



Remuneration Guidelines for Directors and Senators

The following guidelines are provided for the guidance of elected officers and others who are paid for their services and/or are paid expenses in relation to the work they carry out for The Ivors Academy. These guidelines are intended to assist The Ivors Academy in meeting its own regulatory compliance requirements. They are not intended as, and neither should be used as a statement of the law in respect of any individual or person. The Ivors Academy cannot be held responsible for any action or lack of action taken in respect of the information and comments noted in this document. Individuals and persons should take separate advice as to their own situation from someone versed in the areas of law dealt with in the document. **Please direct any invoices, expense claims or further questions to The Ivors Academy's Head of Finance, Phil Budden (phil@ivorsacademy.com).**

1. Reimbursement of expenses

- a) The Ivors Academy is a 'not for profit' organisation, operating on a limited budget. Please note we do not pay subsistence claims other than for those travelling on full days on European business. Expenses are only paid for Board attendance, speaking on panels, or for Director's to attend AGMs or EGMs. We are not able to pay for general member events or socials or committee member AGM/EGM attendance which we view as voluntary.
- b) For contractors and others who are not treated as officers/employees of The Ivors Academy under PAYE, and who supply services or goods to The Ivors Academy, we require a bona fide invoice. Our financial year is from 1st January to 31st December, each year, invoices for expenses need to be submitted timeously. Where invoices are submitted more than one month after the accounts year end, there may be a delay from our normal payment procedure in making payment. Invoices submitted more than 3 months after the date of supply will only be paid at the discretion of the Board, and this forms part of our terms and conditions for services and supplies. We require formal invoices (i.e. not credit card receipts) for *any* expenses claimed.
- c) If you are submitting an invoice to The Ivors Academy as a service provider (for example a director who supplies services through their own company) and not as an officer/employee then you should add VAT onto expenses for reimbursement of approved expenses. The reason for this is that you are not supplying, for example, travel services and so you must add VAT where you are VAT registered.
- d) For individuals who are not supplying their services through an incorporated company, we still require an invoice or expense form for the claim backed up with receipts.
- e) With regard to Senators who are not getting paid for their services (i.e. do not receive a fee or stipend); HMRC regards them as voluntary workers. It, therefore, follows that the reimbursement of any expenses incurred by voluntary workers in carrying out the work for the organisation (such as travel) will not give rise to liability to tax. Payments in excess of the actual expenses incurred may be taxable in the hands of the individual member and advice should be sought from your own accountancy adviser.

- f) We will endeavour to pay travel expenses within two weeks of submission. However occasionally this may be slightly longer if there are bank holidays or other extraordinary circumstances such as late submission of the invoice. Our preferred method of payment is online, and we will therefore require bank details to be shown on the claim form or invoice. If you require a reference with your online payment, please stipulate what this should be (i.e. an invoice number for example) or it will just show as 'THE IVORS ACADEMY'. An email confirming payment has been made will be sent at the same time as payment.
- g) **Proof of payment** – As per HMRC guidelines and on advice from The Ivors Academy's accountants, all expense claims MUST be supported with receipts or some other proof of payment.
- h) **Rail/Bus Fares** – Receipts MUST be submitted. The Ivors Academy will fully refund single/return standard or economy class fares to attend committee meetings. We ask that those booking travel on The Ivors Academy business to be considerate of this fact and to seek out the best value fares available as these may vary considerably depending on the time of booking, the time of travelling and the service selected. Most sessions are set out many weeks in advance so it is often possible to get good deals(www.thetrainline.com). We require an official TfL journey history as proof of purchase (www.tfl.gov.uk).
- i) **Car mileage allowance** – Receipts MUST be submitted. The Ivors Academy will refund car mileage claims at the latest HMRC rates (www.hmrc.gov.uk). We take the AA approved route and mileage as the mileage incurred. Anything in excess of the AA approved mileage will only be paid at the discretion of the Board. We will pay reasonable car parking expenses and congestion charge; if you are unsure please check in advance (tfl.gov.uk). Please note: we cannot pay parking or congestion charge fines.
- j) **Taxi fares** – Receipts MUST be submitted and the use of MUST be agreed in advance. The Ivors Academy will pay for taxi fares in exceptional circumstances (sickness / mobility issues – or if making a long distance journey in to London and travelling with heavy luggage).
- k) **Overnight accommodation** - for most meetings overnight accommodation should not be necessary. In exceptional circumstances, particularly for those living more than 4 hours travel away from London, accommodation can be paid but must be agreed in advance. The Ivors Academy will usually refund up to £125 per night. You can get a 4 star hotel within W1 for that price, and we recommend that you check out sites such as <http://www.easy-london-hotels.com>

2. **Fees and Stipends**

- a) All fees/stipends and similar payments will be subject to PAYE unless the payment is to be made to an incorporated company which is loaning out the individuals services. We will require proof that the company has the right to the services being supplied to The Ivors Academy. We are prepared to accept a certified copy of the individual's employment contract with their company or a letter of assurance on company headed notepaper or letter of confirmation from the company's accountants. Individuals should check with their own accountants about the treatment of such income from The Ivors Academy especially in relation to what is call IR35 as in certain circumstances HMRC may seek to restrict the normal expenses claimed by a limited company in arriving at its taxable profit.
- b) **Chairs' stipends** – the Chair of The Ivors Academy currently receives an annual stipend (i.e. an allowance), and is paid via the The Ivors Academy payroll.
- c) **Board attendance fees** – The Ivors Academy pays an attendance fee to those Directors who are not in receipt of a stipend but wish to claim expenses for meeting attendance. This payment

allows for reading of materials in preparation of the meetings. Please check with the Bookkeeper as to the current rate. Board attendance fees are made via the The Ivors Academy payroll.

- d) **European expenses** – a per diem daily rate will be paid to Committee members who make trips to Europe on The Ivors Academy business. All travel (economy), accommodation and subsistence costs are covered. Again please check with the Bookkeeper as to the current rate.
- e) **Guest speaker expenses** – we pay reasonable travel expenses for anyone speaking at a The Ivors Academy organised seminar or panel (agreed in advance).

3. Remuneration for Freelance Work

- a) The Ivors Academy employs the talents of staff and also many other businesses, organisations and freelancers in order to deliver its objectives, particularly with regards to the award ceremonies. Directors are governed by strict company law rules which are detailed in The Ivors Academy's Articles of Association. All Directors must declare a possible conflict of interest in any financial dealings with The Ivors Academy and any decisions over remuneration must follow article 60 which states 'any other remuneration submitted by a Director of The Board must be approved by the entire Board of Directors excluding that Director intended to be remunerated'. Therefore any roles that Directors wish to carry out and receive freelance remuneration for should be properly described and open to tender at least every 3 years.

4. Complimentary Tickets for Awards

- a) As a not for profit organisation The Ivors Academy has always relied on the voluntary service of its members. Senators do not get paid for attending Senate meetings (although reasonable travel expenses are covered, as above) but as a show of appreciation for their dedication, Directors receive 1 complimentary ticket and Senators will be able to buy tickets to the Ivor Novello Awards at a reduced rate.
- b) **Individuals who provide their services directly to The Ivors Academy** - With regard to tickets to events the normal rule is that where individuals are employees, they are taxed on the benefit of the ticket. Where members who are employees are attending as part of their duties this is arguably not a benefit. However, partners or guests of employee members do not attend as part of their duties and the benefit of the ticket may be taxed on the member – as the ticket is only provided because of the members/employees relation to The Ivors Academy. Here the value of the benefit subject to tax will be the marginal cost to The Ivors Academy. Individuals are urged to seek advice regarding their own situation from an adviser experienced in this area of work.
- c) **Individuals who provide their services to The Ivors Academy through a Personal Service Company** - For individuals who provide services through their own company, acceptance of these tickets may have an impact on their Tax Return as it may be considered a benefit in kind. Your accountant may however take the view that this is not a benefit as the director or officer of the service provider, the personal service company, is required to attend to promote The Ivors Academy as part of the service provided. You should seek advice from your own accountant as to how or whether the provision of the tickets is to be dealt with in the returns of the company and/or individual.
- d) **Senators who do not receive fees and/or stipends (Voluntary Workers)** - Voluntary workers who do not receive any payment except direct expenses, for their voluntary services are not considered employees and under the rules the provision of tickets to events constitutes third party entertainment which is not taxable on them. The cost of such a ticket may be disallowable

to The Ivors Academy for tax purposes to the extent it cost the organisation to provide refreshments all other costs being promotional costs.

- e) **Non-Transferable** – It is a strict condition of supplying the tickets that they are not transferred to individuals who are not related to the member or otherwise notified to and accepted by The Ivors Academy. The tickets are not transferable. Abuse of this requirement will result in tickets for partners for future events being withdrawn.
- f) **VAT issues on complimentary tickets** - There are VAT considerations in respect of tickets provided and the current view on the treatment is as follows.
- Employees - There are no VAT implications as an employee is not subject to VAT on the receipt of a ticket.
 - Third party suppliers – This covers independent contractors providing their services to The Ivors Academy via a limited company. In such a scenario, VAT is applicable where the provision of the tickets can be regarded as a gift. The view is that the provision of the tickets is to provide entry to an event in order for the individuals representing the third party to represent and promote The Ivors Academy and hence this does not fall to be a gift.
 - Persons who are not employees and not independent contractors – again, the provision of the tickets are to encourage them to represent and promote the services of The Ivors Academy and hence they are not gifts and therefore not subject to VAT.