

Members' Honoraria and Expenses Procedure 2022

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1. General

- 1.1. This document sets out the procedures for NFU Members' Honoraria and Out of Pocket expenses effective from 1 March 2022 until further notice.
- 1.2. No payments will be made for any claim or honorarium unless a Trading Status form has been completed previously. Please email expenses@nfu.org.uk if you have not filled this out yet.
- 1.3. The latest NFU Claim for Out of Pocket Expenses form must be used for all Daily Honoraria and Out of Pocket expense claims. Forms are available from expenses@nfu.org.uk.
- 1.4. Expense claims should be completed and emailed directly to expenses@nfu.org.uk within 10 days following month end.
- 1.5. Payment of Daily Honoraria and Out of Pocket expenses will be restricted to the allowances and expenses in accordance with Appendices 1 and 2. These are subject to annual review.
- 1.6. The NFU is obliged to keep records of all payments made to members and, upon request, to disclose these to HM Revenue & Customs.
- 1.7. The cost of phone calls is not recoverable (see 1.8 below).
- 1.8. The cost of conference calls from a landline or mobile phone can be recovered provided evidence of the cost of the calls is provided.
- 1.9. Reimbursement of expenses of a deputy can only be made if no claim is made by the member themselves in respect of the same day.
- 1.10. Claims must show the name of each board or committee attended with dates on separate lines of the claim form.
- 1.11. All expense claims must include valid itemised receipts. Failure to submit expense receipts may result in the expense claim being unpaid. Photocopies, mobile phone photographs and scanned receipts are all acceptable to validate expense claims.
- 1.12. Except in exceptional circumstances members should obtain the cheapest form of transport and the cheapest fare available.
- 1.13. Members are encouraged to use public transport, especially in London. Taxis should only be used in exceptional circumstances, e.g. difficult cross-town journeys or several people travelling together to a meeting. The cost of car parking at a railway station is recoverable.
- 1.14. The Expenses Procedure applies to elected Board and Forum members as well as Co-opted and Appointed Board and Forum members.
- 1.15. Disputes with regard to any individual's expenses will be directed to the Audit Committee.
- 1.16. Members should be aware that they could forfeit the right to reclaim expenses not submitted within three calendar months after the end of the month in which they are incurred. All claims over three months old will only be paid if approved by the Audit Committee.**
- 1.17. The general principle adopted will be appropriate to a voluntary organisation, namely that members participate in County and local activities at their own expense. There should be no payment of expenses for attending normal meetings and no reimbursement of other incidental expenses.

2. Payment System

- 2.1. To Receive any payment (including any honorarium) a Trading Status form must have been completed and returned to expenses@nfu.org.uk.
- 2.2. Members must provide details of their business bank, sort-code and account number and if applicable their VAT details. Members are required to notify the NFU Finance Department of any subsequent changes. This information will be requested and held by the NFU Finance Department. The NFU is committed to more efficient electronic communication and members are urged to provide email addresses and to register on NFUonline.
- 2.3. As soon as practically possible after authorisation, the amount claimed will be paid by BACS transfer to the Members' business bank account and the member will be advised of the details of the payment.
- 2.4. Where any position attracting an honorarium ceases prematurely for whatever reason, any Honoraria paid in advance should be repaid pro-rata.

3. Non-NFU Meetings

- 3.1. Members cannot claim expenses for attending an event other than as an official NFU representative. (This must be requested by a staff member).
- 3.2. The Governance Board will from time to time appoint members to sit on other bodies on behalf of the NFU. All appointees should be notified to Compliance who will coordinate accordingly to the Head of Tax and Finance Department. Such members should always in the first instance claim expenses under the published expenses regime of the other body; failing that, Financial Loss Allowance and Out of Pocket Expenses will be payable as set out in Appendices 1 and 2.
- 3.3. The costs for members attending International conferences must be approved in advance by the Head of Department / Regional Director.
- 3.4. Where members attend meetings funded by the EU Commission, they must ensure that the appropriate EU Claim forms are completed and signed.

4. Honoraria

- 4.1. The NFU has a system of Honoraria for members carrying out certain specific roles. These are reviewed each October for implementation following the National AGM in February the following year.
- 4.2. Monthly and annual Honoraria will be paid by BACS by the Finance Department and will not need to be claimed.
- 4.3. Honoraria will be paid monthly in arrears into the Member's business bank account on or before the 21st of each month - other than those for County Chairmen and Regional Board Chairmen which will be paid annually in advance in June.
- 4.4. The Secretary of the NFU will notify appointments to and resignations from posts receiving an honorarium to Compliance who will coordinate accordingly
- 4.5. The decision to award an honorarium to a post lies with the Governance Board and the quantum decided by the Audit Committee.

5. Council

- 5.1. Council Attendees can claim their honorarium (Day Allowance) and travel expenses in accordance with Appendices 1 and 2.
- 5.2. Attendees should try to keep costs down as much as possible. Where delegates share a car, only one attendee can claim the mileage allowance.
- 5.3. Council Attendees must sign the Council Meeting Attendance List on each day of Council in order to be eligible to claim an honorarium (Day Allowance) and travel expenses.
- 5.4. Accommodation and meals will generally be booked by the NFU centrally and therefore should not be claimed.
- 5.5. Under the regional structure Council Attendees will be required to attend and report back to Regional and County meetings. They may claim all mileage undertaken on NFU duty at the current mileage rate in accordance with Appendix 2.
- 5.6. National Commodity and Legal Board Chairmen cannot claim an Honoraria (Day Allowance) for attending Council as this is covered by their honorarium (Monthly).

6. National Commodity and Legal Boards

- 6.1. Board Chairmen and Members will receive an honorarium (Monthly) in arrears on or before the 21st of each month. In election years, April and May's Honoraria (Monthly) will be paid in June.
- 6.2. National Commodity and Legal Board Chairmen cannot claim an Honoraria (Day Allowance) for attending Council as this is covered by their honorarium (Annual).
- 6.3. Out of Pocket Expenses will be paid in accordance with Appendix 2.
- 6.4. Commodity Board Chairmen may, if required to help them carry out their role, be provided with an NFU laptop and mobile phone. These will be determined by Head of Food & Farming and Director of Finance and will remain the property of the NFU.
- 6.5. All Board Members with observer status shall be responsible for their own expenses and travel arrangements.
- 6.6. Where a Board has opted to appoint or co-opt Members' Honoraria (Day Allowance) and Out of Pocket expenses will be paid to all appointed or co-opted members in accordance with Appendices 1 and 2.

7. Forums

- 7.1. Members of the Forum can claim an Honoraria (Day Allowance) and travel expenses when attending Forum meetings, and with prior approval from the Forum lead, when attending meetings where they have a role in representing the NFU. In accordance with Appendices 1 and 2.
- 7.2. Forum Chairmen when attending Council are entitled to claim the honorarium (Day Allowance) in accordance with Appendix 1.
- 7.3. All Forum Members with observer status shall be responsible for their own expenses and travel arrangements.
- 7.4. Where the Forum has opted to co-opt members, an honorarium (Day Allowance) and Out of Pocket expenses will be paid to all co-opted members in accordance with Appendices 1 and 2.
- 7.5. Forum Members reporting to Regional Boards are entitled to claim an Honoraria (Day Allowance) in accordance with Appendix 1.

8. Regional, County and Welsh Meetings

- 8.1. The general principle adopted will be appropriate to a voluntary organisation, namely that members participate in County and local activities at their own expense. However it is recognised that participation in such meetings may involve members in extended journeys and therefore the following exceptions are made to the general rule.
- 8.2. Subsistence allowances do not apply to Regional and County meetings. If attendance at such meetings necessitates taking meals away from home, members may claim reimbursement of the cost incurred in accordance with Appendix 2.
- 8.3. Regional Board, Regional Commodity Board and Welsh Council Members travelling within their regions on NFU business may claim travel expenses in accordance with Appendix 2.

9. Audit Committee

- 9.1. The Chairman of the Audit Committee will receive a monthly honorarium plus Out of Pocket Expenses in accordance with Appendix 2.
- 9.2. Members of the Audit Committee will receive an honorarium (Day Allowance) when attending Audit Committee meetings plus Out of Pocket Expenses in accordance with Appendices 1 and 2.

10. AGM & NFU Conference

- 10.1. All members have a democratic right to attend the AGM but must do so at their own cost and are not entitled to claim expenses unless on official NFU business. Members attending the NFU Conference other than on official business will be charged a delegate day rate to cover use of the conference venue facilities, lunch and refreshments. Dinner, bed & breakfast will be booked for official delegates. Sundry bills should be settled at the member's own expense. The need for other members to attend on NFU business will be determined by the Governance Board.
- 10.2. Council Attendees may claim travel expenses when attending Conference, in accordance with Appendix 2, during an election year when attending the Special Meeting of Council which follows the AGM, provided the Council Meeting Attendance List is signed. They may not claim an honorarium (Day Allowance).

11. Taxation

11.1. Members should note that most Honoraria and expenses are paid by the NFU without deduction of PAYE tax and national insurance at source. This treatment has been agreed with HM Revenue & Customs and is on the basis that:

- the member is either in business on his or her own account (as a sole trader or in partnership) or is employed by his or her farming limited company;
- the honorarium is to be paid to the member's business in recognition of the time which he or she spends away from the business doing work for the NFU; and
- the member is responsible for his or her own tax affairs.

The NFU accepts no liability for tax and national insurance on payments to its members other than that deducted at source.

11.2. All members in receipt of an honorarium of £3,000 or more will be asked to confirm to the NFU the tax status of their farming activity - i.e. whether they are self-employed or an employee of a farming limited company.

11.3. In the case where a member is an employee of his or her farming limited company, it will be necessary for the NFU to enter into a tripartite contract with the member and the company for the provision of the member's services by the company.

11.4. The NFU will monitor the payment of the Financial Loss Allowance. Where the total day allowances paid exceed £3,000 in a fiscal year, the NFU will request the confirmation outlined in paragraph 12.2 above and, if necessary, enter into a contract with the member's limited company as set out in paragraph 12.3.

11.5. Honoraria for National Officeholders are processed through the monthly payroll and PAYE tax and national insurance are deducted at source.

11.6. The payment of an honorarium and associated expenses to a member's business represents consideration for a supply of services and is subject to VAT, where the services are supplied by a VAT registered trader. The amounts shown in Appendices 1 and 2 are exclusive of this VAT due on any supply of services; VAT will therefore be paid in addition to these amounts where it is properly required to be charged by the member.

11.7. Where a member confirms that their business is VAT registered they will be asked to enter into a self-billing agreement with the NFU. This will be issued to them by the Finance Department.

11.8. The supply of services is by the member and it is therefore the responsibility of the member, not the NFU, to ensure that VAT is being charged on Honoraria and associated expenses, where it is applicable, and to account for it correctly to HM Revenue & Customs.

HONORARIA AND OUT OF POCKET EXPENSES

APPENDIX 1	2022		
Honoraria			
Day Allowance	£ 166.17		
Half Day Allowance (for meetings of less than 4 hours but more than 2 hours duration, including travel time)	83.09		
APPENDIX 2			
Expenses UK expenses (including VAT)			
Subsistence			
	£		
Day allowance for meals	up to 45.00		
Night allowance for accommodation (London)	up to 108.00		
Night allowance for accommodation (elsewhere)	up to 83.00		
Travel			
Actual cost of public transport for members only - not spouses			
Taxi fares will be reimbursed on production of receipts (see 1.12 above)			
Car mileage rate for travel on authorised NFU business	45p per mile		
Overseas Expenses			
Subsistence	Day	Bed & Breakfast	24 Hours
Eurozone (Euros) - up to	€103	€225	€328
Switzerland, Denmark, USA, Other Non-EU - up to	£60	£133	£193
Travel arrangements will be booked and paid for by the NFU.			
NOTE: Where members attend meetings funded by the EU Commission they must ensure that the appropriate EU Cla forms are completed and signed.			