

**PRESBYTERY OF THE COASTLANDS  
EXPENSE REIMBURSEMENT POLICY**

Reimbursement or payment of professional expenses of employees of the Presbytery will be made under an "accountable" plan per Internal Revenue Service (IRS) regulations in order to assure that such payments may not be recharacterized as taxable compensation. Any staff member shall be reimbursed for or request payment of any ordinary and necessary business and professional expenses up to the amount of his or her expense allowance as established annually by the personnel committee, if the following conditions are satisfied: (1) the expenses are reasonable in amount; (2) the employee documents the amount, time and place, business purpose, and business relationship of each such expense as required by federal tax guidelines; and (3) the employee documents such expenses in a timely manner which shall be no more than 60 days after the expense was incurred. Any reimbursement that exceeds the amount of the business and professional expenses properly accounted for pursuant to this policy must be returned to the Presbytery within 120 days after the associated expenses are paid or incurred. Under no circumstances will the Presbytery reimburse or pay on behalf of an employee business or professional expenses that are not properly substantiated according to this policy. All receipts and other documentation used to substantiate the business nature and amount of expenses shall be retained by the Presbytery.

Expenses covered by this policy and the documentation required include:

- Automobile expenses - Business mileage will be reimbursed at the standard rate established annually by the IRS. For all business auto usage, a log must be maintained containing the date, the business miles driven and the place and purpose of the trip. Commuting from home to the Presbytery office does not qualify as business mileage.
- Travel - Allowable travel expenses include plane, train and bus fares, auto rental, taxi fares, hotels and motels, meals and gratuities. Travel away from home overnight is necessary for meals and lodging to qualify as business expenses. Records must document the amount spent, the date(s) of the trip, the place traveled to, and the business reason for or purpose of the trip.
- Meals and entertainment - Meals and entertainment must be either (1) directly related to the active conduct of employment with the Presbytery or (2) associated with the active conduct of employment and the entertainment occurred directly before or after a substantial business discussion. Records must be kept showing the name of the person entertained, where the entertainment took place, what purpose or discussion took place, and the amount of the expense incurred. These records should be submitted with vouchers for payment. However, if a staff member feels that the information violates pastoral confidentiality, he or she may retain the records regarding the person and the purpose or discussion. Such confidential records must be maintained by the staff member and provided should the Presbytery be required to produce records for an IRS examiner.

- Education - Educational expenses are considered professional expenses if they maintain or improve skills required in the employee's present position.
- Other - Additional professional expenses may include books, dues, subscriptions, the business portion of cell phone charges, etc. Professional expenses do not include personal expenses, such as childcare, per IRS regulation.