POLICY 330  REIMBURSEMENT AND TRAVEL EXPENSES

Approval Date:   Approved March 2011
Revision Date(s): 

POLICY

Expense Reimbursement
Members of the organization’s Board of Directors shall serve without compensation. Board member may receive reimbursement for expenses incurred to fulfill their board duties within the budgetary constraints of the organization. The Association Management, Ltd. (AML) Account Executive may request reimbursement of any expenses from an officer of the Board of Directors.

Purchases, including gifts, shall be made in the most cost-effective manner and shall not exceed budgeted allowances for such items. Accounts payable (invoices) containing proper documentation of supplies or services shall be paid within 30 days.

No person, including the AML Account Executive and members of the Board of Directors, shall approve their own request(s) for reimbursement.

Travel Expenses
Expenses for transportation, lodging, and meals must be documented to establish that they were incurred in connection with the work of the organization and not the personal activities of an individual. Lavish or extravagant expenditures shall not be approved or allowed. Credit card receipts must include an itemized description of the purchase(s).

The organization shall provide reimbursement for necessary and reasonable travel expenses incurred by the Board of Directors, AML Account Executive, or affiliated parties. Any travel advances are deducted from the subsequent reimbursement to the party. It is the policy of the organization to establish travel expense limitations and guidelines as follows:

1. Authorizations
   a. All travel requests must be for budgeted travel or approved by the Board of Directors.

2. Travel Advances
   a. Travel advances shall be issued if requested at least 10 days prior to the trip. The advance shall not exceed anticipated out of pocket expenses. Advances for speakers shall not exceed 25% of the estimated travel costs.

3. Personal Mileage
   a. The organization requires use of rental vehicles for out of town travel unless prior approval is granted by the AML President. Use of a personal vehicle for business purposes supporting the organization shall be reimbursed at the IRS mileage rate. Commuting mileage shall not be reimbursed.

4. Public Carrier
   a. The most cost-effective means of travel, such as coach airfare, must be used. Travel may be arranged through a travel agency or an on-line discount provider. Receipts are required for reimbursement.

5. Lodging
   a. Lodging expenses shall be reimbursed for the basic room charge and applicable taxes. Incidental expenses charged to the room shall not be reimbursed for Board members. Incidental expenses for the AML staff may be reimbursed for reasonable
and necessary business purposes. Receipts are required for reimbursement.

6. Meals
   a. Reasonable and necessary meal expenses shall be reimbursed at a rate not to exceed rates that are reasonable and necessary in the location of the travel including applicable taxes. Receipts are required for reimbursement. Tips should be noted on meal receipts. Use of alcohol at appropriate organization events is allowed with the prior approval of the Board of Directors during the budget process or in other board action. Reasonably priced meals shall be provided for guests at board meetings and during site visits.

7. Taxi or Vehicle Rental
   a. Actual taxi fares, including tips, shall be reimbursed entirely. Tips must be noted on taxi receipts. Receipts are required for reimbursement.
   b. Reasonable and necessary vehicle rentals shall be reimbursed. Receipts are required for reimbursement.
   c. Parking and toll expenses shall be reimbursed. Receipts are required for reimbursement.

**Companion Travel**

Companion travel or travel expenses shall **not** be routinely reimbursed by the organization. A quorum of the Board of Directors may approve companion travel or travel expenses when the travel would clearly be in the interest of the National Rural Economic Developers Association. Any expenses allocated to companion travel or travel expenses shall be considered income to the Board Member and reflected in an annual IRS Form 1099 to the Board Member unless they are deemed to be reasonable and necessary to the business interests of the National Rural Economic Developers Association.

Reasonably priced meals may be provided for guests at board meetings and during site visits.

**Prohibited Reimbursements**

Alcohol and controlled substances

1. It is the policy of the organization to prohibit possession, sales, use, or being under the influence of illegal drugs or alcohol while engaged in the business of the organization.

2. Alcohol and drug abuse shall not be tolerated. Violations of this policy may result in disciplinary action or termination.

3. Use of alcohol at appropriate organization events is allowed with the prior approval of the Board of Directors during the budget process or in other board action.

The organization does not routinely provide reimbursement for the following types of expenditures:

- First-class or charter travel;
- Tax indemnification and gross-up payments;
- Discretionary spending accounts;
- Housing allowance or use of residence for personal use;
- Payments for business use of personal residence;
- Health or social organization dues or initiation fees;
- Personal services (e.g., maid, chauffeur, chef)

Any reimbursement of such expenses shall require substantiation and approval of the Executive Committee or Board President and Treasurer prior to reimbursement.
PROCEDURE
1. During the annual budget preparation process, the AML Account Executive and Chief Financial Officer shall project the administrative expenses required for the upcoming year with an approximate monthly cost. Upon final approval of the budget the Board of Directors, the AML Account Executive shall be authorized to purchase budget approved items in the amounts and at the cost indicated.

2. The Board of Directors must approve items not included in the original budget but subsequently identified as necessary to the operation of the organization.