

ARCHDIOCESE OF INDIANAPOLIS EXPENSE REIMBURSEMENT POLICY

Application: *This policy applies to all lay, clergy, and religious employees who work for the Catholic Center and other agencies of the Archdiocese of Indianapolis. Parishes and schools are highly encouraged to develop similar policies regarding expense reimbursement.*

Introduction: As found in the National Council of Catholic Bishop's pastoral letter, *Stewardship: A Disciple's Response*, "Jesus sometimes describes a disciple's life in terms of stewardship (cf. Mt 25:14-30; Lk 12:42-48), not because being a steward is the whole of it, but because this role sheds a certain light on it. A steward is one to whom the owner of a household turns over responsibility for caring for the property, managing affairs, making resources yield as much as possible, and sharing the resources with others. The position involves trust and accountability." This policy is designed to assist employees of the Archdiocese and agencies to be good stewards of the resources allotted to us.

A) DEADLINES FOR EXPENSE REIMBURSEMENT

Expenses must be reported within **60 days** from when they are incurred. Expenses greater than 60 days old will not be reimbursed.

Employee expense reimbursements will be paid to employees via direct deposit to the bank account on file with Paylocity. Expense reimbursements are paid in accordance with the payroll calendar on a biweekly basis. Expense reimbursement requests are due by noon Monday in non-payroll weeks.

B) GENERAL GUIDELINES AND DOCUMENTATION

All expenses must be business related. Employees will only be reimbursed for expenses that have the prior approval of the supervisor and are incurred as a result of job duties. Expense reimbursements will not be taxed or included on your annual W-2. The employee is responsible for the accuracy of their expense reimbursement request.

All expense reimbursement requests must be completed using Paylocity Expense accessed through employees' Paylocity Self Service Portal. Expense reimbursement requests are routed to your direct supervisor for review and approval. Factors that may cause a delay in processing or denial of reimbursement:

- Coding expenses with "default" cost centers.
- Not coding expenses with the correct Intacct dimensions/cost centers.
- Not including the receipts and supporting documentation.

C) CREDIT CARD USAGE

The Archdiocese Catholic Center does not issue corporate credit cards for use by employees. Employees may choose to charge business expenses on a personal credit card and then obtain reimbursement for valid expenses. Employees will be reimbursed according to this expense reimbursement policy. The Archdiocese will not be responsible for any late fees and/or interest charges.

Certain agencies may offer corporate credit cards to select employees based on the nature of their job duties. The corporate credit card should only be used for business expenses, and in no situation should it be used for a personal expense.

Cash advances are allowed under certain circumstances and prior supervisor approval must be obtained. The Office of Accounting Services should be notified at least one day in advance of needing the cash. Proper receipts, documentation and any unused portion of the advance must be returned to the Office of Accounting Services.

D) NON-REIMBURSABLE EXPENSES

- Meals with persons that have no direct business purpose.
- Between meal time snacks.
- Expenses at any venue that has the potential to reflect negatively on Catholic beliefs, traditions, and values, or any location that excludes individuals based on race, gender, etc.
- Unreasonably costly expenditures (e.g., expensive wines and liquors; meals at inappropriately expensive restaurants).
- Electronic devices (e.g., tablets, mobile phones, pagers, daily organizers, and other personal digital devices).
- Annual credit card fees, late fees or finance charges.
- ATM fees incurred in town or out of town.
- In-room movies or video games.
- Laundry and dry cleaning for travel requiring fewer than five consecutive nights away from home.
- Personal newspaper and magazine subscriptions.
- Traffic tickets, parking tickets, car washes, oil changes, and other maintenance or repair services for personal or rental cars.
- Thefts of personal property from an automobile, hotel room, or office being used on business.
- Damage to an automobile being used for business.
- Travel life insurance.
- Airline upgrades.
- Apparel purchases (business or casual).

E) MEALS REIMBURSEMENT

Meal costs should be reported on the expense report of the *most senior level person* in attendance at the meal.

Business meals are food and beverage charges that are incurred during a substantial and bona fide business discussion. Business meals must be substantiated with the receipt and an explanation of the purpose for the expense including amount, date and place incurred name and title or business relationship of others in attendance. If your meal involves alcoholic beverages, the expense reimbursement will be limited to include only one alcoholic beverage.

Snacks are the personal responsibility of the employee and are not eligible for reimbursement.

MEALS WHILE TRAVELING

When traveling overnight, up to three meals per day will be reimbursable. When traveling for a business purpose that does not require an overnight stay, meals would be reimbursable if incurred for a business purpose with a supervisor, co-worker and/or business-related person from the parish, school or agency in attendance.

When traveling for a business purpose that does NOT require an overnight stay, meals should be paid for personally when alone or with others when the meal has **no** business purpose.

The following table describes which Intacct General Ledger account should be used when submitting an expense reimbursement for food or meals:

Account	Types of Costs
91001 Meals (Business)	- Meals while traveling - Dining at a restaurant for business purposes
92001 Hosting Conferences, Meetings, and Events – Food and Beverage	- Food purchased for a meeting you are hosting
53301 Program Expense – Food	- Food/beverage when providing food/nourishment is a primary purpose of the program. These include: - Food for Homeless Shelters

	- Food for Crisis Office - Food for School Cafeteria
47101 Fundraising Events Expense - Food and Beverage	- Food purchased for a fundraising event

F) LODGING

Hotel and room type should be reasonable in cost and appropriate to the business location.

Lodging, meals, and any other business expenses on the hotel bill should be reported separately and accurately. Hotel receipts must be itemized.

G) MILEAGE

The Archdiocese will reimburse for mileage incurred in excess of the normal commute according to 85% of the standard mileage rate as described by the IRS. The Office of Accounting Services communicates changes to the mileage reimbursement rate annually in the Archdiocese Budget Guidelines or as it changes.

Utilization of the reimbursement of the standard mileage rate is in lieu of obtaining reimbursement for maintenance and repairs, tires, gasoline and related taxes, oil, insurance registration and depreciation or leasing costs.

The “normal commute” would be considered the mileage incurred from the residence to the regular place of work. Expenses of commuting between the residence and the regular business location are not reimbursable. Commuting expenses cannot be reimbursed no matter how far your home is from your regular place of work. The regular place of work would be defined as your regular place of business or post of duty regardless of where the family home is maintained.

If there is more than one place of business, the following 3 factors need to be considered in determining the main place of business:

- 1) The total time ordinarily spent in each place.
- 2) The level of business activity in each place.
- 3) Whether the income from each place is significant or insignificant.

If an employee works equally at several locations and no main place of work can be established, then no reimbursement for mileage will be allowed.

H) TAXI/RIDE-SHARE/RENTAL CARS

When traveling out of town, employees may be reimbursed for costs incurred for a taxi or a ride-share service, as long as the transportation is related to the business purpose of the trip.

The Archdiocese currently has an agreement with Enterprise Rentals as a preferred rental car supplier for the Archdiocese of Indianapolis. We recommend employees rent a vehicle from Enterprise Rentals when it would be most economical to rent a vehicle versus incur mileage reimbursement. It is suggested to compare the costs when the daily roundtrip is in excess of 150-200 miles. Please contact the Archdiocesan Purchasing Department (Steve James, sjames@archindy.org) if you wish to rent a car through Enterprise and he can provide you with detailed instructions on how to do so. Please do not select the insurance offered as this included in the rental agreement we have with Enterprise.

I) TRAVEL EXPENSES

Reimbursement for business and business travel expenses will only be provided for employees. Travel expenses for another individual, spouse, dependent, or other guest of the employee will not be reimbursed.

Parking costs incurred are reimbursable if incurred for business purposes.

When traveling via airplane, employees should travel economy, coach, or "standard" class unless otherwise authorized by the Chancery, Vicar General/Moderator of the Curia, or an Archdiocesan Archbishop. Employees should make flight arrangements at least 3 weeks in advance to ensure reduced rates using the least expensive flight available considering all airlines and airports in the vicinity. If plans change, tickets should be modified or canceled as soon as possible to realize maximum savings or minimize costs. Airline frequent flyer program benefits are allowed to accrue to the individual traveler; however, participation in these programs should not result in any incremental cost to your location. Refunds for unused airline tickets purchased by the employee are the responsibility of the employee. If the Chancery has already reimbursed the ticket, then the refund must be returned to the Chancery.

When selecting methods of travel, the reimbursement will be limited to the mode of transportation that is the least expensive. For example, if the cost of a plane ticket will total \$450 and the cost of renting a car and purchasing gas will total \$600, only \$450 will be reimbursed. Exceptions can be made only with PRIOR supervisor approval.

J) PHONE EXPENSES

The Archdiocese does not provide cell phones to staff members. However, discounts on personal cell phones are available through Verizon Wireless for Chancery employees only.

Business calls made from personal cell phones or home phones can be submitted for expense reimbursement. Texting and data expenses are not eligible for reimbursement. Costs incurred must be reasonable and properly documented. The request should include: a) the amount of the expense, b) the time and place of the call, c) the business purpose for the call, and d) the name of the person called and that person's business relationship with the Archdiocese. A copy of the invoice should be attached, and the business call(s) should be highlighted. The formula for reimbursement is:

of business minutes used times the monthly calling service amount / total plan minutes
(a calculation template is available on our website at <http://www.archindy.org/finance/intacct.html>)

K) COMPUTER SOFTWARE/HARDWARE AND SUPPLIES

These are not reimbursable through the Office of Accounting Services and must be approved and purchased through the Information Systems office.

Costs of establishing home internet capabilities and the regular monthly charges will not be reimbursable expenses. Monthly internet service for select employees based on business necessity may be provided through the Information Systems office with the approval of the Vicar General/Moderator of the Curia.

L) CHARITABLE DONATIONS

Charitable donations are a personal expense and not reimbursable.

M) GRATUITIES, TIPS

Minimal out-of-pocket costs for bellhops or porters should be reported separately on the expense reimbursement. Tips for meals and taxis should be included with the meal or taxi expense reported on the expense reimbursement.

Tipping guidelines – Meals: 15-18%; Luggage: \$1/bag; Taxis: 15-20%.

N) GIFTS AND STAFF FUNCTIONS

Gifts to Employees – Not reimbursable except in rare situations for a very significant event. Should this be the case, prior approval from the supervisor and the Human Resources Director is required and if the gift is in the form of cash or a gift card, notification is required to be made to payroll so that the gift can be reflected as taxable income as required by IRS regulations.

Holiday and Birthday Staff Functions: **Holiday and birthday staff lunches should be paid for by the individuals participating and are not reimbursable by the Archdiocese.** The Catholic Center Forum hosts a multitude of events during the year to show appreciation for employees. If agencies feel that they need a Christmas celebration in addition to the Christmas luncheon, it is **NOT** to be paid for by the agency nor should it be built into the budget.

O) PROFESSIONAL LICENSING FEES/REGISTRATION AND DUES

Registration/Permits/Licenses – The costs of all required registrations, permits, and licenses are reimbursable with the approval of the supervisor and Human Resources Director.

Professional Society/Business Organization Dues - If pre-approved by supervisor, membership dues in professional associations will be reimbursed

P) CONTINUING PROFESSIONAL DEVELOPMENT

The achievement of our Archdiocesan mission depends upon each staff member working at his/her full potential. Therefore, the Archdiocese is committed to providing an environment that fosters continuous learning and offering programs that promote ongoing professional development.

Opportunities for professional development include:

- New and challenging work assignments
- Collaboration with co-workers, including people in other agencies
- Coaching and mentoring from supervisors
- Time at work for professional reading and study
- Educational programs, conferences and workshops, both in-person and online

The employee professional development expense reimbursement policy described below applies only to employees of the Archdiocese (Catholic Center), including Our Lady of Fatima Retreat House and Bishop Simon Brute Seminary. Catholic Charities agencies and MTCA/NDAA have their own defined process for employee professional development, separate from that described below. Archdiocesan employee professional development expenditures are recorded in a separate department from the employee's home department. The professional development budget area is Intacct Location 100, Program 1102.

During the budgeting process in the spring, you are asked to complete Appendix E – Professional Development Budget Form for all expected employee development expenditures in the upcoming fiscal year, which includes the cost of education (course / seminar / training) as well as any travel-related expenditures associated with the professional development (lodging, airfare, mileage, meals, etc.). This form is used by the Office of Accounting Services for budgeting purposes only and does NOT represent formal approval of expenditures related to employee professional development.

All employee professional development expenditures in excess of \$100 are required to have pre-approval via the Professional Development Request Form (different than the Appendix E - Professional Development Budget Form). Please indicate on the form whether or not the professional development activity was included in the current year's professional development budget. If you are not sure if your professional development activity

was budgeted, you can check with your department head and ask for the Appendix E that they completed, or reach out to accountingservices@archindy.org.

This form should be completed and approved prior to registering for a professional development event. Approval consists of signatures from the employee's supervisor, the head of the department (secretariat), the Director of Human Resources, and the Chancellor. The form will be returned to you once the Chancellor has signed off as final approver. The approved Professional Development Request Form must then be submitted with the Intacct Payment Requisition or Expense Reimbursement Request Form in order for payment to be processed.

Based on this information, a properly completed Intacct Payment Requisition for professional development activities would include the following attachments:

1. Professional Development Request Form, complete with signatures of your supervisor, your department/secretariat head, the Human Resources Director, and the Chancellor.
2. Invoice for the costs to be paid (e.g. conference registration) to the vendor.

Similarly, a properly completed Expense Reimbursement Request Form for professional development activities would include the following:

1. Expense Reimbursement Request Form, complete with signatures of your supervisor
2. Professional Development Request Form, complete with signatures of your supervisor, your department/secretariat head, the Human Resources Director, and the Chancellor.
3. Receipts for the costs to be reimbursed that you paid for up front out of your personal funds (e.g. cab fare, flights, meals while traveling for conference).

Q) OFFICE SUPPLIES AND OTHER PURCHASES

Office supplies and other purchases are only reimbursable with prior supervisor approval. Office supplies include items such as paper, rubber bands, staples etc. Personal comfort items like aspirin, tissue, over-the-counter medications (cold medicines), candy etc. are not to be purchased using Archdiocesan funds or reimbursed to employees.

R) SUBSCRIPTIONS

Personal subscriptions to business-related newspapers and magazines in the name of an employee must be approved by the Controller; otherwise, the subscriptions are considered a personal expense and are not reimbursable.

S) MOVING EXPENSES

The Archdiocese does not typically pay for or reimburse employee moving expenses unless included in the employment agreement and approved by the Vicar General/Moderator of the Curia or Chancellor. In general, the moving expenses paid or reimbursed by the employer are nontaxable fringe benefits under IRC Section 132 to the extent that:

1. The moving expenses qualify for a deduction
2. The employee did not deduct them in a previous year.

If the employer does not reimburse the employee for the full amount of the qualified moving expenses, the employee can deduct the excess expenses from gross income on his or her personal income tax return.

Additionally, all reimbursements must be paid under the accountable plan rules for employee business expenses.