

## ACCOUNTABLE REIMBURSEMENT PLAN

*(Important: This action must be recorded in the written minutes of the church's governing board. Make name and date changes to personalize for your church.)*

The following amended resolution was adopted by the board of (church name and location) at a meeting on (date).

Be it resolved the following accountable, business-expense reimbursement plan shall be followed for all employees/volunteers of the (church name):

1. Only reasonable, ordinary, necessary, and legitimate business expenses will be reimbursed under this plan.
2. Only approved employees/volunteers may be reimbursed under the terms of this plan.
3. Only expenses with adequate substantiation, as defined below, will be reimbursed under the terms of this plan.
  - A. The expenses must be reasonable in amount;
  - B. The expenses must be documented by amount, date, place, business purpose, and business relationship with the same kind of documentary evidence required to support a deduction of an expense on a federal income tax return;
  - C. Expenses must be presented for payment no less frequently than monthly, and no expenses over sixty days old will be reimbursed under the terms of this plan;
  - D. All receipts and any other documentation necessary for reimbursement shall be retained by the region; and
  - E. Expenses for cellular phones and/or personal computers will not be reimbursed under the terms of this plan unless the cellular phone or personal computer meets both the following two tests:
    - (1.)The employee/volunteer cannot perform his or her job without the equipment. (This does not only mean it is easier to perform the work or even more efficient to perform the work. It means there is no other way the work can be performed except by the use of a cellular phone or personal computer.), and
    - (2.)The use of the phone or computer must be a condition of employment. (No person lacking the ability to use the cellular phone or personal computer may be hired.)Only expenses meeting all the above terms will be reimbursed under this plan. The reimbursement of an unqualified expense will cause the plan to become non-accountable and all payments made under the plan to be taxable income.
4. All employees/volunteers will be given a specific limit for expenses. No employee/volunteer will be reimbursed for any expense exceeding the employee's/volunteer's limit.
5. Any expense reimbursed that exceeds the amounts deemed reasonable or exceeds limits or is not adequately accounted for by proper substantiation must be returned to the region within 120 days of payment. No such funds may be kept by the employee/volunteer.
6. If all the above terms are met by the employee/volunteer the region shall not include the reimbursements made on the employee's/volunteer's W-2 or 1099 form and the employee/volunteer need not claim the value of the reimbursements on his or her income tax forms.

Attest: \_\_\_\_\_

Secretary of the Board