

Appendix 6: Direct Expense and Reimbursement Guidance

As stated in the Policy & Procedures Manual Section on Cash Management – Disbursements, the following guidance is used by the Pastoral Center for its employees. They are strongly recommended for use by parishes and schools as reasonable “rules” for any expenses incurred by employees.

General Guidelines

The following expenses are **NOT** to be charged to a business credit card or be reimbursed by the Diocese of Pensacola-Tallahassee:

- Meals with persons that have no direct business purpose.
- 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., meals at inappropriately expensive restaurants).
- Personal electronic devices (e.g., Palm Pilots, daily organizers, MP3 players, etc.).
- Annual fees for personal credit cards held by any parish staff members including the pastor.
- 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, 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 (unless forced by airline due to overbooking situation)
- Apparel purchases (business or casual).
- Charitable donations made by an individual.
- Gifts to employees except in rare situations or a very significant event. Should this be the case, prior approval is required from the Chief Financial Officer.

Local Travel and Business Expenses

With the exception of mileage and out of area travel, requests for reimbursement for expenses incurred must be detailed on a Diocesan Request for Payment form, signed by the employee and submitted via the supervisor. All expenses must be substantiated by original receipts. Failure to submit receipts will result in a denial of reimbursement. For purposes of this policy, local travel is defined as within fifty miles of the Pastoral Center.

Mileage

Reimbursement for mileage incurred in excess of the normal commute is permitted at the standard mileage rate as described by the IRS when approved and incorporated into the annual Pastoral Center budget. The standard mileage rate is used in lieu of obtaining reimbursement for maintenance and repairs, tires, gasoline and related taxes, oil, insurance registration and depreciation or leasing costs. The cost for commuting between a residence and the regular place of work are not reimbursable regardless of either the day of the week involved, i.e., working on a weekend for normal business or scheduled meetings; or the distance of the commute. The only exception to this is if an

employee is called in on a weekend due to an emergency situation requiring immediate action. If there is more than one place of work, the total time ordinarily spent in each place must be used to determine the main place of work: 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.

When local travel commences from a residence to a place other than the normal place of work occurs, i.e., a meeting at a parish, then that meeting site becomes the initial place of work for that day. Subsequent travel to the Pastoral Center or another locale will be reimbursed. The last stop for the day, whether it is the Pastoral Center or another site, will be final place of work for that day. The distance from the final stop to a residence now becomes the normal commute and is not allowable for reimbursement.

Mileage reimbursements for local travel must be submitted on a Monthly Mileage Reimbursement Form citing the dates of the travel, the distance traveled and the purpose of the trip. The form must be signed by the employee and routed through the supervisor for approval. If only mileage is being claimed for an out of area trip (for instance to Tallahassee without any meals), then the Monthly Mileage Reimbursement Form may be used in lieu of the Travel Request & Claim Form. The Monthly Mileage Reimbursement Form is included in Appendix 10.15. Reimbursement for mileage will only be paid on a monthly basis unless out of area travel (with no other expenses) is involved. In those cases the form should be submitted within one week after the travel.

Business Meals

Business meals occur when an employee entertains external business associates and professional colleagues (neither group includes fellow employees) over a meal during which a business discussion takes place that is directly related to or associated with the active conduct of the organization's mission. The meal expenses are reimbursable subject to the following guidance:

- The meal cost per individual, including taxes, is reasonable. Reasonable is defined by the meal (breakfast, lunch or dinner) and the prevailing meal rate for the locale in which the meal is consumed. For Pensacola and Tallahassee, those rates are \$9, \$13 and \$24 respectively.
- The cost does **not** include any alcoholic beverages.
- The names of the meal attendees are listed on the reimbursement request form.
- The nature of the business discussed is justified as approved by the Chief Financial Officer.
- A receipt showing the details of the meals and the final amount with taxes and tip must be included with the reimbursement request.
- Reimbursements for tips are limited to 15% unless a higher amount is set by the restaurant due to the party size.

Out of Area Travel

Rates for lodging costs and meal expenses can be found at the General Services Administration (GSA) web site at: www.gsa.gov and then clicking on the Per Diem Rates link. All employees must check this site to determine what will be reimbursed for any out of area trip. Exceptions to the limitations shown for a particular location must be approved in advance with adequate justification as stated in a separate memo attached to the Travel request & Claim. Specific information on allowable meal expenses is included in the *Meals* section below.

Out of area business travel must be approved in advance by a supervisor with budget authority. Final authority for any questionable costs/trips is granted to the Chief Financial Officer, Chancellor or Bishop. Prior to approving an out of area business trip, the employee is responsible for submitting a request for out of area travel which details the reason for the trip, the estimated costs

based upon the guidance provided herein and if the trip is included in the budget. If the trip is to a conference, a copy of the applicable conference literature should be included with the request. The Travel Request & Claim form that is used for advanced approval for a trip and for seeking reimbursement for expenses incurred is included in Appendix 10.16.

Regardless of who prepares the Travel Request & Claim either before the trip or after, the traveling employee is responsible for its accuracy. For all travel arrangements, the most cost efficient method would be for the employee to make arrangements on their own via the internet and to utilize a personal credit card and then to fill out a Travel Request & Claim form to be reimbursed. For those who use a Pastoral Center business card for travel arrangements, the particular items that are expected to be charged to the card must be noted on the form. It should be noted that the same guidance for allowable expenses on trips that apply to those using personal credit cards also applies to those using a business card, i.e., limitations on meals, lodging, etc.

Allowances will not be permitted. All expense reimbursements are to be considered as "accountable" reimbursements under IRS guidelines and given only upon submission of receipts for actual expenses incurred.

Cash advances are allowed under certain circumstances and prior supervisor approval must be obtained. Proper receipts, documentation and any unused portion of the advance must be returned when the Travel Request form is submitted for reimbursement.

For day trips out of the area such as to Tallahassee, usually only the mileage expense for the actual travel will be reimbursed. Hence, 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 exception to this would be when the trip extends well beyond the normal work day and a meal is consumed on the trip back. For example, a trip to Tallahassee starts at 7:00 AM to attend a 10:30 AM meeting that lasts until 4:30 PM with a break for lunch. The trip back takes three hours so the traveler is estimated to arrive home no earlier than 8 PM. It is reasonable for the traveler to stop for a meal on the way back and to submit a Travel Request & Claim seeking mileage and the cost of the evening meal only subject to the guidance provided for overnight trips.

While it is permissible for spouses and children to accompany an employee on a business trip all additional costs for the "guests" will be borne by the employee. This includes added lodging costs for additional people, travel expenses, meals, entertainment, etc. Additionally, the cost for extending the trip to include some vacation time is not reimbursable. For example, if a conference in Philadelphia ends on a Friday, the employee would be expected to return to Pensacola on that day. If he/she takes his/her spouse and stays over the weekend, the cost for two additional nights of lodging, all added meals (even the employee's), etc. are not reimbursable. The reimbursable cost for the flight back is limited to the lesser of the two options: Friday return or Sunday.

All Travel Claims must be submitted with five working days after the completion of the trip.

Mode of Travel

When selecting methods of travel, the traveler must consider at least two factors: the amount of time the travel will take and the actual cost of the travel. Since time equates to compensation cost, it might be less costly for an individual to fly to a location versus driving even if the actual air fare is more expensive. Consequently, supervisors must consider which travel is the most advantageous and reasonable to the operation and not just automatically select the lowest direct cost option. It should be noted that the cost for compact rental car for a trip to Tallahassee would be

approximately \$140 for **two** days including gas while the mileage reimbursement would be approximately \$202. In this case, an estimated 30% savings on the mode of travel would be realized using a rental car. (Figures were taken from the Enterprise contracted rental rates for the Pastoral Center. They are subject to change and should be checked when developing your trip cost estimates.) Unless otherwise approved, the compact car at Enterprise will be the default vehicle for all trips so the daily rate for comparing the least expensive mode of travel (personal vehicle versus rental) would be \$37.99 plus gas using 25 miles per gallon as the norm.

When flying to a location, the employee must determine the most reasonable method of traveling within the locale. For example, if transportation is available from the airport to the conference hotel and extensive business related visits away from the conference are not anticipated, then obtaining a rental car would be inappropriate. Also, the added cost for having a rental car at the location such as parking may prove to be cost prohibitive when alternative forms of travel are readily available and commonly used at the location. The cost for alternative travel required for the trip is reimbursable with proper documentation. These include taxis, subway trips, airport shuttles, etc. The most reasonable means should be used, i.e., a stretch limousine from the airport to the hotel is considered excessive for one person, but may be reasonable for a larger group.

If flying to the destination, then mileage from your residence (or office as applicable) to the airport and back along with the cost for airport parking is reimbursable. The parking must be supported with a receipt. MapQuest, Google Maps and Yahoo are good sources for distances to the airport from any location.

Lodging

The cost for lodging is generally limited to the rates as specified on the GSA web site. The rate cited for any specific location does not include taxes – those items must be included as a separate item on the Travel Expense form and supported by the receipt. The employee must make every effort to stay within the rates specified when making reservations. If the situation prevents staying within the GSA rates, written justification must be provided (rates from other hotels provided for comparison). Any ancillary charges related to lodging such as movie rentals, gym access, spa treatments are at the employee's expense. If parking is charged as a separate expense it may be included on the Travel expense form if supported by a receipt.

Personal Meals

Personal meals are defined as meal expenses incurred when traveling on an out of town, overnight business trip. Meal reimbursements will commence from the time of departure until return. Employees will be reimbursed for three personal meals daily provided they are documented, are reasonably priced and adhere to the restrictions shown above for business meals. To determine what is considered reasonable first consult the GSA web site for the Meals and Incidental Rate (M&IE) for the location and then the chart below. Be aware that the figures shown include taxes.

Meals & Incidentals Total	Continental Breakfast/ Breakfast	Lunch	Dinner	Incidental Expenses
\$51	\$11	\$12	\$23	\$5
\$54	\$12	\$13	\$24	\$5
\$59	\$13	\$15	\$26	\$5
\$64	\$15	\$16	\$28	\$5
\$69	\$16	\$17	\$31	\$5
\$74	\$17	\$18	\$34	\$5

(Note: the above was revised based on current info on the GSA web site as of 6-23-16)

Incidental Expenses

The following guidance is provided for incidental expenses that may be incurred while on an out of area trip:

- Airline air phones are not reimbursable.
- Minimal out-of-pocket costs for bellhops or porters should be reported separately on the expense reimbursement form. Tips for meals and taxis should be included with the meal or taxi expense reported on the expense reimbursement form.
- Tipping Limits – Meals: 15%; Luggage: \$1/bag; Taxis: 15%.

Summary of Revisions effective August 2014

Mode of Travel sub-section:

- Changed the language to ensure the mode of travel selected is not simply predicated on the actual cost, but the lost work time must also be considered.

Personal Meals sub-section:

- Inserted the latest GSA Meals and Incidental table showing the related per meal reimbursement rates.

Summary of Revisions effective 6-23-16

Added clarifying language where needed in General Guidelines and Business Meals plus inserted latest GSA Meals and Incidental Rates.