

OPP 3.6 – EXPENSE REIMBURSEMENT

PURPOSE: Outline the general and specific expenses that will be reimbursed to both employees and volunteers of Round Rock Christian Church (RRCC) and define the procedures used for requesting reimbursement.

GENERAL REIMBURSEMENT POLICY

The church uses an *accountable plan*, as defined by the IRS, for reimbursement of expenses. RRCC authorizes by the annual budgeting process and/or specific action of the Guiding Board reimbursement for specific expenses or specific categories of expenses incurred by Ministerial staff, employees, church members and volunteers on behalf of the church.

Purchases made on behalf of RRCC require prior approval by the appropriate management team leader, ministry chair person or other person designated as owner or person responsible for managing the specific budget line to which an expense is to be charged. Requests for reimbursement for purchases that were not pre-approved are reviewed by the Treasurer ~~and the Administrative Team~~ and may be denied.

EXPENSE REIMBURSEMENT PROCEDURES

Whenever an employee or volunteer needs to make a purchase on the church's behalf, they must first get pre-approval from the appropriate supervisor, ministry chairperson, or owner of the expense budget line. The Ministry Chairperson and/or budget line owners are accountable for the spending of their budget allocations, and must approve all expenditures to be charged against their budget line.

Owners of budget lines or categories may not approve expenses that exceed the amounts budgeted without prior approval from the ~~Administrative Team and/or the~~ Guiding Board. In general, single expenditures of greater than \$500 should also be discussed with the Treasurer before actually making the purchase.

When a purchase is made, the purchaser completes an Expense Voucher that documents at a minimum; who made the purchase, details of the item purchased, date the purchase was made, ministry and budget line it should be charged against.

A receipt, invoice, or copy of the receipt or invoice, should be attached to the voucher. The Expense Voucher and receipts should then be placed in the ~~Treasurer's~~ Bookkeeper's box in the church office. Expense Voucher forms are available on the church web site or at the church office.

Expense Vouchers with the appropriate documentation should be submitted within two weeks of purchase or payment transactions. For Expense Vouchers related to cash withdrawals via Debit and Credit Cards, documentation should be submitted within one week of the transaction. See OPP 3.5 Debit Card / Credit Card Policy for more information.

TRAVEL, MEALS AND LODGING REIMBURSEMENT

Employees and volunteers of RRCC who are authorized by their supervisors or chairperson to travel in connection with the performance of their work may be reimbursed for transportation, food and lodging expenses. Such requests for reimbursement must be pre-approved.

Travelers need to retain receipts for all travel, lodging, meals or other pre-approved travel expenses and submit these records as proof of purchase on reimbursement requests. Requests for reimbursement of travel, meals and lodging are submitted on the Expense Voucher form and/or mileage reimbursement form.

The amount of reimbursement for travel, meals and lodging is limited to the pre-approved amount. The ~~Treasurer and/or Administrative Team~~ Guiding Board may approve deviations from pre-approved amounts.

MILEAGE REIMBURSEMENT:

Reimbursement of mileage for use of a personal automobile to conduct church business may be authorized at a rate in accordance with current IRS rules. Requests for reimbursement of mileage must also be documented by a mileage log that complies with IRS rules.

Mileage reimbursement may be authorized for certain employees, volunteers, or positions by approval of a budget line. The amount available for mileage reimbursement is set annually in the church budget and is considered pre-approved with the approval of the annual budget by the congregation. Requests for Mileage reimbursement should be submitted at least monthly using ~~RRCC Form 03~~ a Mileage Log.

For purposes of mileage verification, the church may use ~~MapQuest~~, Google Maps or other widely accepted online geo-location tools to validate the distances between locations reported on mileage logs.

DEFINITIONS

- Accountable Plan – An accountable plan is an employee reimbursement arrangement or a method for reimbursing employees for business travel and expenses that complies with IRS regulations. If an employer sets up and maintains an accountable plan, employee business travel & expenses do not have to be treated as taxable income. In order to be considered an "accountable plan" by the IRS, the arrangement must include all of the following: The expenses must have a business connection, that is, they must have been paid or incurred while performing services as an employee; The employee must adequately account to the employer for these expenses within a reasonable time; The employee must return an excess reimbursement or allowance within a reasonable period of time.
- Mileage Log – Usually a log or diary recording the miles driven between locations for business purposes. To qualify under IRS rules to claim mileage as a business expense the log must record the date, location from and to, and the miles driven as a minimum.

REFERENCES

- *Department of the Treasury, Internal Revenue Service, Publication 463 (2010), Travel, Entertainment, Gift, and Car Expenses, Section 6, page 28, Reimbursements.* IRS website: <http://www.irs.gov/pub/irs-pdf/p463.pdf>
- *OPP 3.1 – Financial Administration*, Operating Policy and Procedures Manual, Round Rock Christian Church. RRCC website: <http://www.rrdisciples.org/OPPs.html>
- *OPP 3.2 – Receipts Procedures*, Operating Policy and Procedures Manual, Round Rock Christian Church. RRCC website: <http://www.rrdisciples.org/OPPs.html>
- *OPP 3.3 – Disbursement and Cash Management*, Operating Policy and Procedures Manual, Round Rock Christian Church. RRCC website: <http://www.rrdisciples.org/OPPs.html>
- *OPP 3.5 – Debit Card / Credit Card Policy*, Operating Policy and Procedures Manual, Round Rock Christian Church. RRCC website: <http://www.rrdisciples.org/OPPs.html>
- *RRCC Form 03 – Mileage Log*. RRCC website: <http://www.rrdisciples.org/OPPs.html>
- *RRCC Form 04 – Expense Voucher*. RRCC website: <http://www.rrdisciples.org/OPPs.html>

AUTHORITY: *Section IV, B, 5 and Section VI, A, 1 of the Bylaws of Round Rock Christian Church. The Administrative Team is entrusted with the financial resources of the church. The Treasurer is responsible for payment of all accounts of the congregation as authorized by budget or special action of the Guiding Board and providing accurate records of all expenditures.*

EFFECTIVE DATE

October 11, 2011

LAST REVIEW DATE

October 11, 2011