

9.0 ACCOUNTABLE EXPENSE REIMBURSEMENTS AND ADVANCES

.01 Federal income tax regulations 1.162-17 and 1.274-5T(f) provide that an employee "need not report on his tax return" expenses paid or incurred by him solely for the benefit of his employer for which he is required to account and does account to his employer and which are charged directly or indirectly to the employer. Federal income tax regulation 1.274-5T(f) further provides that "adequate accounting means the submission to the employer of an account book, diary, statement of expense, or similar record maintained by the employee in which the information, as to each element of expenditure (amount, time and place, business purpose, and business relationship), is recorded at or near the time of the expenditure, together with supporting documentary evidence, in a manner which conforms to all the 'adequate records' requirements" set forth in the regulation.

.02 To establish an "accountable" expense reimbursement policy pursuant to the above mentioned Internal Revenue Regulations, the following terms and conditions will be followed by all FirstChurch employees:

.03 Any employee now or hereafter employed by FirstChurch shall be reimbursed for any ordinary and necessary ministry and professional expenses incurred on behalf of the Church, if the following conditions are satisfied:

- the expenses are reasonable in amount;
- the employee documents the time, place, ministry purpose, ministry relationship, and amount of each such expense with the same kinds of documentary evidence as would be required to support a deduction of the expense on the employee's federal income tax return; and
- the employee documents such expenses by providing the Church Treasurer or authorized check signer with an accounting of such expenses, no less frequently than monthly. This condition will be fulfilled by the completion of an Employee Monthly Expense Report ([Form No. 1-54](#)).

9.1 Defining Ordinary and Necessary Ministry and Professional Expenses

.01 Ordinary and necessary ministry and professional expenses for ministers and nonminister employees will include the ministry use of their personal automobile, conference/training costs, dues of ministry organizations, periodicals/books/reference materials, ministry contacts/hospitality expenses, and any other ministry and professional expenses considered ordinary and necessary for them to carry out their ministerial and/or Church duties. Dollar limits for

these expenses will be determined by the adopted general operating budget of the Church.

9.1.1 Local Ministry Activities

.01 The primary use of the ministry contacts/hospitality budgeted funds is for expenses incurred when:

- Conducting business with a visiting minister who has been invited to minister at FirstChurch.
- Conducting business and ministry contacts with ministry department lay leadership.
- Sending flowers to a department lay leadership family when there is a death or serious illness of one of their close family members. NOTE - In view of the fact that there are budget funds available through the Hospitality Ministry Team to purchase flowers for staff families in the event of a death or serious illness of a staff family member, this account must not be used to purchase flowers for staff families. The Hospitality Ministry Team will make the proper arrangements to send flowers to staff families when it is appropriate to do so.
- Giving an appreciation gift to a lay leader. NOTE - This account must not be used to purchase birthday or appreciation gifts for fellow staff members, as this type of expenditure is more personal in nature and shall be paid from personal finances. This account must not be used to allocate expenses for luncheons, dinners, etc., or for any members of the staff, unless the function has been pre-approved by the Senior Minister or the Minister of Administration.

.02 Employees of FirstChurch will not be reimbursed from Church funds for the following, but not limited to, items:

- flowers or other gifts purchased for staff members or their families
- meals (i.e. lunches) with staff members. Since staff normally work in the same office, and presumably have considerable opportunities to interact during the week, shared meals between staff will not constitute an ordinary and necessary business expense. Under special circumstances, group staff meals (i.e. retirement lunch) might be appropriate. These special occasions must be approved in advance by the Senior Minister or Minister of Administration.
- golf, tennis, health club or other recreational activities

- Airline and hotel clubs or dinner clubs
- items of a personal nature or for personal use
- parking or traffic tickets
- expenses related to an activity where an honorarium is personally received

9.1.2 Out-of-Town Ministry Travel

.01 Reimbursements for out-of-town travel are allowable only for travel that is approved in advance by the employee's Department Head and the Executive Minister. The Trip Authorization ([Form No. 12-37](#)) will be used to request and obtain approvals for such travel.

.02 Expenses will not be reimbursed beyond the total amount approved in advance on a Purchase/Funds Request ([Form No. 1-29](#)).

.03 Expenses that will be considered appropriate for reimbursement includes, but is not limited to, the following:

- conference/registration fees as approved by the employee's Department Head and/or Executive Minister
- coach rate airfare
- taxi fare, tolls and parking fees
- a mid-size or economy rental car up to \$50 per day
- mileage for the use of a personal vehicle at the standard mileage rate allowed by the IRS
- hotel room charge up to \$100 plus tax per night (Reservations made on-line with Priceline is highly recommended to received discounted hotel room rates.)
- telephone calls to the Church made on a Church telephone calling card or charged to hotel bill
- telephone calls to the employee's home, made on a Church telephone calling card or charged to hotel bill, up to ten minutes every other day
- ministry related facsimile and photocopying

.04 The following, are examples of items that will not be considered for reimbursement (this list is not all inclusive):

- cost of Traveler's Checks
- air travel insurance
- collision damage waiver insurance on rental cars
- keys locked in personal automobile
- house sitting or pet boarding
- movies and entertainment
- golf, tennis, health club or other recreational activities
- sightseeing or souvenirs
- personal needs (laundry, toiletries, newspapers, over-the-counter medications, snacks, etc.)

Click the Hyperlinked forms as
noted in blue above