

Expense Reimbursement Guidelines



BAY-ARENAC ISD

A. Governing Procedure

Strict adherence to the procedure contained in this document is necessary to maintain fiscal responsibility and sound financial practices. Therefore, the administration is not authorized to approve actions contrary or inconsistent with these rules and procedures, nor are they authorized to approve reimbursement for any expenses specifically prohibited per Board policy. For the purposes of this document Board of Education members will be treated as employees when traveling on district business except for item F3(f). All requests for policy deviations must be approved in advance by the Superintendent.

1. Employee Responsibility

It is the district's policy to reimburse employees for reasonable expenditures incurred as a result of required district travel. It is expected that each employee will exercise good, sound judgment and discretion to ensure that the amounts expended will be in line with the employee's duties and responsibilities. Only necessary and reasonable business expenditures will be reimbursed as outlined in Board Policy 3600, Reimbursement of Expenses. If an employee is selected for a Work Schedule Audit, they will be required to submit all reimbursements under this administrative guideline within seven (7) days.

2. Administrative Responsibility

While policy provides a framework and tool to administer travel expenses, savings and control rests with administration. Supervisors are accountable for determining that travel is essential to the district. If the business can be transacted in more economical ways, such as the telephone and conference calls, travel should be disallowed. Supervisors must ensure they, as well as their subordinates who travel, are familiar with Board policy, and these procedures.

Administrators are accountable for the expense reports they approve. Approval of an expense report means that the individual items and amounts represent expenditures which are in line with Board Policy 3600 Reimbursement of Expenses and District procedures. An administrator's approval of an expense report is intended to ensure the expense report meets all requirements of Board Policy 3600 which apply to reimbursement of employee expenses and that the expense report conforms with appropriate statutes and regulations, as explained in this procedure.

B. Travel Arrangements/Accommodations

All district personnel who travel “out of district” (overnight or require a substitute/replacement), as part of district business and those who make arrangements for such travel are to forward approved travel requests to the business office.

When reservations are made for out of state travel, all anticipated expenses will be included on the “*Travel Request*” and forwarded to the Superintendent.

C. Method of Payment

1. District Credit Cards

District personnel, who are issued a district credit card for direct billing, are responsible to indicate on the credit slip the kind of activity charged. Within five (5) business days of completion of the activity, travel, or expense, all charge receipts, along with a completed, approved expense report will be submitted to the business office, and the credit card will be returned to the Superintendent’s office.

2. Personal Credit Cards and Travel Advances

Employees who do not have a district credit card, may use a personal credit card or personal funds for travel when district, prepaid, conference fees or expenses do not cover all travel expenses. The district will not provide cash or travelers checks in advance.

D. Expense Report Submission

It is each employee’s responsibility to complete and process their expense reports promptly; meaning upon completion of a trip, but no less than at least quarterly. BAISD quarters are July through August with reports due by October 30, October through December with reports due by January 30, January through February with reports due by April 30, and April through June with reports due by July 30. Failure to do so will result in the employee not receiving payment or payment being delayed. If the employee has used a personal credit card, the card payment may precede reimbursement from the district. **Each month’s expenses should be claimed using a separate expense report form.**

E. Purpose of Trip

An explanation must be specific enough to provide an accurate description. General phrases such as “Regular district travel and/or Meetings”,

“Miscellaneous job-related functions” are not acceptable. If the purpose of the expense is a conference, the conference must be identified.

F. Transportation

1. Air Travel

Travel will be Economy/Coach Class only (e.g., lowest cost available); exceptions require the approval of the Superintendent. Display the cost of the ticket in the “Travel” column for the first day of travel.

- a) Employees shall purchase their tickets to realize the lowest cost possible.
- b) Employees should evaluate the certainty of their travel plans. If an airfare has been purchased, and the trip is cancelled, even though the ticket states that it is non-refundable, the employee should seek to get a refund and then submit an expense report with the unused tickets to clear the account the tickets were charged to.
- c) When penalties are incurred due to cancellations and/or itinerary changes as a result of unusual circumstances, expenses must be submitted on the employees expense report with proper documentation/receipts detailing the amount of penalty incurred. The business reason for the schedule change must be provided.

2. Car Rental

Display the entire cost of car rental, less any amount applicable to personal travel, in the “Travel” column on the line for the last day of the rental. Display fuel purchases in the “Other” column.

- a) The original documentation issued by the car rental agency detailing all costs must be submitted with the expense report.
- b) Travelers are to rent the least costly sized vehicle available which will allow them to conduct business. Charges for units excessively priced or sized will not be reimbursed unless a valid explanation is provided.
- c) All travelers must decline Collision Damage Waiver (CDW) insurance and Personal Accident Insurance (PAI) offered by the car rental agencies. This coverage is provided through the district’s liability carrier. Employees will request a copy from the business office prior to departure.
- d) All travelers **must** refuel the rental vehicle prior to its return to avoid excessive fueling surcharges. If the vehicle has not been refueled, a valid explanation must be provided.
- e) Travelers are requested to utilize alternate ground transportation when cost effective.

3. Personal Vehicle Expense

Employees should claim mileage reimbursement in the “Personal Car” column of the expense report. Employees that have many travel days may use a mileage log and submit that along with an expense report that just has one line item for mileage reimbursement.

- a) All mileage must be calculated from the employee’s regular work location or their first assigned daily location.
- b) All mileage to workshops or conferences outside the ISD boundaries must be calculated from the point of departure or the employee’s regular work location, whichever is less.
- c) Personal automobile liability insurance is the employee’s responsibility. Employees will not be reimbursed for any losses, repairs, or deductible they may be required to pay as a result of theft or damage to their personal vehicle while on district business or during the course of their daily commute.
- d) Traffic citations issued while operating personal, district, or rental vehicles are the employee’s responsibility and will not be reimbursed.
- e) When an employee requests an alternative method of transportation, e.g., to drive, or take a bus or train, instead of fly, reimbursement, including meals and lodging, will not exceed the cost of the least costly mode of transportation, unless approved by the Superintendent.
- f) Board of Education members will be reimbursed for mileage when attending scheduled ISD meetings. Mileage will be calculated (round trip) from the Board member’s home unless there are specific situations identified when it should be less.

4. Parking Expense

Parking expenses should be displayed in the “Other” column.

- a) Reimbursement will be for actual and reasonable expense incurred while on district business. Receipts for parking and tolls are required when customarily furnished.
- b) Valet parking will not be reimbursed unless detailed as a required expense such as safety or the “only” means of parking at the facility. Valet parking must be specifically approved by a director or the Superintendent.
- c) Employees will be reimbursed for reasonable, long-term airport lot rates.

5. Taxi/Shuttle Expense

- a) Whenever possible, employees will utilize ground transportation provided by the hotel or conference site. This transportation is often at no cost.
- b) When taxis/shuttles are used, display the total daily charges in the “Other” column on the applicable day(s) and describe on the receipts page explaining where the trips are from/to.
- c) Receipts are required, if the expense incurred was for business purposes.

6. District Car Expense

- a) Daily charges and receipts for all district car expenses must be submitted with the expense report. Display daily charges in the “Other” column and detail the expenses on the receipts page.

G. Lodging

Original hotel/motel receipts detailing all charges must be submitted with an expense report. Display all daily charges for the room and any applicable taxes in the “Lodging” column on the applicable line.

- a) Reimbursement will be made for a standard, single room. Overnight lodging located within 75 miles from the point of departure or the employee’s regular work location, whichever is less, is generally not reimbursed.
- b) Tipping hotel/motel maids is not a reimbursable expense. Other miscellaneous charges such as mini-bar, in-room movies, recreational health and gym facilities, etc. are not reimbursable expenses.
- c) It is the employee’s responsibility to cancel a guaranteed room reservation. If the employee fails to do so, reimbursement will be considered only under unusual circumstances.
- d) It is the employee’s responsibility to ensure the actual rate charged by the hotel/motel agrees to the confirmed rate on the itinerary, resolve any discrepancies that may occur, and pursue the necessary credits or refunds.
- e) If an employee fails to secure reservations at the hotel/motel hosting the activity such as a convention, seminar, or meeting and incurs additional expense, such exceptions will require the employee to note the deviation on the “Travel Request” why the recommended hotel was not utilized.

H. Meals

Daily meal charges, including tips, must be displayed in the appropriate column – “Meals” on the applicable line for the date. Meals purchased for others must also be detailed appropriately on the receipt page and the charge displayed in the appropriate column – “Other” on the applicable line for the date. Detail will include the date, the amount, names and titles of all guests, name of the establishment, and business purpose (be specific, not “District business”).

A detailed receipt must be obtained from the restaurant stating the date, the name and location of the restaurant, the total amount. See the attached example. An explanation is required on the expense report when the total exceeds the reasonable and customary amount established.

- a) Reimbursement will be the actual and reasonable amount paid by the employee. District guidelines for reasonableness are \$8.00 for breakfast, \$16.00 for lunch and \$21.00 for dinner. No meals will be reimbursed greater than \$25.00, including tip.
- b) On non-overnight travel, meals are generally not reimbursable. Some employees may be authorized to conduct an activity where lunch is provided for District guests (Meals purchased for others). This would be a reimbursable activity with the Superintendent’s approval.
- c) On overnight travel, meals will be reimbursed using the guidelines set forth in IRS publication 463 under “accountable plans”.
- d) Offsite meals or refreshments to discuss goals, performance, quality, etc. or other normal business which can be conducted on-site during regular business hours will not be reimbursed, unless approved by the Superintendent on the travel request form.

I. Reimbursable Miscellaneous Expenses

Daily miscellaneous charges are to be displayed in the “Other” column on the applicable line and detailed on the receipt page.

- a) Telephone reimbursement will be for the actual and reasonable cost incurred to conduct normal business. Personal calls, other than a daily call to check on immediate family will not be reimbursed. Any deviations must be documented on the expense report as to business need and will be reviewed on a case by case basis.
- b) Detail each call on the receipt page indicating the date, the amount, person called, and purpose (check on family, etc.) and they will be reviewed on a case by case basis.

J. Non-Reimbursable Miscellaneous Expense

The following list is a sample and not intended to serve as a complete list of non-reimbursable miscellaneous expenses. Employees should inquire of the Superintendent or his/her Designee as to the appropriateness of various expenses not considered customary or reasonable to the function of the individual's position in the District or as determined by Board Policy.

- Tipping hotel/motel maids, butlers, valets, etc.
- Hotel/Motel internet charges
- Memberships (airport VIP lounge fees/memberships), dues, contributions, or subscriptions
- Recreational expenses such as golf, boating, tours, movies, etc.
- Expenses for care of family, pets, or personal property while traveling
- Repair or replacement of personal property due to normal wear/usage, loss, theft, or damage (including cash and/or cash advances)
- Personal courtesies such as flowers, fruit, liquor, candy, etc.
- Departmental parties of any type
- Excessive repetitive expenditures involving the same person(s)
- Expenditures incurred for spouses of employees and/or spouses of members of the Board
- Miscellaneous discretionary items deemed inappropriate (i.e., flowers, gifts, luncheons for secretary's day, birthdays, and other Hallmark Holidays)
- Traffic tickets or other vehicle citations
- Any tips or gratuities deemed excessive (above 15%)
- The purchase of alcoholic beverages either with a meal or separately. Employees are not to include the price of alcoholic beverages with meal charges or as an "Other" expense.

K. Seminars/Conferences

The total cost of each seminar attended and paid for by the employee, will be displayed on the expense report in the "Other" column on the applicable line. A paid receipt and seminar brochure or brief report of conference activity which provides the seminar name/title, a fee schedule, and an agenda must be submitted with the expense report. If the seminar was prepaid by the District, the employee will indicate that registration fees were prepaid, and indicate the purchase order number used to pay the fees on the receipt page.

L. Combined Business and Personal Trips

The Administration will ensure that trips have a valid District purpose. Personal trips in conjunction with District business is allowable, but must not

detract from the business to be conducted. When an employee combines a personal trip with District business, the personal trip will be noted on the “*Travel Request*” form and related expenses will be the responsibility of the employee.

- a) If an employee attaches a personal side trip and is uncertain as to the cost of their personal portion, they should contact the Business Office, in Administrative Services, prior to travel, for verification of their personal responsibility.
- b) Generally, all costs incurred for non-business related travel are the employee’s responsibility. However, due to reduced airfares available for “Saturday Night Stays”, some cost savings can be realized, in which case, some personal expenses associated with the travel such as lodging, meals, and ground transportation, may be reimbursed to the employee. In any event, the amount reimbursed shall not exceed the difference between the cost of non-Saturday night stays, and the reduced rates of “Saturday Night Stays”.
- c) In some instances, an employee may prefer to stay with friends or relatives in lieu of obtaining hotel accommodations. A miscellaneous expense for household food may be reimbursed if the amount is less than \$25.00 per day, no other food expense is indicated on the expense report, and meals are not provided as part of the conference/seminar.

M. Approvals

Decisions related to employee travel are the responsibility of the program or department Director. Such travel must be approved in advance. The Superintendent must approve out of state travel in advance.

All expense claims must be signed by the employee and the appropriate program or department Director or the Superintendent.

N. Reimbursement

Expenses must be supported with appropriate receipts affixed to 8.5” x 11” white copier paper, using transparent tape, and attached to a completed, signed, and approved, Expense Report. The approving Director should be the Director who approved the travel. The Expense Report and supporting receipts are to be submitted upon completion of the trip, but no less than at least quarterly. Reimbursable expenses will be paid in the next regular check run providing the expense report is filed before the deadline for submission in that check run. Employees who use personal credit cards for travel expenses are responsible for payment to the credit card holder for all expenses related to District travel.

BAY-ARENAC ISD

Expense Report Preparation Instructions

This guide is for use by employees in the preparation of District Expense Reports. All information is based on approved Board Policy, federal and state statutes, and administrative procedures.

Who should file an expense report?

Any District employee who incurs expense on behalf of the District must submit an expense report for reimbursement of out-of-pocket monies. Airline tickets, or other transportation provided by the District are accountable through an expense report.

When should an expense report be filed?

It is the employee's responsibility to complete and file their expense reports promptly; meaning upon completion of a trip but no less than at least quarterly. Failure to do so will cause a delay in reimbursement of expenses.

How should an expense report be filed?

Original reports are to be prepared in blue or black ink or typewritten on forms resident on the Bay-Arenac ISD website. Go to www.baisd.net, click on "Finance". There are two formats of the report available to use (one is an Excel spreadsheet that will allow you to fill out and save online. The other is in PDF format and you will only be able to print out a copy—you cannot fill out or save this format).

- Complete all information in the top section making certain that all information is correct. State business purpose specifically.
- Include cents; do not round off to the nearest dollar.
- Total all rows and columns on the expense report.
- Total the Expense Report.
- Tape required original receipts (unfolded) to one side only of an 8 ½" by 11" piece of paper. Larger receipts, such as those for car rental or travel itineraries which are close to 8 ½" x 11" in size do not require taping. Several smaller receipts may be attached to a single sheet using transparent tape. **DO NOT STAPLE OR HIGHLIGHT.** It is imperative all receipts are affixed so that all detail and amounts are clearly visible for photocopying or microfilming.
- The employee traveling or the Director approving the report must enter the proper account in the "Account" column.
- Sign and return to program or department Director (or applicable approver). The approver must provide their signature.
- The employee's Director must review the expense report to assure that it adheres to Board Policy, and administrative procedures. The approved original expense report with attachments must be submitted to:

Bay-Arenac ISD
Administrative Services
4228 Two Mile Road
Bay City, MI 48706

- A reference copy of the report may be retained by the employee.

ANY REPORTS NOT PREPARED IN THE MANNER NOTED ABOVE WILL BE RETURNED.

Who should be contacted if there is a question about an expense or the Expense Report?

All questions should be forwarded to the Business Office at (989) 667-3232.

