

AUUC Expense Reimbursement Plan

Approved 10/13/2010

The Aiken Unitarian Universalist Church (AUUC) has established this expense reimbursement plan to state clearly the responsibilities of the church and of the employees and volunteers claiming reimbursement. This plan is intended to be an Accountable Reimbursement Plan as defined by the IRS so that no part of the reimbursements will be subject to taxation as income to the recipient.

1. Adequate accounting for reimbursed expenses. Ministers, staff and volunteers of AUUC shall be reimbursed for any ordinary and necessary business or professional expense incurred on behalf of the church, if the following conditions are satisfied:

- The amount of the claimed expense is reasonable;
- The reimbursement claim documents the amount, date, place (for transportation, travel, and entertainment expenses), business purpose and, for entertainment expenses, the business relationship of the person or persons entertained, of each expense with the same kind of documentary evidence as would be required to support a deduction of the expense on the employee's federal tax return; and
- The person claiming reimbursement substantiates these expenses within sixty (60) days of incurring the expense, and
- Funds are available in an appropriate budget account at the time of the expense.

Examples of reimbursable business expenses include, but are not limited to, local transportation (mileage, tolls, parking, etc.), overnight travel (including transportation, lodging, meals and incidentals), conference registrations, entertainment, pulpit gowns, professional books, periodicals, dues, office equipment such as computers, and continuing education events.

2. Receipts Required: Receipts are required for all expenses.

3. Limited by Budget. AUUC agrees to reimburse the claimant under this plan up to the amount budgeted for the type of expense for which reimbursement is claimed.

4. Tangible property. Tangible property with a useful life in excess of one year acquired under this plan is the property of AUUC. An employee who wishes to purchase tangible property previously acquired under this plan, may do so at the then existing market value of the property subject to the concurrence of AUUC.

5. Excess reimbursements. Any church reimbursement that exceeds the amount of business or professional expenses properly accounted for under this plan must be returned to AUUC within 120 days after the associated expenses are paid or incurred by the claimant, and shall not be retained by the claimant.

6. Tax reporting. AUUC shall not include in an employee's W-2 form the amount of any business or professional expense properly substantiated and reimbursed according to this plan, and the claimant should not report the amount of any such reimbursement as income on Form 1040.

7. Reimbursements not funded out of salary reductions. Reimbursements shall be paid out of appropriately budgeted funds and not by reducing an employee's salary by the amount of business expense reimbursements.
8. Unused budget. Any portion of the annual budget for professional expense reimbursement that is not used at the end of the fiscal year will not be distributed to the minister or staff.
9. Retention of records. All receipts and other documentary evidence used by a claimant to substantiate business or professional expenses reimbursed under this plan shall be retained by AUUC.
10. Approval Process. The Disbursing Treasurer is responsible for reviewing and approving all requests for reimbursement under this plan. Requests for reimbursement by volunteers must first be approved by the person responsible for the budget item to which the expense will be charged. For volunteers, due to budget limitations, typically only conference registrations will be approved for travel expense reimbursement. No one may approve her/his own expenses.

Under no circumstances will AUUC approve the reimbursement to a claimant for business or professional expenses incurred on behalf of AUUC that are not properly substantiated according to this plan. Church, minister, staff and volunteers understand that this requirement is necessary to prevent AUUC's reimbursement plan from being classified as a nonaccountable plan possibly making reimbursement under the plan taxable income to the recipient.