

[Church Name]

TRAVEL POLICY

All travel must be pre-approved by Council.

Travel worksheet

1. Filled out by person wanting reimbursement for travel.
2. Turned in to council for pre-approval and/or advanced payment
 - a. For advance pay:
 - i. Disbursement form must be attached to travel form.
 - ii. Council then gives to Treasurer to write check
 - iii. Then to bookkeeper for QuickBooks and filed.
 - b. After travel:
 - i. Worksheet, receipts and disbursement form are turned in to book keeper for QuickBooks.
 1. If any discrepancies are noticed, paperwork will be given to council for review.
 2. If no discrepancies are noticed paperwork is filed with disbursement form it pertains to.

Travel Reimbursement Policy:

IRS "Accountable" procedures will be followed.

Upon proof of attendance the following methods will be used to reimburse approved travel:

1. Mileage amount to be reimbursed will be \$.35 cents per-mile, based on shortest distances.
2. Lodging may be allowed up to current GSA per-diem rates, receipts required.
3. Subsistence may be allowed up to current GSA per-diem rates, receipts required.
4. Unused funds that were paid in advance, in excess of reimbursable amount, will be returned to the Church in a timely manner.
5. When a pulpit swap is conducted, only mileage will be paid.

(This information is to be verified with the most current IRS Publications)

Attached: IRS Information Regarding Travel Policy

[Church Name]

IRS Information Regarding Travel Policy

Employee:

According to **IRS Pub 15 (cir E) and Pub 535** the amount allowed for “accountable method” is:

To be an accountable plan, your reimbursement or allowance arrangement must require your employees to meet all three of the following rules.

1. They must have paid or incurred deductible expenses while performing services as your employees. The reimbursement or advance must be paid for the expense and must not be an amount that would have otherwise been paid by the employee.
2. They must substantiate these expenses to you within a reasonable period of time.
3. They must return any amounts in excess of substantiated expenses within a reasonable period of time.

Amounts paid under an accountable plan are not wages and are not subject to the withholding and payment of income, social security, Medicare, and federal unemployment (FUTA) taxes.

If the expenses covered by this arrangement are not substantiated (or amounts in excess of substantiated expenses are not returned within a reasonable period of time), the amount paid under the arrangement in excess of the substantiated expenses is treated as paid under a non-accountable plan. This amount is subject to the withholding and payment of income, social security, Medicare, and FUTA taxes for the first payroll period following the end of the reasonable period of time.

Other than employee:

Pub 463 if the church reimburses other than employee expenses there must be a “bona fide business purpose and would otherwise be allowed to deduct the travel expenses”.

Dependents:

Children expense reimbursement is allowed if the qualified test in **Pub 503** is met.

http://www.irs.gov/irb/2011-42_IRB/ar12.html

.04 An employee is required to include in gross income only the portion of the per diem allowance received from a payor that exceeds the amount deemed substantiated under the rules provided in section 4 or 5 of this revenue procedure if the employee substantiates the business travel expenses covered by the per diem allowance in accordance with section 7.01 of this revenue procedure. See section 1.274-5T(f)(2)(ii). In addition, the excess portion of the allowance is treated as paid under a nonaccountable plan, is reported as wages or other compensation on the employee’s Form W-2, and is subject to withholding and payment of employment taxes. See section 1.62-2(c)(3)(ii), (c)(5), and (h)(2)(i)(B).