

The Episcopal Diocese of Fort Worth

Reimbursement Policy

Policy Number: B-3
Adopted: December 3, 2010

PURPOSE:

This policy sets forth the standards for claiming reimbursement for use of personal vehicle, travel, continuing education, and other business-related, out-of-pocket expenses incurred on behalf of the Episcopal Diocese of Fort Worth. This policy satisfies the Internal Revenue Service (IRS) requirement for an accountable reimbursement plan.

CANONICAL REFERENCES:

Constitution and Canons for the Government of the Episcopal Church: Title I, Canon 7: - Of Business Methods in Church Affairs specifically addresses the business methods prescribed for every diocese, parish, mission, and institution subject to the authority of the Episcopal Church. The *Manual of Business Methods in Church Affairs* identifies requirements for sound, practical internal controls, accounting guidelines and business practices, especially, Chapter IV, Section B, Travel and Business Expense Reporting.

Diocesan Canon 29.1.3 - Business Methods: Such books of accounts shall be kept in such manner as shall make them available for satisfactory accounting and such books and accounts shall conform to THE MANUAL OF BUSINESS METHODS IN CHURCH AFFAIRS of The Episcopal Church.

POLICY:

1. General Provisions.

1.1. Ordinary and necessary business expenses incurred on behalf of the Diocese will be reimbursed under the following conditions:

1.1.1. The expenses must be a deductible type business expense as defined in IRS publication 463; be a business expense allowed under this policy; pertain to an authorized Diocesan activity; and be reasonable in amount.

1.1.2. Requests for reimbursement must be submitted within 30 days from the date the expense was incurred.

1.1.3. Requests for reimbursement must be clearly documented, substantiated

with original paid receipts, and submitted in accordance with the Check Request Voucher Policy.

1.2. The Bishop, Ministry Developer/ Administrative Officer, and Treasurer are authorized to approve reimbursements under this policy. Any two of these may authorize an exception to this policy for cause.

1.3. An advance of funds to travelers may be approved for authorized travel expenses. An advance must be substantiated with original paid receipts within 60 days after the date of the advance, or 30 days after the date of the travel, whichever is sooner. That portion of an advance that is not substantiated must be repaid to the Diocese. The traveler must substantiate or repay an advance before receiving another advance or reimbursement. An advance for meals or incidental cash needs is not authorized.

1.4. The Diocesan credit card or check may be used to prepay authorized airfare, lodging, registration fees and other business expenses on behalf of travelers. . These expenditures must be substantiated with original paid receipts within 60 days after the date of the transaction, or 30 days after the date of the travel, whichever is sooner.

1.5. Requests for reimbursement will be retained by the Diocese in accordance with the Records Retention Policy.

1.6. The Diocese will not report the amount of any business expense properly substantiated and reimbursed in accordance with this policy as compensation to individuals to the IRS, and individuals should not report the amount of any such reimbursement or expenses on their tax return.

2. Allowable Expenses.

2.1. Use of Personal Vehicle.

2.1.1. The Diocese will reimburse employees for the use of their personal vehicle for authorized local Diocesan business. The employee will be reimbursed for miles driven and related tolls and parking fees. Miles driven do not includes miles driven from the employee's home to the Diocesan office, or vice versa.

2.1.2. Reimbursement for mileage will be at the current rate published by the IRS. Reimbursement of tolls and parking fees will be the actual expense.

2.1.3. The Mileage Expense Report or similar will be used to substantiate the date, starting and ending location, purpose, and total miles for each trip. A receipt is not required for individual toll or parking fees that are less than \$15.00.

2.2. Travel Expenses.

2.2.1. The Diocese will reimburse authorized travelers for expenses while away from home overnight. These expenses may include use of personal vehicle, ground transportation, airfare, lodging, meals, gratuities and registration fees.

2.2.2. Ground transportation includes use of personal vehicle to and from the airport (and related tolls and parking fees), taxicabs, shuttles, public transportation, and car rental. The most cost-efficient means of ground transportation must be used, when available. **Car rental** is allowed when approved in advance and justified by the type of travel required. Reimbursement for a compact or intermediate model is allowed. Advance arrangements will be made in order to receive optimum discount rates. Returning a rental vehicle with a full tank of gas will be done whenever possible. Reimbursement for ground transportation will be the actual expense. Reimbursement for use of personal vehicle will be at the current rate published by the IRS. Ground transportation should be itemized showing date, service provided, purpose and amount. A receipt is not required for ground transportation less than \$15.00.

2.2.3. Standard domestic **airline** accommodations will be coach, tourist or economy with one checked bag. Travelers will make airline reservations as soon as possible in advance of travel and online to take advantage of economical rates. Reimbursement for side-trips and in-flight services is not allowed. Airline award miles may be retained by the traveler. Travelers are authorized to upgrade their seating using personal award miles or personal funds. In cases where cancellation fees/penalties are incurred as a result of a change of plans, the fees will be reimbursed if there is a valid diocese-related business reason for the change of plans. For electronic tickets, submit the web page receipt or confirmation letter that is mailed to the traveler. Reimbursement for airfare will be the lesser of the actual expense, or airfare based on advanced reservations plus checked baggage fee for one bag.

2.2.4. Travelers who choose to drive their own personal vehicle on a trip when air travel is more appropriate will be reimbursed the lesser of the amount determined in accordance with paragraph 2.1 or the cost of direct airfare for the same trip.

2.2.5. Travelers are authorized to use quality **hotels and motels** whose rates are reasonable and competitive. A receipt from the place of lodging is required and must show daily itemized expenses for room, meals, etc. Reimbursement for in-room services is not authorized. Reimbursement for lodging will be the lesser of the per diem rate shown at the GSA website, www.gsa.gov/perdiem, for the travel destination or the actual expenses. If the traveler is required to stay at a specific place of lodging and is required to pay the lodging expense, the traveler will be reimbursed the actual expense.

2.2.6. Reimbursement for **meals** is authorized for breakfast, lunch and dinner. Reimbursement for a separate meal is not authorized when the meal is included in the lodging or registration fee expense, or when provided by someone else. The receipt must be itemized, show

date, time, and place, and be for a single meal. Reimbursement for alcoholic beverages is not authorized. Reimbursement for meals will be the lesser of the M&IE rate shown at the GSA website, www.gsa.gov/perdiem, or the actual expenses.

2.2.7. Reimbursement for **registration fees** at authorized Diocesan conferences and meetings will be the actual expense.

2.2.8. Gratuities for meals should be itemized on the meal receipt and included in the total reported for each meal. Gratuities for other services should be itemized showing date, service provided, and amount of gratuity. A receipt is not required.

2.3. Continuing Education Expenses.

2.3.1. The Diocese will reimburse employees of the Diocese for authorized continuing education expenses. These expenses include the cost for use of personal vehicle or travel as provided in paragraphs 2.1 and 2.2; books and supplies; and registration fees.

2.3.2. Reimbursement for use of personal vehicle or travel will be as provided in paragraph 2.1 and 2.2. Reimbursement for books and supplies will be the actual cost.

2.4. Other Reimbursable Expenses.

2.4.1. The Diocese will reimburse authorized representatives for the cost of office supplies, handout and promotional materials, signs, display racks, treats, exhibit fees, and related expenses to setup booths and exhibits at meetings and conferences for which the Diocese has a purpose in participating. Reimbursement will be the actual expense.

2.4.2. The Diocese will reimburse authorized representatives for the cost of office supplies, handout and promotional materials, food, and/or related expenses for preparing for and conducting a Diocesan sponsored meetings, workshops, conferences, or similar.. Reimbursement will be the actual expense. If food is served, the registration or attendance list and agenda must be submitted with the request for reimbursement.

2.4.3. The Diocese will reimburse authorized representatives for the cost of meals and entertainment for guests who participate at a Diocesan function. Entertainment is defined as occurring only when a guest is entertained immediately before, during, or after a Diocesan function, or under circumstances where the guest would reasonably know that the object of the entertainment is to further Diocesan business relations. An occasional luncheon meeting with staff or Diocesan leadership to discuss business is allowed, as would a luncheon to mark an anniversary, retirement, or similar occasion. The request for reimbursement must include the name of the person(s) entertained, the business purpose, and nature of entertainment. A separate receipt for the guest(s) is not necessary, but the receipt must be itemized. Reimbursement will be for actual expenses.

2.4.4. The Diocese will reimburse authorized representatives for the cost of a gift (plus incidental costs) for guests who participate at a Diocesan conference/meeting, event, or activity. A gift may not exceed \$25.00 in value. The IRS has ruled that cash or cash equivalencies are not gifts, such as, honorarium, gift certificates, gift cards, and gift coupons. Incidental costs include engraving on jewelry, packaging, insuring, and mailing. The request for reimbursement must include the name of the person who received the gift, a description of the gift, the date the gift was given, and the business purpose. Reimbursement will be for actual expenses.

2.4.5. The Diocese will reimburse self-employed and/or independent contractors for business expenses allowed in accordance with this policy if specified in their agreement with the Diocese.

