

## First Unitarian Church of Des Moines

### Operating Policy – Accountable Reimbursement Plan

Ministers and staff shall be reimbursed for any ordinary and necessary business and professional expenses if the following conditions are satisfied:

- The expense clearly supports the work of the congregation and is reasonably necessary to meet the employee's performance objectives and/or job responsibilities.
- The amount of the claimed expenses is reasonable.
- Receipts are provided showing the amount, date, detail of the expense, business relationship and business purpose.
- Funds are available in the individual's professional expense allowance or in an alternate, appropriate budget line as approved in advance by the Executive Team.

Reimbursement requests to the employee or vendor must be submitted to the Director of Finance and Administration for processing at least monthly.

Church-issued credit card charges: All receipts substantiating charges to a church-issued credit card must be submitted prior to payment of the credit card statements. Any receipts **for any purpose** not submitted within 60 days of incurring the charge will become taxable to the employee and reported on the employee's W-2. Any charges for **personal expenses** must be reimbursed to the church within 60 days of incurring the charge.

Qualifying expenses include but are not limited to automobile expenses at the IRS standard allowance; conference, meeting and travel expenses; church-related professional development; books, newspapers, periodicals, audio-visual materials and other resources necessary to the employee's performance objectives; professional association dues usual and customary for the position; clerical gowns, robes and religious garments; meals within IRS limits; cell phone, long distance calling and internet expenses incurred in the service of First Unitarian; equipment necessary for the performance of the minister or staff member's duties. For questions regarding eligibility of expenses, the employee should consult the Director of Finance and Administration or Senior Minister prior to incurring the expense.

Expenses not covered include, but are not limited to: beer, wine or liquor; personal travel expenses such as dry cleaning, spouse travel/meals and other personal items; gifts, except those to recognize volunteers.

All receipts and documentation submitted must be original – copies are not acceptable.

Excess reimbursements/advances: Any congregational reimbursement or advance that exceeds the amount of business or professional expenses properly accounted for under this plan must be returned to First Unitarian within 120 days of after the associated expenses are paid or incurred by the minister/staff, and shall not be retained by the minister/staff. Note that all items with an initial value in excess of \$75 remain the property of First Unitarian; in the event the minister or staff member leaves the employ of First Unitarian Church, he/she will reimburse the church for such items at the current market value (determined by such methods as Craig's List or It's Deductible).

Amounts in excess of the professional expense budget line item must be reimbursed to the church within 60 days of incurring the charge.

Tax reporting: First Unitarian Church shall not include the amount of business or professional expenses on the minister/staff member's W-2 form, and the minister/staff member should not report the amount of any such reimbursements as income on Form 1040 except as noted above.

Separate Check: Reimbursements shall be paid by separate check drawn from appropriately budgeted funds and not by increasing paychecks by the amount of the business expense.

Unused budget: Monies budgeted for professional expenses that have not been expended by the end of the fiscal year may not be carried forward to subsequent years. Such monies shall not be distributed to the minister/staff or reallocated as compensation in any way.

Retention of Records: All receipts and other documentary evidence shall be retained by First Unitarian Church under the church's Records Retention Policy.