

**Church of the Holy Communion
Accountable Plan of Reimbursement**

Table of Contents

Purpose	2
Scope	2
Exemptions and Exceptions	2
POLICY	3
General	3
Responsibility	3
Air Travel	3
Lodging	4
Ground Transportation	4
Business Use of Personal Car	5
Other Methods of Transportation, Parking and Tolls	5
Meals and Incidental Expenses	5
Laundry/Dry Cleaning	6
Business Meals and Entertainment	6
Telephone and Fax	7
Tips/Gratuities	7
International Currency Exchange Fees	7
International Travel	7
Passports and Visas	7
Non-Allowable Expenses	8
Personal Travel Costs	8
Expense Report Requirements	8
Records Retention	9
Policy Revisions, Review and Approval	9
Forms:	9
Attachment I - Event Expense Report	10
Attachment II - Monthly Mileage Expense Report	11

Purpose

Church of the Holy Communion (CHC or “the church”) Travel and Expense Reimbursement Policy is intended to provide information and guidelines for those employees and others who incur, authorize, or approve reimbursement for church related expenses incurred during domestic and/or international business travel and authorized, approved business entertainment expenses. This policy does not constitute a contract.

Scope

This policy applies to employees, parishioners and all others acting on behalf of CHC. A reimbursement arrangement meets the business connection requirement if it reimburses employee or representative expenses that could be claimed by the employee or representative as a business deduction, and that are paid or incurred by the employee or representative in connection with the performance of services as such.

Expenses must have a business connection, that is, one must have paid or incurred deductible expenses while performing services as an employee or representative.

Exemptions and Exceptions

When reviewing the reimbursable nature of an expense item, the following tests should assist in arriving at a decision:

- Does it facilitate the achievement of the Church’s objective?
- Are there less costly alternatives to achieve the same objective?
- If it were your own money, would you spend it in this fashion?

Any exceptions to this policy, unless otherwise noted, must be documented in writing, and approved by the Finance Committee and/or Vestry. The Finance Committee and/or Vestry reserves the right to interpret, amend or terminate this policy at any time, with or without notice.

Policy

General

CHC will provide reimbursement for authorized, necessary, reasonable, and customary expenses incurred by employees, parishioners and all others in connection with the performance of their duties and responsibilities in the course of authorized CHC business travel or the conduct of business, subject to this policy and applicable tax regulations.

Responsibility

Rector's Responsibility

- Know the current travel policy and ensure that it is communicated to all affected parties.
- Determine if travel is necessary.
- Rector or rector's designee will approve expenses in accordance with policy.
- Rector's expenses will be approved by the Vestry.

Employees, Parishioners and All Others Responsibility

- Notify staff as early as possible of any necessary travel. A trip planned more than seven (7) days in advance may save considerable costs.
- Incur only expenses that are consistent with the Church's business needs and exercise care in determining appropriate expenditures. Individuals should neither gain nor lose personal funds because of business travel expenses.
- Submit expense reports as outlined in the expense section of this policy within seven (7) days of completing a trip or incurring the business expense.

Air Travel

When the choice is made to use personal modes of travel between cities served by regularly scheduled airlines, reimbursement will be based on the lesser of actual expense or airfare and associated related costs.

Airline reservations should be made as far in advance as possible to take advantage of available discount fares.

All travelers should use the "Lowest Logical Airfare", the most economical fare considering business needs, meeting schedules, personal schedules, number of connections, carriers, etc.

Premium (First Class) is not allowed unless otherwise approved by the Vestry.

Original receipts are required for all airline expenses. An itinerary and receipt issued by a travel agent or airline for ticket-less travel is also acceptable.

Unused airline tickets should be returned for proper credit. Unused tickets should not be submitted with an expense statement.

Excess baggage fees are reimbursable only if CHC materials, equipment, documents, etc. cause the charge to occur.

Flight or luggage insurance is a personal expense and not reimbursable.

Lodging

Accommodations of a business standard level should be selected. All hotel reservations should be guaranteed with the individual traveler's credit card.

It is the traveler's responsibility to cancel reservations within the individual property's cancellation policy time frame. Always obtain a cancellation number.

The Church will not reimburse hotel "no-show" or "failure to check out" fees.

Original receipts are required for all lodging expenses.

Ground Transportation

Compact cars are the standard rental when traveling alone. Mid-size cars may be used when two or more individuals are traveling together.

CHC will reimburse for actual and reasonable business related rental car charges. Individuals are responsible for personal use costs.

To minimize fuel charges, always refuel rental cars prior to returning them, unless it is more economical to accept the fuel pre-purchase option at the time of rental.

Unnecessary car rental insurance costs will not be reimbursed.

Accidents must be reported immediately, in writing, including copies of the rental agreement, rental car company accident report, and all police report information.

Questions or correspondence concerning an accident including repair bills from the rental car company should be directed to the Finance Committee/Vestry.

CHC will reimburse an amount up to the limit of an individual's personal automobile insurance deductible in case of an accident when on church business.

When renting a car in Europe, use a rate that includes all required coverage, declining all additional coverage offered at the time of pick-up.

Business Use of Personal Car

Actual and reasonable business use of a personal car is reimbursed at the current IRS authorized mileage rate. The mileage payment is the sole reimbursement for such use. The reimbursement for use of a personal car should not exceed the cost of airfare and/or a rental car for the same trip.

Other Methods of Transportation, Parking and Tolls

Use the most cost-effective means for parking and transportation service to and from airports.

Airport and hotel shuttle services should be used as alternatives to rental cars or taxis when possible. Mass transit should be used when available and appropriate to the business situation. Transportation should be shared whenever possible.

All reasonable parking fees and tolls will be reimbursed.

Meals and Incidental Expenses

Meals and incidental expenses are reimbursable when traveling on CHC related business by claiming actual expenses when accompanied by original receipts (cash register or equivalent/or credit card receipts). "Tear tab" receipts (stubs) are not acceptable for reimbursement. Expenses deemed to be "lavish" will not be approved and reimbursed. Meal tips should be reasonable and customary and should be claimed as part of meal costs.

Alcoholic beverage expense will not be reimbursed unless the expense is incurred as church business entertainment.

Laundry/Dry Cleaning

Reasonable laundry, dry cleaning and pressing service will be allowed while traveling for an extended period (a trip exceeding seven (7) consecutive days from date of departure).

Business Meals and Entertainment

Business meals and entertainment outside the church business offices is never warranted when similar results can be achieved by conducting business in the office. Entertainment should be based upon good business judgment. To be reimbursable, business meals and entertainment must comply with all the following reporting requirements:

- Business meals and entertainment must occur in places conducive to business discussions and must have the purpose of furthering essential business relationships.
- The benefit to the Church must be clearly stated in the expense report.
- For Audit and IRS compliance, all business meals and/or entertainment expenses must include the following information:
 1. Meeting date, time, location and purpose
 2. List of all participants
 3. Itemized receipts and/or credit card charges for all incurred expenses
- When two or more CHC representatives are present for business meals or entertainment, the senior clergy must pay for all expenses unless circumstances make it impractical. In this instance, an explanation must be included with the expense report.

Reimbursement for business entertainment at a clergy's home is considered an extraordinary exception and requires the prior approval of the Vestry.

Alcoholic beverages are to only be consumed in a business setting in conjunction with business activities and within bounds of social propriety. Use of alcohol for entertaining should be held to an absolute minimum. Everyone should be cautioned against placing themselves or the CHC in a position of legal or moral responsibility for the consequences arising from the use of alcohol.

Business meals and/or entertainment expenses in lieu of lodging and related expenses are reimbursable if such expenses do not exceed the reasonable and customary cost of lodging and related expenses.

Telephone and Fax

Expenses incurred for telephone and fax for business communication while traveling are reimbursable. All long-distance calls should be made with attention to both length and frequency of calls, including calls of a reasonable nature to one's family which are acceptable for reimbursement.

Tips/Gratuities

Meal tips should be reasonable and customary and should be claimed as part of meal costs.

Baggage handling tips should also be reasonable and customary and reported separately as tips.

International Currency Exchange Fees

International currency exchange fees should be expensed as charged for each exchange transaction. The exchange rate used for reporting expenses in U. S. dollars should be an average of all transactions made in each country visited or the rate(s) listed in *The Wall Street Journal* or *The Dallas Morning News* for the period of travel.

Reasonable fees for ATM withdrawals to obtain cash in the local currency will be reimbursed with receipts only.

International Travel

It is the traveler's responsibility to ensure that proper passport and/or immigration documents are obtained to enter the country to which the individual is traveling.

Passports and Visas

Expenses for obtaining a passport or visa are reimbursable when incurred in conjunction with international travel requiring a passport or visas.

Non-Allowable Expenses

Expenses which are considered personal or unnecessary for Church business are not reimbursable. The Vestry and/or Finance Committee retains the right to make final decision if an expense is reimbursable. Instances when an expense is unclear should be approved in advance, whenever possible, to avoid disallowance after the fact.

Non-reimbursable expenses fall into at least one of the following categories:

1. Are unnecessary to achieve the Church's business.
2. Represent a personal-use purchase, or
3. Are already provided for within this policy.

Reimbursement will not be made for amounts more than actual expenses incurred.

Personal Travel Costs

When personal travel is included on the same trip with business travel, the details of the personal travel must be identified and excluded from the expense report.

Expense Report Requirements

- Expense reports must be submitted within seven (7) days following the trip return. Reports should be in ink if manually prepared.
- All receipts must be included.
- All expense reports are to be approved by the Rector or rector's designee. The Rector's reports are to be approved by the Vestry.
- Approved expense reports must be submitted to the Church Treasurer, who will process for payment within five (5) days of receipt.
- Local Mileage Expense Reports are to be submitted at the end of each month, approved, and reimbursed as noted above.

Records Retention

Records must be maintained [by the Treasurer] if they may be needed for the administration of any provisions of the tax code. Generally, this means keeping records that support the Church's deductions for three (3) years from the filing date of the income tax return in which the deductions are claimed (*The Church and Clergy Tax Guide, 2004 Edition*).

Policy Revision, Review and Approval

The Finance Committee is responsible for issuing this policy and reviewing it annually or more often if required by legal, regulatory or CHC issues.

The Vestry is the final approving authority for this policy.

Forms

Attachment I Event Expense Report

Attachment II Monthly Mileage Expense Report

Attachment I

Church of the Holy Communion
Event Expense Report

Name: _____
Week Ending: _____

Date: 6/30/2004

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total
Date								
Itinerary (City)								
Breakfast								
Lunch								0.00
Dinner								0.00
Entertainment								0.00
Total Meal & Ent.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hotel								0.00
Telephone								0.00
Parking								0.00
Car Rental								0.00
Mileage								0.00
Air Fare								0.00
Tolls								0.00
Other								0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Entertainment

Date	Persons Entertained	Business Relationship	Place	Business Purpose	Type	Amount
						0.00
						0.00
						0.00
						0.00
						0.00
						0.00
Total (must agree with total of "Entertainment" above)						\$ -

COMMENTS

Signature: _____

Approval: _____

Example of Event Expense Report

Church of the Holy Communion
Event Expense Report

Name: Bishop Sutton
Week Ending: 5/22/2004

6/30/2004

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total
Date	5/16/2004	5/17/2004	5/18/2004	5/19/2004	5/20/2004	5/21/2004	5/22/2004	
Itinerary (City)	Dal-Houston	Houston	Houston	Houston	Houston	Houston	Houston-Dal	
Breakfast	8.00	8.00	8.00	8.00	8.00	8.00	8.00	56.00
Lunch	10.00	10.00	10.00	10.00	10.00	10.00	10.00	70.00
Dinner	22.00	22.00	22.00	22.00	22.00	22.00	22.00	154.00
Entertainment	32.00	0.00	0.00	0.00	0.00	0.00	0.00	32.00
Total Meal & Ent.	72.00	40.00	40.00	40.00	40.00	40.00	40.00	312.00
Hotel	86.00	86.00	86.00	86.00	86.00	86.00	86.00	602.00
Telephone	5.00	5.00	5.00	5.00	5.00	5.00	5.00	35.00
Parking	18.00	18.00	18.00	18.00	18.00	18.00	18.00	126.00
Car Rental	32.00	32.00	32.00	32.00	32.00	32.00	32.00	224.00
Mileage	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
Air Fare	116.00	0.00	0.00	0.00	0.00	0.00	0.00	116.00
Tolls	2.00	2.00	2.00	2.00	2.00	2.00	2.00	14.00
Other	1.00	1.00	1.00	1.00	1.00	1.00	1.00	7.00
Total	332.00	184.00	184.00	184.00	184.00	184.00	184.00	1,436.00

Entertainment

Date	Persons Entertained	Business Relationship	Place	Business Purpose	Type	Amount
5/16/2004	Deacon Jones	St. Michaels Parish	TGI Friday's	Discuss Lenten Series	Dinner	32.00
5/17/2004						0.00
5/18/2004						0.00
5/19/2004						0.00
5/20/2004						0.00
5/21/2004						0.00
5/22/2004						0.00
Total (must agree with total of "Entertainment" above)						\$ 32.00

COMMENTS

Other expense covers tips for doorman

Signature: _____

Approval: _____

