

# Payments to charity trustees: what the rules are

Understand the rules for making payments to trustees, including trustee expenses

Taken from Charity Commission

## Contents

1. [Trustee expenses](#)
2. [Pay a trustee to be a trustee](#)
3. [Pay a trustee to provide goods or services to the charity](#)
4. [Pay someone who is connected to the charity](#)
5. [Buy a leaving gift for a trustee](#)
6. [When to get Commission consent](#)

## Trustee expenses

Expenses are for out-of-pocket payments trustees have to make in order to carry out their duties, for example:

- travel to and from trustee meetings
- overnight accommodation
- postage, telephone calls and broadband time for charity work
- childcare or care of other dependants while attending meetings

Your charity should have a written agreement setting out what is classed as an expense, plus how to claim and approve expenses.

## Pay a trustee to be a trustee

When you become a trustee, you volunteer your services and usually won't receive payment for your work.

Generally, charities cannot pay their trustees for simply being a trustee. Some charities do pay their trustees – they can only do so because it's allowed by their governing document, by the Charity Commission or by the courts.

## Pay a trustee to provide goods or services to the charity

Trustees could be paid for:

- work such as plumbing or painting and any associated materials such as paint or plumbing parts
- providing specialist services, such as estate agency or computer consultancy
- providing premises or facilities for occasional use, for example as a meeting room
- administration or secretarial work

- supplying stationery to the charity

Legal requirement: before paying a trustee for goods or services, or a [person, or business, connected to a trustee](#), you must have regard to the Commission's [guidance on paying trustees for goods or services](#). It explains how you must:

- produce a written agreement between the charity and the trustee (or [connected person](#)) being paid
- specify the exact or maximum amount to be paid
- make sure the trustee does not take part in decisions made by the trustee board regarding any aspect of the agreement
- agree the payment is in your charity's best interests and reasonable for the goods or services provided
- not allow payments or other benefits to half, or more than half, of your trustee board – the number of trustees receiving any payment or benefit must be in the minority
- make sure your charity's governing document doesn't prevent you from paying trustees for goods or services

When deciding whether to pay a trustee for goods or services, you must follow your duty of care as trustees. In practice, this means you should:

- be clear that the payment can be justified in the charity's best interests
- identify and record [conflicts of interest](#) and prevent them from affecting the decision
- use reasonable care and skill when [making your decision](#) (take legal advice if you need it)
- decide what you will do if the goods or services aren't satisfactory
- keep records of discussions at meetings and disclose the payment in your accounts

## **Pay someone who is connected to the charity**

If someone is connected to a trustee, they are known as a 'connected person'. For example:

- a spouse or partner
- siblings
- a brother- or sister-in-law
- parents
- business partner
- businesses connected to trustees

If a connected person is to be paid or employed by the charity, the trustee or trustees they are connected to must not be involved in any part of the process.

Where you propose to:

- pay a connected person for providing goods or services to the charity, follow the guidance in the [relevant section](#) above
- employ a connected person, you may need the Commission's consent. Read the [final section of this guidance](#)

## Buy a leaving gift for a trustee

You may decide that it is appropriate to use the charity's money to buy a small gift as a leaving or retiring present for a trustee.

Small gifts usually do not need the Commission's authority, provided that:

- the value of the gift is minimal
- the trustees agree it's in the charity's best interest

## When to get Commission consent

If your governing document doesn't allow you to pay trustees, you may need to get the Commission's consent before you:

- employ a trustee, or a connected person
- pay a trustee for serving as a trustee
- pay a trustee's expenses or replace lost income
- pay a trustee or connected person for providing goods or services to the charity

## What to say on the form

Don't complete this form if you are the trustee who will be paid - ask another trustee to complete it.

You'll need to provide the Commission with:

- the reason for the planned payment
- details of any recruitment process, demonstrating that it was open and fair
- a job description for any paid work
- details of the planned terms of payment
- the intended duration of the role
- your charity's most recent accounts as a PDF file (if you haven't already sent them to the Commission)

[Request permission to pay charity trustees](#)

It is an offence under section 60(1)(b) of the Charities Act 2011 to knowingly or recklessly provide false or misleading information to the Commission.

If you are planning to make one of the payments set out above, you should also read the relevant section of the more detailed [trustee expenses and payments](#) guidance.