

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

CONTENTS

Contents.....	1
1. Policy Principles and Scope	2
2. Financial Scheme of Delegation.....	3
3. Types of Purchases.....	7
3.2 Consumables	7
3.3 Capital Assets (Non-Consumable Items).....	7
3.4 Services	8
3.5 Software Licences / GCT related purchases	8
3.6 Catering	8
4. Allowable Travel, Meeting & Training Costs.....	9
5. The purchasing process	15
6. PURCHASING STEP 1: Pre-Purchase Considerations	16
7. PURCHASING STEP 2: Obtaining Quotations.....	19
8. PURCHASING STEP 3: Pre-Spend Authorisation.....	21
9. PURCHASING STEP 4: Paying for purchases	22
10. PURCHASING STEP 5: Expense Claims.....	24

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PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

1. POLICY PRINCIPLES AND SCOPE

- 1.1 In order to steward the resources that New Horizons (the 'Charity') is entrusted with, the Charity requires that all financial transactions are made in accordance with the principles outlined in this Policy and the associated Procedures.
- 1.2 All those involved in procurement are acting on behalf of New Horizons (the 'Charity'), and so are expected to exercise care and diligence to ensure that financial transactions are dealt with appropriately, transparently, that oversight is exercised and that arrangements are in place to prevent or identify fraud. Financial reports are to be produced to allow oversight and scrutiny.
- 1.3 This Policy and associated Procedure covers all purchases and travel expenses, whether they be paid for personally and reimbursed through expense claim forms or ordered and paid for by the Charity directly.
- 1.4 This Policy is designed to achieve 'best value' and therefore encourages consideration of efficiency, effectiveness and value for money when making a purchase. Therefore, all purchases must be made in line with this Policy and pre-spend authorisation must be obtained where required as set out in the **Financial Scheme of Delegation** ([Section 2](#)).
- 1.5 Valid expenses may be claimed by Trustees, Employees or Volunteers of the Charity, who have made purchases on behalf of the Charity in the discharge of their duties. Expense Claims must be supported by receipts, quotes and proof of pre-spend authorisation, and be approved in line with the **Financial Scheme of Delegation** ([Section 2](#)).

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

2. FINANCIAL SCHEME OF DELEGATION

- 2.1 The Trustees work together collaboratively and jointly to provide governance to the Charity in accordance with English Law. They delegate authority to certain individuals within the Charity to make financial decisions on their behalf. This is recorded in the **Financial Scheme of Delegation**, the principles of which are set out below.

The Trustees have approved the named individuals and the financial authorisation limits assigned to each person which forms the Financial Scheme of Delegation. The detail of the named individuals who hold this delegated authority can be found in **FP1: Purchasing & Expenses Procedure, Appendix A**.

- 2.2 An overview of the **Financial Scheme of Delegation** is as follows:

Directorate / Area	Role	Financial Limit for Authorising Purchases/ Approving Expense Claims (Including VAT)
Trustees		< £5,000: 1 Trustee > £5,000: 2 Trustees
Company Secretary		£2,000 for routine items of expenditure
Project Heritage	Area Lead	< £500
	Delegated financial authority for Area	< £200
GCT	Area Lead	< £1000
	Delegated financial authority for Area	< £200
Finance	Area Lead	< £500
	Delegated financial authority for Area	< £200
Events & Hospitality	Area Lead	< £500
	Delegated financial authority for Area	< £200

- 2.3 Individuals listed in the **Financial Scheme of Delegation** only have financial authorisation for spending within the Team(s) that they have delegated authority for. Where an individual named on the **Financial Scheme of Delegation** is making a purchase for another Team, it needs to be authorised by a named individual with authorisation for that Team.

For example: If the Head of GCT (with a GCT authorisation limit of £1000) is working on a Project Heritage Project and needs to buy an item costing £150, this will need to be authorised by the Area Lead or delegated financial authority for Project Heritage.

- 2.4 If an individual with delegated financial authority for a Team is not available to provide authorisation, then the Company Secretary may provide authorisation. If the Company Secretary is not available, a trustee can do so.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

2.5 Procurement Limits

2.5.1 All limits mentioned in this Policy and the **Financial Scheme of Delegation** refer to the limit for a single transaction, including VAT, or the total amount of a group of related transactions. Where a purchase consists of multiple items it is the aggregated cost of all items.

For example, if six printers are being purchased, then the total cost is the cost for all six printers, even if this is spread over two or more invoices.

2.5.2 Where the procurement relates to a contract, the value is the total contract value, even if it is paid in multiple instalments.

2.5.3 Where the procurement is for an ongoing subscription or contractual arrangement (i.e. an arrangement that lasts for more than 12 months), the limit refers to the annual cost of the contract.

For example: purchase of an ongoing subscription, software licence, commitment to an approved supplier (i.e. travel agency, printers) etc.

2.6 Approval of Expense Claims

2.6.1 The individuals named in the Financial Scheme of Delegation can approve Expense Claims up to the limit of their financial authority, as long as the Expenses relate to the Team that they have financial authority for.

2.6.2 Individuals cannot approve their own expense claim. All expense claim forms must be approved by someone with a higher authorisation limit in the **Financial Scheme of Delegation**.

For example: The Area Lead for GCT must have their expense claim form approved by the Company Secretary or a Trustee.

A Trustee must have their expense claim form approved by another trustee.

2.6.3 Where an individual named on the **Financial Scheme of Delegation** is making a purchase for another Team, it needs to be approved by a named individual with delegated financial authority for that Team. For further information on Expense Claims see [Section 10](#).

2.6.4 When providing pre-spend authorisation or approval of Expense Claims, it is preferable that this is provided by email, and a copy forwarded to the Finance Team (finance@nhkc.uk) as evidence.

2.7 Trustees

The Trustees can authorise expenditure as follows:

- a. One Trustee can approve up to £5,000 of expenditure around routine items of expenditure for normal operations and travel.
- b. Any two Trustees can authorise any amount above £5,000 or any non-routine items of expenditure.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

2.8 Company Secretary

The Company Secretary can authorise expenditure around routine items of expenditure for normal operations and travel of up to £2,000. The Company Secretary should refer any non-routine items of expenditure to the Trustees.

2.9 Area Leads and Delegated Financial Authority within Areas

2.9.1 Area Leads may authorise expenditure up to the limits as set out in the **Financial Scheme of Delegation (Purchasing & Expenses Procedure, Appendix A)** in relation to expenditure incurred in their area.

2.9.2 Area Leads may nominate other individuals within their area to have delegated financial authority. These individuals will generally be part of the core team serving in that area. They will be able to authorise expenditure and approve expense claims for purchases made in this area on behalf of the Area Lead, up to the financial limit given to them. The nominated individuals are recorded in the Financial Scheme of Delegation.

2.9.3 Where expenditure is commissioned by an individual named in the **Financial Scheme of Delegation** with a higher authorisation limit (i.e., a trustee/ the company secretary), the expenditure does not also need to be authorised by someone with delegated authority in that Area.

For example: If a trustee commissions the purchase of a piece of equipment costing £800, authorisation comes from the trustee and does not also require the authorisation of the GCT Area Lead. The correct purchasing procedure still needs to be followed, for example obtaining the correct number of quotes selection of preferred supplier and justification of why the purchase is being made.

2.9.4 Where expenditure is commissioned by an individual without delegated financial authority for the relevant area/ as a Trustee/ as the Company Secretary, authorisation is required by individuals with financial authority for that area, as set out in the **Financial Scheme of Delegation**.

For example:

If a People Group Lead requires a purchase to be made, this needs to be authorised by the Finance Team/ Company Secretary, who will also assist with placing the order.

If a People Group Lead requires a room booking, this needs to be authorised by Events & Hospitality who will also make the room booking on behalf of the People Group.

2.9.5 Examples of authorisation of expenditure by different areas are:

- a. **Project Heritage:** Any expenditure relating to the provision of Project Heritage resources.
- b. **GCT:** Any expenditure relating to GCT equipment, hardware or software, even if it is to be used by another department.

For example, an iPad to be used in Project Heritage would be authorised by GCT.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

- c. **Finance:** Any administrative expenditure, for example printing.
For example, printing required for a People Group meeting would be authorised by Finance.
- d. **Events & Hospitality:** Any expenditure relating to room bookings and provision of hospitality, for example catering for meetings and hampers for visitors/ guests.
For example, a room booking for a People Group meeting would be authorised by Events & Hospitality.
- e. **Trustees:** Any expenditure relating to our work in supporting similar charities in order to further our charitable activities.
For example, only Trustees can authorise:
- *Expenditure to send NH volunteers to help support a Congress WBN event;*
 - *Expenditure for a NH volunteer to attend an event – for example a Congress Music Factory meeting, Senior Elders Conference, GCT Directors Meeting;*
 - *Donations to support the work of other charities.*

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

3. TYPES OF PURCHASES

- 3.1 There are six main categories of expenditure that may be incurred on behalf of the charity:
- **Consumables** (products that need to be replaced on a regular basis because they are used up or last for a short amount of time - typically less than a year) – See [section 3.2](#);
 - **Capital equipment or assets** (non-consumable items which will be used for more than a year). See [section 3.3](#);
 - **Services** (e.g. venue hire, hiring translators, outsourcing pieces of work which are provided by others). See [section 3.4](#);
 - **Software licences/ GCT related purchases**. See [section 3.5](#);
 - **Catering**. See [section 3.6](#);
 - **Travel, Meeting and Training Costs**. See [section 4](#).

The following policies apply to these specific categories

3.2 Consumables

- 3.2.1 Employees/volunteers may spend up to £100 purchasing consumables in order to carry out commissioned duties on behalf of the Charity without seeking specific pre-spend authorisation.

For example: Children's People Group disposable lesson resources, catering supplies, stationery etc.

- 3.2.2 The purchase of consumables costing more than £100 needs to be authorised in line with the **Financial Scheme of Delegation (Section 2)**.

- 3.2.3 Where possible, consumables should be purchased using a New Horizons payment card (see [Section 9.2](#)). However, where payment is made by an individual and reclaimed by Expense Claim Form, approval is required regardless of the value of the purchase.

3.3 Capital Assets (Non-Consumable Items)

- 3.3.1 The purchase of **all** Capital Assets (non-consumable items) requires pre-spend authorisation, even those with value less than £100, in line with the **Financial Scheme of Delegation (Section 2)**.

- 3.3.2 Additional consideration needs to be made as to where Capital Assets will be stored and so the Events and Hospitality/ GCT teams should be consulted prior to the purchase being made.

- 3.3.3 Equipment required for paid employees and those remunerated by the Charity to carry out their duties is to be approved as per the **Financial Scheme of Delegation**.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

- 3.3.4 Equipment required for volunteers to carry out duties on behalf of the Charity, must be pre-approved by the Trustees. They will consider the purchase of such equipment on an individual basis.

For example: where volunteers have a high workload, financial constraints on a volunteer, requirement for specific hardware or software to execute a volunteer's duties, reasonable adjustments to enable a volunteer to complete their duties etc.

3.4 Services

- 3.4.1 When procuring a service, quotes should be obtained for the full cost of the service.
- 3.4.2 If the service is to be provided over a long timeframe (e.g. monthly services), then the annual cost should be used when considering the number of quotes and level of authorisation required.
- 3.4.3 All regular direct debits, standing order or recurring service providers are to be reviewed annually by the Finance Team in collaboration with the relevant Teams within New Horizons to confirm that the service is still required and represents best value for money.

3.5 Software Licences / GCT related purchases

- 3.5.1 Purchase of software licences/ GCT related purchases should be authorised by the Head of GCT/ GCT nominated financial authorisers to ensure that a consistent approach to GCT is taken across the organisation and there is no duplication of purchases.
- 3.5.2 If the software purchase is for a monthly licence, then the annual cost should be used when considering the number of quotes and level of authorisation required.
- 3.5.3 Recurring software licences will be reviewed annually by the Finance Team in collaboration with the relevant Teams within New Horizons to confirm that the licence is still required and represents best value for money.

3.6 Catering

- 3.6.1 The purchase of catering for meetings must be authorised by the Events & Hospitality Team in accordance with the **Financial Scheme of Delegation (Section 2)**.

For example; Catering for meetings, hampers for visitors

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

4. ALLOWABLE TRAVEL, MEETING & TRAINING COSTS

4.1 Authorisation for Travel, Meeting and Training Costs

4.1.1 Any expenditure relating to travel, meetings and training must have pre-spend authorisation from at least one Trustee, in line with the **Financial Scheme of Delegation** ([Section 2](#)).

4.1.2 Travel, meeting and training costs for a Trustee has to have pre-spend authorisation by another Trustee; Trustees may not authorise their own expenditure.

4.2 NH contributions towards costs

Travel, meeting and training costs will be paid for by the Charity for Trustees/Employees/Volunteers attending meetings, events or undertake training subject to the eligibility conditions set out in the following clauses:

- **New Horizons or Congress WBN Events** - Clause 4.4
- **Non-New Horizons/ Congress WBN Events** - Clause 4.5
- **Externally Provided Training Courses** - Clause 4.6

Where Trustees/Employees/Volunteers attend meetings, events or undertake training for reasons other than those set out in clauses 4.4, 4.5 and 4.6, they will be required to cover their own costs. However, the Trustees may decide that the Charity will fund some or all of an individual's costs where there is a hardship case and funding this expenditure is in line with the Charity's Objects.

4.3 Voluntary contributions towards costs

Individuals attending a meeting, event or training where expenses are eligible to be paid for by the Charity may choose not to claim the full value of the expenses incurred and/or may choose to make voluntary contributions to the Charity as part of their support of the event.

4.4 New Horizons or Congress WBN Events

4.4.1 Trustees/Employees/Volunteers of the Charity are entitled to have travel, accommodation, attendance fees and other reasonable subsistence expenditure paid by the Charity, if required, where they are invited to attend a New Horizons or New Horizons' supported Congress WBN event in relation to discharging the purposes of the Charity in the following roles:

- a. Eldership of New Horizons;
- b. Trustees and Company Secretary;
- c. Congress WBN Global Directors, Development Facilitators, Coordinators and Core Team Members;
- d. Leaders of work areas in New Horizons (e.g. safeguarding, people groups); and
- e. Serving as part of an event support team (e.g. admin, GCT, hospitality, stewarding)

4.4.2 Trustees and the Company Secretary will provide specific case-by-case guidance to resolve where there is ambiguity between whether someone is attending as a delegate or support

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

staff or as part of their designated role and function within Congress. The frequency of travel and total costs incurred will be considered when making these tailored decisions.

4.5 Non-New Horizons/ Congress WBN Events

Trustees/Employees/Volunteers of the Charity are entitled to have travel, accommodation, attendance fees and other reasonable subsistence expenses paid by the Charity, if required, where they are required to attend a non-New Horizons/ Congress WBN meeting or event in order to further the purposes of the charity.

4.6 Externally Provided Training Courses

Trustees/Employees/Volunteers of the Charity are entitled to have training costs and all associated travel, accommodation, meeting attendance fees and other reasonable subsistence expenses paid by the Charity, if required, where they are required to undertake training as part of their professional development or to enable them to fulfil their voluntary role within the Charity. This clause relates to externally provided training courses, not training provided internally by New Horizons or Congress WBN.

4.7 Travel by private car

4.7.1 **Mileage is paid at the standard HMRC rate.** Mileage claims should state start, intermediate and end destinations either by UK postcode or town. Diversions or other circumstances resulting in higher than anticipated mileage being travelled should be noted. Reasons for the journey and/or expense must be stated.

4.7.2 Where a Trustee/Employee/Volunteer, is reimbursed for mileage incurred on Charity business to, it is the responsibility of the individual to ensure that they have **appropriate insurance** for their vehicle. The consequence of using a private vehicle on Charity business without appropriate insurance is the personal responsibility of the driver.

The driver is required to check that they either have business insurance on their personal car insurance policy, or volunteers have the option of driving under the ABI Motor Insurance Commitment for Volunteer Driving, as long as the status has been checked by the volunteer and the insurer has been informed if required.

4.8 Other Travel Related Expenses – Parking, Tolls, Bus, Underground, Fines etc.

4.8.1 Parking costs incurred in the course of travelling away from home or an Employee's normal place of work in the performance of duties may be claimed.

4.8.2 Receipts for parking should be submitted where possible, although the Charity accepts that it is not always possible to obtain receipts for meter parking. In these circumstances it should be stated on the expense claim form that a parking meter was used and the amount will be reimbursed without receipt.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

- 4.8.3 Road tolls, city congestion charges, bus and underground costs may also be claimed. Where it is not possible to obtain receipts, reimbursement will be made providing that full details of the journey are given and the reason for the journey is specified.
- 4.8.4 Fines for motoring offences including (but not limited to) speeding and parking will not be reimbursed in any circumstances. Fees for the administration of fines for motoring offences or other related costs will not be reimbursed in any circumstances.
- 4.9 **Car Hire**
- 4.9.1 Where Trustees/Employees/Volunteers do not have access to a personal car, or where it is more economical to do so, they should consider using a hired vehicle. Car expenses and fuel purchased for a hired vehicle may be reclaimed by completing an Expense Claim Form and attaching a copy of the receipt.
- 4.9.2 It is standard protocol that **Excess Reduction Insurance** should be taken out on behalf of the Charity and Trustees/Employees/Volunteers should discuss any concerns regarding value for money with the Head of Finance.
- 4.10 **Use of Taxis**
- Where no other form of transport is available or suitable, short journeys by standard taxi will be reimbursed subject to the provision of receipts. It is not, however, considered appropriate for taxis to be used for long journeys when alternative methods of travel should be used, unless the cost effectiveness of taxi usage can be proved. Where possible, taxi-sharing should be utilised. The reasons for using taxis must be given when reclaiming the costs involved and submitting invoices for payment. Under no circumstances will taxis be approved for social or activities outside of the scope of the Trustee/Employee/Volunteer's duties.
- 4.11 **Overseas Travel**
- 4.11.1 The Charity uses **Key Travel** as an agency for the booking and procurement of flights. Where a Trustee/ Employee/Volunteer needs to obtain a quotation, or book a flight through Key Travel, they should contact finance@nhkc.uk.
- 4.11.2 Alternatively, flights may be purchased directly from an airline. In this instance booking and payment may be made via finance@nhkc.uk or, if this is not possible, paid for personally and reimbursed through expense claim forms. Authorisation must be obtained prior to booking in accordance with the **Financial Scheme of Delegation (Section 2)**.
- 4.11.3 Quotes for flights should be obtained as per the policy set out in [Section 7](#) of this Policy.
- 4.11.4 Before booking flights, the purchaser should demonstrate that the option chosen represents best value for the Charity. Air and rail travel should be by the most economical class of travel. If an option which is not the cheapest is preferred, prior authorisation must be obtained from the Head of Finance or a Trustee. In most cases, it would be expected that the additional cost would be borne by the individual and not the Charity. When authorising payment for a more expensive class of travel or lounge access for an individual by the Charity, the following

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

factors will be considered: The length of the flight, the health and welfare of the individual travelling and whether the upgrade facilitated the individual in their carrying out of Charity activities.

4.11.5 Trustees/Employees/Volunteers travelling on behalf of the Charity must ensure that they have appropriate immunisations and visa for the territory to which they are travelling. Advice and support may be obtained by contacting finance@nhkc.uk. If travelling overseas on behalf of the Charity, the Trustees have the discretion to authorise the costs to be covered by The Charity.

4.12 Travel Insurance

4.12.1 All Trustees/Employees/Volunteers travelling outside of the UK on behalf of the Charity are required to ensure that they have adequate personal travel insurance for the duration of the trip for the territories travelled to and the activities to be undertaken.

4.12.2 Individuals travelling on behalf of the Charity funded by the Charity must confirm that they hold appropriate travel insurance cover to a member of the Finance Team prior to departure.

4.12.3 At the discretion of the Trustees or Company Secretary, the Charity may purchase Travel Insurance, either Single Trip or Multi-Trip for individual Trustees/Employees/Volunteers, this may be requested by contacting finance@nhkc.uk. Travel insurance will not be provided for travel within the UK.

4.12.4 The Charity may require a Trustee/Employee/Volunteer to make a claim against their personal travel insurance policy in order to recover costs incurred by the Charity, or losses suffered by the Charity, due to travel-related incidents.

4.12.5 The Charity will pay reasonable costs if the cost of future travel insurance increases due to claims made to recover losses incurred by the Charity.

4.13 Subsistence Costs

4.13.1 Trustees/Employees/Volunteers who are required to travel on behalf of the Charity are entitled to claim the additional cost of meals taken whilst working away. Claims for the cost of alcoholic drinks are not permitted. For allowable subsistence rates see Clause 4.16.

4.13.2 Where breakfast is purchased due to an early start (i.e. before 7am), an allowance may be claimed subject to the provision of a receipt.

4.13.3 Subsistence allowances cannot be claimed for food purchased for consumption at home.

4.14 Personal Incidental Expenses

4.14.1 Whilst staying in hotels, minor items of personal incidental expenditure such as laundry and personal telephone calls, may be incurred. This excludes alcoholic drinks. A maximum of £5 per night may be claimed to cover such expenses. Where a claim for incidental expenses is made, receipts should be attached to the Expense Claim Form.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

4.14.2 The Charity will reimburse itemised business telephone calls subject to receipt of details of the persons and organisations called.

4.15 Gratuities

Claims may include reasonable amounts for service charges, tips or gratuities in appropriate circumstances. The total (including the gratuity) must be within the maximum allowance (see Clause 4.16). No gratuity will be refunded if service is already included in the bill total. Overseas gratuities should be in line with local cultural expectations but should not exceed 20% of the total bill.

4.16 Allowable subsistence rates

4.16.1 Meals

Actual costs up to the following maxima including VAT/Sales Tax are allowable:

	Rates from 01/01/2026
Breakfast (when leaving home before 7.00 am) *	£15
Lunch	£15
Evening Meal	£30
Evening Meal when dining in hotel in which you are staying	£40

* Note that the rate for breakfast applies when an individual is starting their journey from home before 7.00am. When staying overnight for Charity purposes, breakfast should be booked in the hotel accommodation and is permitted at a higher rate. **Clause 4.16.2** sets out the permitted hotel rates, which include the cost of breakfast. If an individual staying in a hotel would prefer to buy breakfast outside of the hotel, the rate in clause 4.16.1 applies.

4.16.2 Accommodation

Hotels booked for Charity purposes should be comfortable and safe without being opulent. A receipt or invoice from the hotel should be obtained when checking out.

As a guide, UK accommodation rates should not exceed the following rates:

	Rates from 01/01/2026
London	£200.00 per person per night
Elsewhere	£150.00 per person per night

The accommodation rates are intended to include the cost of breakfast. Where suitable accommodation cannot be found within these rates, a justification for this should accompany the relevant authorisation.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

4.17 Accompanied Travel

4.17.1 The Charity will not normally meet the travel and subsistence costs for a spouse/partner/family member or friend who accompanies a Trustee/Employee/Volunteer on travel on behalf of the Charity either in the UK or overseas, unless that person is also required to travel on behalf of the Charity.

4.17.2 Where Trustees/Employees/Volunteers are accompanied at their own expense, the private cost must be paid personally and only the Charity-related costs may be reclaimed through expenses. Evidence of the Charity-related costs should be provided.

For example, the comparative cost of single accommodation if double or family accommodation is purchased.

4.18 Extended Trips

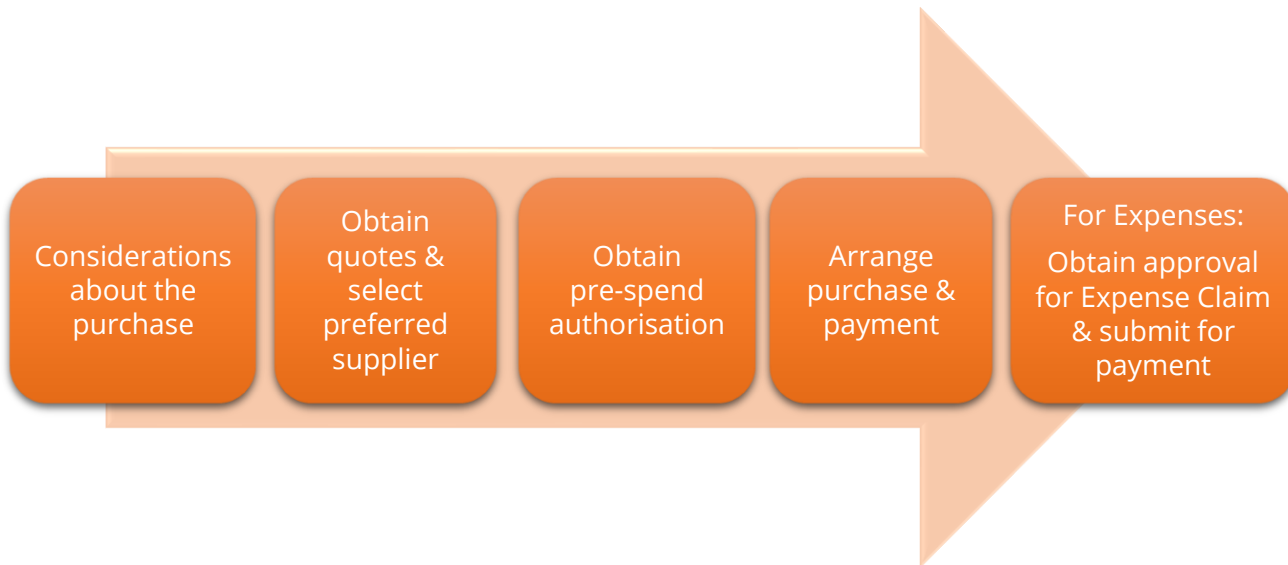
Where it is proposed to extend a trip to include a private visit or holiday, either in the UK or overseas, the prior authorisation via the Head of Finance must be obtained and documentary evidence provided to substantiate that all additional costs are met by the Trustee/Employee/Volunteer. The Trustee/Employee/Volunteer must also demonstrate that legitimate Charity business is the primary purpose of the visit. The Charity reserves the right to require a contribution towards flight and other travel costs.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

5. THE PURCHASING PROCESS

For all purchases, the following process should be followed:



- Step 1: Considerations that need to be made before making the purchase (See [Section 6](#))
- Step 2: Obtain quotes & select preferred supplier (See [Section 7](#))
- Step 3: Obtain pre-spend authorisation (See [Section 8](#))
- Step 4: Arrange the purchase (See [Sections 3 & 4](#)) & payment (See [Section 9](#))
- Step 5: For Expenses: Obtain approval for Expense Claim & submit for payment (See [Section 10](#))

All approvals and authorisations must be made by the appropriate person(s) as determined by the **Financial Scheme of Delegation** (see [Section 2](#)).

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

6. PURCHASING STEP 1: PRE-PURCHASE CONSIDERATIONS

6.1 For all purchases, regardless of value, the Charity requires that the spend complies with the following requirements:

- a. It is in line with the Purposes of the Charity (See **Clause 6.1.1**)
- b. It represents value for money
- c. It is legal
- d. It has been authorised by the appropriate person named in the **Financial Scheme of Delegation (Section 2)**
- e. It can be justified in all respects, i.e. it is transparent and accountable
- f. The cost is appropriate – considering, for example, different suppliers, exchange rate, currency conversion costs, shipping costs etc

6.1.1 All purchases must be in line with the **charity's purposes**, which are specifically restricted to the following:

- To proclaim and further the gospel of God concerning his son, Jesus Christ, and to preach and teach the Christian faith in such parts of the UK or the world as the Directors (Trustees) may from time to time think fit.
- The relief of persons who are in condition of need or hardship or are aged or sick and to relieve the distress caused in such parts of the UK or the world as the Directors (Trustees) think fit.
- Any other charitable purposes according to the laws of England and Wales as the Directors (Trustees) may from time to time think fit.

6.2 The following factors should also be considered as part of the procurement process:

a. **The requirement for the purchase:**

- Is there sufficient demand for this purchase? Will it facilitate development for an area of operation of the Charity?
- Does the purchase represent the appropriate approach to completely satisfy the need, or does the Charity need to consider additional or alternative options?
- Is the proposed purchase excessive against the actual requirement when considering both the immediate and long-term needs of the Charity?
- Does the Charity already have an equivalent asset, potentially managed by another team?
- Considering the anticipated frequency and intensity of usage of the purchase, would hiring the item be a better option than purchasing it outright? Are there other factors such as the maintenance requirements or nature of the technology would make a leasing or hiring more appropriate?

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

b. The supplier:

- Company reputation (for example: online reviews, testimonials etc.);
- Customer service;
- Strategic relationship for the Charity with the supplier;
- Ethical reputation of the supplier and implications of association for the Charity;
- Delivery timescales and costs for the supplier and the urgency of the Charity's requirements.

c. How much to spend?

- Consideration of the cost against the required quality and longevity of purchase;
- Value for money of an extended warranty after sales service or maintenance license.

d. How will the purchase be paid for?

- Prior to making payment individuals must ensure that the correct purchasing procedure has been followed – for example getting pre-spend authorisation, quotes, selecting a supplier and providing justification for the purchase.
- Payment for items should be made centrally by New Horizons whenever possible. This would be arranged by contacting the Finance Team (finance@nhkc.uk) or by arranging for someone with a New Horizons payment card to make the payment. Where it is not possible for payments to be made directly by New Horizons, payments can be made personally and reclaimed via an Expense Claim.

e. Where will the item to be purchased be stored?

- Collaborate with Events and Hospitality regarding storage at Coventry Boys and Girls Club, or the GCT/ Finance & Governance team regarding storage at the Secure Storage Facility.

f. Are there any insurance implications?

- Collaboration with the Finance Team's Insurance Coordinator (finance@nhkc.uk) as to whether the item needs to be named on the Charity's Insurance Asset Schedule (see the **Insurance Policy** for further details).

g. Are there any conflict of interests?

- A Conflict of Interest is where a situation arises that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's 'self-interest' and the interests of the organization which they represent, in this instance New Horizons (the Charity). This may occur when an individual is making a purchase on behalf of the Charity and reference must be made to the **Conflicts of Interest Policy**.
- 'Self-interest' would arise where a person has a relationship with an individual or organization supplying goods or services to the Charity. A relationship may include:
 - a. a close member of family
 - b. a personal friend

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

- c. an employer
- d. acting as a shareholder, trustee, director etc.
- Where a Trustee/ Employee/ Volunteer identifies that there may be a conflict of interest, then such interest must be declared to the Company Secretary (finance@nhkc.uk) who will review the conflict and where necessary, make arrangements to ensure that the employee/volunteer takes no further part in the purchasing process. For purchases over £1,000 the Finance Team will then obtain all the necessary quotes to ensure that that the transaction is at arm's length between the Charity and the member of staff or related party.
- Where any goods or services are to be purchased from a supplier with whom the Charity or one or more Trustees has a relationship, the justification for use of the supplier must be documented and authorised by the Trustees in accordance with the Memorandum and Articles of Association.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

7. PURCHASING STEP 2: OBTAINING QUOTATIONS

- 7.1 Before making a purchase, quotes must be obtained as evidence that best value is being achieved. Quotes need to be gathered and a recommendation made as to who is the preferred supplier. Factors to consider in selecting the preferred supplier can be found in [Clause 6.3](#).
- 7.2 The final decision as to which supplier is to be used and whether the purchase should go ahead is made by the appropriate authoriser as set out in the **Financial Scheme of Delegation** ([Section 2](#)). This authorisation must be obtained prior to the purchase being made, with the exception of consumable items under £100.
- 7.3 Quotes must be obtained in accordance with the financial values set out below:

Cost including VAT	Quotations Required
Up to and including £500	Quotations advisable but not required
Over £500 and up to and including £1,000	Two quotations must be obtained
Over £1,000 and up to and including £5,000	At least two quotations to be obtained
Over £5,000	At least three quotations to be obtained

- 7.4 **Quotes**
Quotations must be obtained in writing in order to provide an audit trail of the purchasing process. This may take the form of a written quotation, published list price or a screenshot from an online retailer. Quotations must be submitted to finance@nhkc.uk accompanying the invoice for payment or the expenses claim form.
- 7.5 **Flights**
- 7.5.1 When booking flights, quotes need to be obtained as per the limits set out in [Clause 7.3](#) of this Policy. However, the booker must obtain quotes for different options of flights, rather than quotes for the identical flight. As per [Clause 4.11](#), flights must either be booked through the nominated Charity Travel Agent (Key Travel), or directly with the airline. In considering options of flights, the booker may consider different departure/ arrival airports, different airlines and different routes, including stop-overs.
- 7.5.2 Where a Trustee/Employee/Volunteer makes regular trips to the same location, with the approval of the Head of Finance, a single tender action may be undertaken, whereby the booker considers the available options of flights and obtains authorisation for the most efficient option. This authorisation can remain in place for up to 1 year.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

7.6 Justification of Purchase

To assist the individual providing pre-spend authorisation for the purchase, a written explanation of why the purchase is required for the Charity should be provided with the quotes. The explanation should be written giving consideration to the factors in [Section 6](#). For purchases over £1000 this should be sent to the Company Secretary.

7.7 Alternative procurement process

Occasionally it may not be possible to obtain the necessary number of quotations as set out in the table above due to there being insufficient potential suppliers of the goods or services to be purchased. Where a Trustee/Employee/Volunteer intends to use an alternative procurement process and seek fewer quotations than required in the section above, this must be justified to the Company Secretary in writing and prior authorisation sought before the purchase is undertaken or entering into a contract for services.

7.8 Purchase Orders

7.8.1 Purchase Orders are required when entering into a contract for services or products that will be invoiced to the Charity by a supplier on delivery such as those to be delivered over a period of time.

For example: Entering into a contract for a company to provide consultancy services, or services to design and implement new branding

7.8.2 Purchase orders are raised by the Finance Team (finance@nhkc.uk) once all the required quotes, justification of spend and pre-spend authorisation are in place.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

8. PURCHASING STEP 3: PRE-SPEND AUTHORISATION

- 8.1 All purchases, with the exception of consumables under £100, require **pre-spend authorisation** to spend money on behalf of the Charity.
Consumables are defined as products that need to be replaced on a regular basis because they are used up or last for a short amount of time (typically less than a year).
- 8.2 Pre-spend authorisation must be obtained by the appropriate person as specified in the Financial Scheme of Delegation ([Section 2](#)).
- 8.3 When considering pre-spend authorisation, the authoriser should reference the following documentation provided by the purchaser:
- Quotes (see [Section 7](#))
 - Recommended preferred supplier
 - Justification of why the purchase needs to be made.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

9. PURCHASING STEP 4: PAYING FOR PURCHASES

- 9.1 Prior to making payment individuals must ensure that the correct purchasing procedure has been followed – for example getting pre-spend authorisation, quotes, selecting a supplier and providing justification for the purchase.
- 9.2 Payment for items should be made centrally by New Horizons whenever possible. This would be arranged either by
- i) The finance team making the payment directly (contact the team at finance@nhkc.uk); or
 - ii) Arranging for someone with a New Horizons payment card to make the payment (see **Clause 9.4**). A list of cardholders can be found in Appendix B of **FP1: Purchasing & Expenses Procedure**;
- 9.3 Where it is not possible for payments to be made directly by New Horizons, payments can be made personally and reclaimed via an Expense Claim (see [Section 10](#)).
- 9.4 **New Horizons' Commercial / Debit Cards**
- 9.4.1 The charity uses Commercial Cards and Debit Cards to facilitate employees/volunteers to make purchases required by the Charity.
- 9.4.2 All purchases made using a Commercial / Debit Card must be made in line with the entirety of this policy and the authorisation limits set out in the **Financial Scheme of Delegation (Section 2)**.
- 9.4.3 New Horizons Commercial/ Debit Cards can only be used to make purchases on behalf of the Charity. They may not be used for personal use.
- 9.4.4 Debit cards can be used to withdraw Cash; Commercial Cards cannot.
- 9.4.5 Commercial and Debit cards can be used overseas. However, the card holder must inform a member of the Finance Team who will inform HSBC ahead of the date of travel.
- 9.4.6 Commercial Cards have a monthly spend limit, and once the total purchases on that card reach the limit in any month, no more purchases can be made on that card for the rest of the month. Note that this limit is not the same as the pre-spend authorisation limit. It is the authorisation limit as set out in the **Financial Scheme of Delegation (Section 2)** that needs to be referred to before making a purchase, not the commercial card monthly spend limit.
- 9.4.7 All receipts/ invoices and authorisations for Commercial and Debit Card transactions should be sent to finance@nhkc.uk as soon as possible after a transaction has been made and at the latest by five days following the end of the month. Emailed copies must be of a high enough resolution so that all details can be easily read. Receipts should be retained until the end of the following month in case queries arise on the processing of the documentation.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

When submitting the receipt/ invoice, details of what the purchase relates to/ what the purpose of the purchase was, must be provided to the Finance Team in order to assist with coding the transaction.

- 9.4.8 Every transaction is itemised with the supplier's name on the Commercial Card statement/ bank statement in the case of Debit Card transactions. The statements identify the cardholder who made the purchase. At the end of the month, the Finance Team will reconcile the bank statement and Commercial Card statement back to receipts, ensuring that evidence is in place for every transaction.
- 9.4.9 The Commercial Card statement is settled by direct debit from the New Horizons current account at the end of each calendar month. Payments made on Debit Cards are made direct from the Charity's current account and usually clear within two days of the transaction. Cash withdrawals are debited immediately.
- 9.4.10 Card Holders and Limits are approved by a Trustee and set out in the **Purchasing & Expenses Procedure, Appendix B**.
- 9.4.11 Card Holders must sign a Terms of Use agreement in order to be issued with a Card.

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

10. PURCHASING STEP 5: EXPENSE CLAIMS

10.1.1 Charitable funds used to reimburse appropriate expenses, including travel and accommodation, are given willingly by donors to support the work of God through the Charity. Therefore, the Charity will operate within the framework of this Policy with the underpinning values and principles that Trustees/Employees/Volunteers will:

- a. Only incur expenses where essential to deliver the work required by the Charity;
- b. Voluntarily cover their own expenses if they so decide;
- c. Exercise reasonable restraint in incurring expenses;
- d. Always keep the costs to the reasonable minimum taking into account convenience, travel time avoided and the requirement to travel with others;
- e. Cover any additional costs that are incurred to suit personal preferences such as airline, specific arrival/departure time, or airport.

10.1.2 Trustees/Employees/Volunteers are expected to exercise reasonable restraint in incurring expenses when acting on behalf of the Charity, and to provide as full documentary evidence of the expenditure, in the form of receipts and invoices, as is possible. Provided these expectations are met, and prior authorisation has been obtained where necessary, full reimbursement of expenditure necessarily incurred on the Charity's behalf will usually be made.

10.1.3 Where expenses are incurred, the cost to the Charity should be minimised. If an option which is not the cheapest is preferred, authorisation to make the purchase must be obtained from the Head of Finance. Where an individual prefers to choose a more expensive option for personal benefit, prior authorisation must be obtained from the Head of Finance and in most cases, it would be expected that the additional cost would be borne by the individual and not the Charity.

For example: where a Trustee/Employee/Volunteer chooses a more expensive flight in order to obtain air miles, or where a ticket is more convenient to suit their personal plans etc.

10.1.4 Breach of Policy

10.1.5 Where Trustees/Employees/Volunteers place orders and/or pay for goods on behalf of the Charity, without following this procedure, the Charity may not reimburse the individual for costs incurred relating to the procurement.

10.1.6 Where possible, purchases should be made through the Finance Team, or via a HSBC Commercial Card/ Debit Card. If orders need to be placed urgently, then individuals may purchase the item personally and submit an expense claim form for reimbursement from the Charity.

10.1.7 It is expected that expense claim process will only be used for reimbursement of travel expenses, consumables or minor expenditure (< £100).

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

For example: to reimburse incidental expenditure incurred in preparing for the Children's People Group lessons.

10.1.8 When paying for purchases personally and making an expense claim, the full purchasing policy still needs to be followed, including obtaining the appropriate number of quotes and authorisation to make a purchase prior to the order being placed.

10.1.9 Expenses incurred on behalf of the Charity are to be recorded in detail on the Expense Claim Form. When completing claims, full information should be given to avoid queries being raised and claims delayed. This is particularly important where claims are more complex, or unusual conditions or circumstances apply.

10.1.10 Expense Claim Forms should be submitted within three months of incurring an expense. Claims submitted later than three months must be approved for payment by the Company Secretary.

10.1.11 **Approval of Expense Claims**

All Expense Claim Forms require approval, regardless of their value. They should be approved by the appropriate person as per the **Financial Scheme of Delegation** ([Section 2](#)).

10.1.12 The completed Expense Claim Form (with supporting receipts, proof of pre-spend authorisation and quotes) should be certified by the Approver prior to being submitted to the Finance Team for payment.

10.1.13 A person named in the **Financial Scheme of Delegation** may approve an Expense Claim where the value of the total claim is up to their limit as stated in the Financial Scheme of Delegation.

10.1.14 Individuals cannot approve their own expense claim. An Expense Claim Form submitted by an individual named in the **Financial Scheme of Delegation** must be approved by someone with a higher authorisation limit.

For example: The Area Lead for GCT must have their expense claim form approved by the Company Secretary or a Trustee.

10.1.15 A person named in the **Financial Scheme of Delegation** may only approve an expense claim if the expense relates to the department that they have financial delegation for.

For example, a person with financial delegation for GCT cannot authorise an expense claim for Project Heritage resources – whether that claim is made by themselves or someone else.

10.1.16 The Expense Claim Approver confirms that:

- a. The expenses were necessarily incurred in the performance of duties;
- b. The expenses claimed are not payable from another source;

PURCHASING AND EXPENSES POLICY

May 2026, Version 9.2

- c. This Policy has been adhered to and due consideration has been given to achieving value for money.

10.1.17 Evidence of Expenditure

With the exception of mileage, reimbursement will normally only be made where claims are supported by original valid receipts. Where expense claims are partially supported by receipts, only those items for which valid receipts are provided will normally be reimbursed through the expenses claim process.

The Charity accepts, however, that it may not always be possible to obtain receipts for certain expenses providing full details of the journey are given and the reason for the journey and lack of receipt is specified, reimbursement will be made.

For example: underground travel, using parking meters, taxi fares, where it is culturally inappropriate to request receipts etc.

10.1.18 Frequency of Payment

Expense claims are processed as quickly as possible and payment will normally be made within two weeks from the date of receipt of the Expense Claim Form. This, however, can vary depending on the complexity and/or completeness of claims, staff availability or other operational pressures.

10.1.19 Method of Payment

Payment will be made by bank transfer, and where necessary, by cheque. The preferred option for payment must be stated on the Expense Claim Form.

10.1.20 Exchange Rates

Evidence of the exchange rates applicable to any given purchase must be supplied with the Expense Claim Form. If evidence of the exchange rate is not submitted, the Finance Team will apply a published rate from reputable suppliers on the day the expenditure occurred. The claimant may not then claim any shortfall in reimbursement. Those who wish to have the specific exchange rates incurred on their expenditure applied should supply this evidence with the Expense Claim Form.

For example: Evidence could include details from bank or credit card statements.