

Spending and Expense Policy

Policy purpose and scope

1. INTRODUCTION

Volunteers and Contractors support the overall strategic aims of the Crown Mountain Water Supply Corporation (CMWSC). They are critical to the organisation in achieving our vision – clean and reliable water for our members.

2. PURPOSE

The CMWSC Spending and Expenses Policy provides guidance on which expenses are to be claimed for and aims to promote a reimbursement procedure that is fair and consistent across the whole organization.

3. POLICY STATEMENT

- We appreciate the time our volunteers and contractors give to help support Crown Mountain Water Supply Corporation (CMWSC). We are committed to ensuring that no volunteer or contractor is out of pocket because of expenses incurred whilst carrying out their role within the CMWSC.
- The CMWSC needs to ensure that any expenditure is relevant to our objectives and can be fully justified; therefore, all expenses should be reasonable and kept to a minimum.
- It is also important that there is transparency with all payments and therefore all claims must always be supported by the relevant receipts for auditing purposes. Wherever it is possible we will ask for a valid VAT receipt to be submitted along with any expenses claim made.
- CMWSC is not permitted to pay any volunteers a stand in allowance to carry out volunteering activities. Volunteers must only be paid out of pocket expenses incurred as set out in this policy.

4. DEFINITIONS

For the purpose of this policy the term “Volunteer” has been used in its broadest sense:

A volunteer with the CMWSC is someone who, without expectation of financial reward beyond reimbursement of expenses, performs a task at the request of and on behalf of the CMWSC without any obligation.

5. SCOPE

This policy applies to all Volunteers and Contractors who carry out their role within the CMWSC.

- The reimbursement of expenses to volunteers are only given to cover any out-of-pocket costs that have been incurred and do not represent any financial reward or any compensation for loss of time. Payment of expenses does not change the recipient's status as a volunteer.
- The reimbursement of monies due to contractors is paid as per their contract with CMWSC and the reimbursement of expenses to contractors is only given to cover any out-of-pocket costs that have been incurred.

6. KEY RESPONSIBILITIES

- The CMWSC will value and recognise the contribution of our volunteers/contractors and ensure there is reimbursement of agreed out of pocket expenses when supporting receipts are provided.
- Volunteers/contractors must act with integrity, submitting only ACTUAL and AUTHORIZED expenses in accordance with this policy.
- The relevant CMWSC Board Member who is responsible for signing off volunteer/contractor expenses and invoices is expected to check the claims that comply with this policy, deal with them promptly and ensure they are claimed in accordance with the correct process.

7. RULES ON WHAT CAN BE CLAIMED FOR

- CMWSC acknowledges that its volunteers and contractors may incur expenses in the carrying out of their role. This policy sets out the Company's stance on the scope, authorization and reimbursement of those expenses.
- Expense claims must be supported by receipts to evidence expenditure. In addition, claims will only be processed where the Company considers the volunteers and contractors' expenditure to be reasonable and necessary.

Before a claim is made, consideration needs to be given to the following:

- The expenses that are being claimed are reasonable and only cover any out-of-pocket expenditure and;
- Prior approval and agreement have been sought in advance with the appropriate CMWSC Board Member such as the President, Vice President or Treasurer.
- The board of directors approves and appoints whom can approve expenditures up to \$500.00 other than payments made within a contractor contract with CMWSC. These approvals are made by person not by position on the board. Any expenditure that can wait for full board approval at the

next scheduled meeting of the board must be approved by the board with a motion.

- The board member with the approval authority, up to \$500.00 outside of board motion must relay that approved expense with the reasoning it could not wait for full board approval at the next scheduled meeting of the board.

8. APPROVAL AUTHORITY

The board can approve one or more board members to have Approval Authority. This Authority does not follow a position on the board but rather goes to an individual on the board regardless of position held on the board and must be readdressed each year after elections for the board.

- Approvals for expenditures that can wait until the next scheduled board meeting should be added to the agenda and addressed in the meeting.
- The approval of OVER \$100 and less than \$500 should be agreed upon by any other board member and documented with email.
- Emergency expenses shall be documented with email - as soon as possible after an incident.
- Emergency expenses OVER \$500 require an emergency meeting to be called.
- ALL new purchases that result in monthly charges must be authorized by the board - subscriptions, phone charges, internet/software monthly charges, electric plans, extended warranty plans, service contracts, etc.

9. TYPES OF EXPENSES

Noted below are the most common types of expenditure for which the CMWSC will reimburse the cost. The cost of other expenditure may also be reimbursed; however, Volunteers and Contractors must always seek authorization before purchase.

Travelling expenses

Travel expenses must be pre authorized AND documented, unless authorized by contract- email is easiest. Unless otherwise authorized, the travel can ONLY be for the stated purpose, i.e., a person CANNOT get reimbursed for a trip to Kerrville to pick up pipe fittings if they are ALSO going for a dental appointment, grocery shopping, etc.

Volunteers and Contractors should:

- consider whether travel is necessary or whether the task could be completed by telephone or video conference
- choose the most cost-effective methods of travel
- ensure their travel is approved, unless travel is required during emergency situations.

Credit card

- Company credit cards are to be used for business purposes including but not limited to reasonable billing expenses, reasonable IT costs and maintenance and operating expenses.
- The Treasurer should be provided with all receipts including VAT receipts, within the current month.
- The company credit card is not permitted for personal use. Any unauthorised personal transaction via your company credit card will automatically be deducted from your next contractor payment or in the case of a volunteer will be billed to you from CMWSC. This is an express written term of your ability to carry a CMWSC credit card. Under no circumstances should a CMWSC credit card be taken on holiday or abroad.
- When using a company credit card, you are an ambassador of the CMWSC; therefore, all transactions should be dealt with courteously and professionally.
- On termination of contract or of volunteer duties, CMWSC credit card should be handed in to the president or vice president on the last date of engagement.

Phones and Computers

- When CMWSC mobile phones and computers are provided to you in order for you to fulfil your duties professionally and efficiently. The mobile phone or computer provided does not belong to you. It is to be used for business purposes, only except in the case of an emergency.
- We reserve the right to monitor CMWSC mobile phone use and computer use to ensure compliance with our policy and any personal use will be recharged back to you.

10. EXPENSE CLAIM PROCEDURE

- Claim forms are available from the Secretary. Volunteers and Contractors should send the completed form to Treasurer for final authorization and payment.
- The claim form should be submitted within the same month of the expense being incurred, with the appropriate supporting receipts, vouchers, mileage record or other proof that they have been incurred; and otherwise complies with the above rules for reimbursement.
- Records of personal travel claims should be kept for two years following the end of the relevant income tax year.

11. AUTHORIZING PERSONS RESPONSIBILITIES

When authorizing travel plans, board approved authorizing person should ensure that the plans are the most cost-effective method to be used, and that all travel cost is pre-authorized. Claim forms should not be signed off without thorough inspection that all costs are reasonable and supported by valid evidence.

12. THE CONSEQUENCE OF NON-COMPLIANCE

- Any failure by the CMWSC, CMWSC board, Contractors or Volunteers to comply with this policy will impede the CMWSC's capability of achieving its mission to provide clean and reliable water for our members.
- Any abuse or misuse of contractor or volunteer expense payments will be treated very seriously and may result in a volunteer being prohibited from volunteering or board position vacated and in the case of contractor, disciplinary action including termination of contract may result.

13. COMMUNICATIONS AND TRAINING

The implementation of this policy will be communicated to all contractors and individuals who are volunteers. It is not anticipated that formal training on this policy will be necessary.

14. CONTACT INFORMATION

For further information on this policy please contact any board member with Crown Mountain Water Supply Corporation.