



## BY-LAW – EXPENDITURE REIMBURSEMENT

NSW Stoma Limited (“NSW Stoma”) is a not-for-profit company dedicated to the support of members who have undergone surgery resulting in a Colostomy, Ileostomy, Ileal Conduit, Urostomy or other external pouch procedure.

The following By-Law will be used by all Directors, Members and/or employees of the Company in making claims for payment or reimbursement of their reasonable expenditure incurred in carrying out Company duties.

Travellers will not be expected to subsidise the cost of officially representing the Company. The Company requires all travellers to contain costs at all times. Travellers are not to receive an additional benefit from travelling on Company business.

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### Effective Date

This By-Law version is effective from **21 July 2016** and will remain in force until its duly authorised cancellation, or replacement by an amended version.

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### Applicability

This By-Law shall apply to any Company person who, with the prior approval of the Board, incurs expenses in carrying out Company related business.

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### Expenditure Authorisation

A decision on the application of these guidelines shall be made by the Board on a case by case basis.

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### Volunteer Payments and Expenses

While volunteers do not receive a salary or wage for their contribution they can still receive cash (or gifts) as payments or benefits. Volunteers may also be reimbursed for their out-of-pocket expenses or receive an allowance to cover any Company related expenses, e.g. meals or petrol.

Per the Australian Taxation Office’s (ATO) website, a payment that is not assessable to a volunteer will have many of the following characteristics:

- *The payment is to meet incurred or anticipated expenses.*
- *The payment has no connection to the volunteer’s income-producing activities or services.*
- *The payment is not received as remuneration or as a consequence of employment.*
- *The payment is not relied upon or expected by the volunteer for day-to-day living.*
- *The payment is not legally required or expected.*
- *There is no obligation on the part of your organisation to make the payment.*
- *The payment is a token amount compared to the services provided or expenses incurred by the volunteer. Whether the payment is token depends on the full facts surrounding the payment and volunteer’s circumstances.*

All correspondence to: PO Box 164, Camperdown NSW 1450

## Director Payments and Expenses

While directors do not receive a stipend, salary or wage for their contribution and effort, they can still receive cash reimbursement for their out-of-pocket expenses or receive an allowance to cover any Company related expenses, e.g. meals or petrol. For example:

### Travel Allowance

Directors may be reimbursed for out-of-pocket expenses they incur while travelling directly between their place of residence and any destination (including the Company's business premises) to which the director is required to attend to perform Company-related business.

Should a director use their own car for such Company-related travel, then they may claim reimbursement based on the 'cents per kilometre' method (see *Use of Private Car* section below). Reimbursement for road tolls may be claimed in addition to the 'cents per kilometre' method.

### Meal Allowance

Should a director be working at the Company's business premises when a meal would normally be consumed (eg. lunch, dinner), then a meal may be provided at the company's expense.

However, if no meal is provided by the Company then each director may receive payment of a meal allowance (per Table 1 below), or reimbursement of their reasonable out-of-pocket meal expenses (but not both).

Table 1: **Reasonable Meal Allowance Rates**

Breakfast	Lunch	Dinner
\$15	\$20	\$30

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## Use of Private Car

### Cents Per Kilometre Method

If a director uses their own car for authorised Company travel they may claim reimbursement based on the 'cents per kilometre' method:

- the claim is based on a set rate for each business kilometre travelled
- you can claim a maximum of 5,000 business kilometres per vehicle
- you do not need written evidence to show how many kilometres you have travelled, but we may ask you to show how you worked out your business kilometres
- you cannot make a separate claim for depreciation of the car's value.

To work out how much you can claim, multiply the total business kilometres you travelled by the number of cents per kilometre (see Table 2 below). This figure takes into account all your vehicle running expenses.

Table 2: **Rates per business kilometre**

Year	Cents per kilometre
2016-17	66
2015-16	66

**These rates are adjusted each year by the ATO.**

## Company Related Travel

- a) A daily travelling allowance may be paid to any person who is required to perform a Company related duty. Such person may only claim reasonable actual out-of-pocket expenses related to such a duty.

Such travelling allowance must not exceed the **Reasonable Travel Allowance Rates** as defined by the **Australian Taxation Office** and which meets the requirements of the appropriate **Taxation Determination** on reasonable travel allowances.


The ATO releases an updated **Taxation Determination** on reasonable travel allowances for each tax year. A copy of the appropriate **Taxation Determination** document should be attached as **Appendix A** to this document for reference throughout the relevant tax year.

- b) Travel must be via the most appropriate means of transport (including cars, air travel, taxis, trains, buses and any other relevant transport system) available for the time and destination of travel.
- c) Where an authorised person chooses to travel other than by air, an allowance in lieu of airfares may be paid but will not exceed the equivalent cost of reasonable economy class air travel plus an amount for incidental expenses approved by the Board. Incidental expenses shall not include any allowance for overnight accommodation incurred while en-route other than in the case of an emergency.
- d) Travel and accommodation costs excluding incidentals will be reimbursable on the basis of single travel and hotel occupancy. Authorised persons who are accompanied by their partners will be responsible to meet any rates in excess of the single rates.
- e) Where extended travel is undertaken as an adjunct to reimbursable Company duties, only that part related to the actual Company duties will be reimbursed.

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## Overnight Business Travel Expenses

If you stay away from home for one or more nights on business travel, you need to keep written evidence and receipts for all expenses.

 **If your travel is for both business and private purposes, you must exclude the private expenses from your claim.**

If you are away from home for six or more consecutive nights, you must use a diary or similar document to record the particulars of each business activity before your travel ends, or as soon as possible afterwards. You must record:

- the nature of the activity
- the day and approximate time the business activity began
- how long the business activity lasted
- the name of the place where you engaged in the business activity.

Note that fringe benefits tax may apply if the travel includes private activities.

### **Expenditure for Other Company Related Functions**

Where the nature of any official Company related event requires an authorised person to be accompanied by his/her partner, then the reasonable costs of the function for both the authorised person and their partner will be met by the Company upon production of all relevant accounts and receipts.

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### **Reimbursement Payment Method**

The preferred payment method for all expense reimbursements should be via cheque or direct deposit. Payments in cash should be avoided where practical.

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### **Travel Insurance is Mandatory**

All authorised persons carrying out Company business which requires travelling inter-state or intrastate must be covered by appropriate and approved travel insurance prior to booking and travelling .



# APPENDIX A - Taxation Determination

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## NSW Stoma Limited BY-LAW Updates

This By-Law may change from time to time.

This By-Law is available at our office to any member who requests it.

Last updated: **11 July 2016**

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