

Sample Church Expense Reimbursement Policy

This policy establishes the reimbursement procedures for travel, entertainment, and other ministry expenses (“business expenses”) incurred during the conduct of Church business. It is Church policy to reimburse employees for ordinary, necessary, and reasonable expenses when directly related to the ministry of the church. Directly related means:

- There is the expectation of deriving some current or future benefit for the Church;
- The employee is actively engaged in a meeting or activity necessary to the performance of the employee’s job duties; or
- There is a clear ministry purpose for entertainment.

Employees are expected to exercise prudent judgment regarding expenses covered by this policy. Reimbursement for expenses that are outside the scope of this policy requires the prior written approval of management.

The following expenses may be reimbursable under this policy:

- Lodging
- Travel expenses including airfare, reasonable airline luggage fees, train fare, bus, taxi, and related tips
- Meals, including tips between 15-20%
- Business telephone calls
- Laundry and/or dry cleaning expenses during trips in excess of 5 days
- Car rental
- Tolls
- Conference and convention fees
- Entertainment expenses related to the church
- Parking
- Other reasonable and necessary business expenses, not specifically excluded by this policy, and with prior approval

Employees who utilize personal cars for business travel will be reimbursed at the per mile rate established annually by the Church.

The following expenses are not reimbursable under this policy:

- Child care costs
- Airline club dues
- Barber/hairstylist

- Toiletries
- Traffic fines
- Tips in excess of 20%
- In-flight movies or refreshments
- Hotel room movies and other forms of personal entertainment
- Luggage, briefcases
- Alcohol
- First class airfare
- Personal clothing

No policy can anticipate every situation that might give rise to legitimate business expenses. Reasonable and necessary expenses not listed above may be incurred. When prior approval is required, managers are responsible for using professional judgment to determine if an unlisted expense is reimbursable under this policy.

Credit Cards

The church-issued credit cards are to be used for purchases on behalf of the Church and for any travel expenses incurred while traveling on church business only. At no time may an employee who is in possession of a church issued credit card use this card for purchases intended for personal use. The use of the church issued credit card for anything other than its intended purposes may result in the credit card being revoked and disciplinary action up to and including termination of employment.

All expense reporting guidelines are to be followed for submitting expenses charged to the churchbusiness issued credit card.

Documentation

Requests for reimbursement of business expenses and requests for payment of credit card bills must be submitted on the “Expense Report Template” form.

While original receipts are recommended for all expenses submitted for reimbursement, they are required for all expenses greater than \$25.00. Requests for exceptions to this policy should document extenuating circumstances and be approved by management.

The Church complies with IRS regulations which require that all business expenses be substantiated with adequate records. This substantiation must include information relating to:

- The amount of the expenditure
- The time and place of the expenditure
- The business purpose of the expenditure
- The names and the business relationships of individuals for whom the expenditures were made

Requests for reimbursement lacking this information will not be processed and will be returned to the originator.

Approvals

Expense reimbursement forms, together with required documentation, must be submitted to the employee's immediate supervisor for review and signature approval. In the absence of the immediate supervisor, approval from the next higher level of supervision is required. Upper management may approve expense reimbursement if the above mentioned supervisory approvals cannot be obtained due to the supervisors' absences.

Once the expense reimbursement has been approved by the employee's manager, it should be submitted for processing no later than 30 days after the expenses occurred. Supervisors approving expense reports are responsible to ensure the following:

- Expenses reported are proper and reimbursable under this policy
- The expense report has been filled out accurately and with the required documentation
- The expenses are reasonable and necessary