4. The Society will reimburse reasonable expenses to any trustee in the fulfilment of their role as a member of the Council of the London Mathematical Society and a trustee thereof.
5. Examples of reasonable expenses include travelling to and from trustee meetings, and on trustee business and events; refunds for the cost of meals taken while on charity business; cost of childcare; postage and telephone; overnight accommodation.
6. Reasonable expenses are paid to trustees according to the *Guidelines on expenses of Council members, members of Society committees and Society representatives on other bodies*, which forms part of the Society's *Expense Claim form*.

### Paying trustees for services

7. The Charity Commission's summary guidance states: "*Charities can pay some of their trustees for the supply of services. The power to do this, and the conditions attached to using it, were introduced by the Charities Act 2006 as a change to the Charities Act 1993. The power is summarised in this guidance [CC11]. The power cannot be used if the governing document prohibits this type of payment.*"
8. The full Charity Commission guidance for **Paying trustees for services** can be found at: <http://www.charity-commission.gov.uk/Publications/cc11.aspx#5>
9. The Society's **Charter, Item 11** allows such payments to trustees.

# POLICY

10. In accordance with Charity Commission guidance the Society may pay trustees for the following types of services:
  - the delivery of a lecture;
  - a piece of research work;
  - the use of a trustee's firm for a building job;
  - the use of a trustee's premises or facilities;
  - entering into a maintenance contract with a trustee's firm;
  - providing curtains or decorating materials for hall premises;
  - providing timber for a building; or
  - providing specialist services such as estate agents, land agents, management and design consultants, computer consultancy, builders, electricians, translators, and graphic designers.
11. Prior to payments for services being made to individual trustees, formal approval of such payments must be obtained from Council for each case. Following this an agreement must be signed by the Treasurer, acting on behalf of the Society, and the trustee to whom the payment is to be made. Such documentation to be made available to the Society's auditors upon request.
12. Payments to trustees for services will be reported in the annual accounts of the Society, detailing the name of the individual trustee(s) together with the payment amount received. This is in accordance with the Charity SORP guidelines.

## **Paying for trusteeship**

13. The Charity Commission's summary guidance states: *"A charity trustee may only be paid for serving as a trustee where this is clearly in the interests of the charity and provides a significant and clear advantage over all other options. There is no general power in law for this type of payment – a charity would need a specific authority which may be found in its governing document, or be provided by the Commission, or, more rarely, by the Courts."*
14. The full Charity Commission guidance for **Paying for trusteeship** can be found at: <http://www.charity-commission.gov.uk/Publications/cc11.aspx#6>
15. The Society views being a Trustee as a voluntary service and therefore does not normally pay trustees for their duties in that role. In exceptional circumstances, and with Council's agreement, the Society may pay a Trustee for its duties in that role, in accordance with its Charter, item 9. Any such payments made will be reported in the Trustees' Report and Annual Accounts for the appropriate financial year.

## **Employing a trustee or connected person**

16. The Charity Commission's summary guidance states: *"Where a charity proposes to employ a trustee in some other role, or where a charity wishes to compensate a trustee for loss of earnings to enable them to attend meetings during working hours, it must firstly ensure that it has the necessary authority. If it is not provided by the governing document, the charity will need to approach the Commission or the Courts. In any case, where a charity wishes to make a payment, but has **no clear power** to do so, the trustee board must apply to the Commission for authority **before** the payment is made."*
17. The full Charity Commission guidance for **Employing a trustee or connected person** can be found at: <http://www.charity-commission.gov.uk/Publications/cc11.aspx#7>
18. There is no mandate in the Society's Charter for either a trustee becoming an employee or for an employee becoming a trustee.

# POLICY

19. It is the Society's view that its members and the trustee body elected from such membership serve the Society on a purely voluntary basis, to further the aims of the Society and of mathematical research and mathematics more generally.
20. Should the situation arise whereby matters outlined in **Item 18** above pertained then this would have to be considered on a case by case basis by Council with the necessary authorities being obtained from the Charity Commission **prior** to any contract being entered into or payment being effected.
21. Where the Society was to consider employing the spouse or partner of one of its trustees, or some other 'connected person' the approval of Council and then of the Charity Commission must be sought **prior** to such an appointment and any conflicts of interest actively managed thereafter.

## **Compensating trustees for loss of earnings**

22. The Charity Commission guidance in this area states "*This type of payment is not a routine **expense** (see section D) [document CC11] and must be treated as a **trustee payment**. There must therefore be an express authority for it, either within the charity's governing document, or provided by us.*"
23. The full Charity Commission guidance for **Compensating trustees for loss of earnings** can be found at: <http://www.charity-commission.gov.uk/Publications/cc11.aspx#8>
24. Although charities can obtain approval from the Charity Commission for such payments the Society considers that trusteeship should be a voluntary contribution and that the Society's charitable income should not be used to pay trustees for loss of earnings.
25. The Society will **not** normally pay an employer for the loss of time of an employee to serve as a trustee for the Society, even though this would not be considered a payment to the trustee as the trustee would gain no direct benefit.
26. The Society may, in exceptional circumstances, pay for support for a trustee to carry out their role, such as secretarial support. Such payments would require the formal approval of Council.

## **Conflicts of Interest**

27. All of the above are applied with due regard to the Charity Commission guidance CC11, the Charity SORP guidelines, and the Society's Conflicts of Interest Policy and annual Declarations of Interests made by its trustees.

Amendments approved by Council  
14 October 2016

Approved by Council  
20 May 2011