BUSINESS EXPENSE REIMBURSEMENT

This policy applies to any and all business expenses that are reimbursed by the Diocese.

All reimbursable expenses must have a connection to Diocesan business. Reimbursements should be requested within 30 days after the expense is incurred and must be accompanied by documentation indicating the actual amount, date, place and purpose for the business expense. For reimbursement of entertainment expenses, the business relationship of the person or persons entertained must be included. [See below for detailed explanation.]

The “Request for Business Expense Reimbursement Form” can be found on the Diocesan website, www.azdiocese.org. The form should be completed in full and submitted to the Finance Office at Diocesan House. Please allow 2 weeks for reimbursement to be processed.

Detailed explanation

1. Any employee now or hereafter employed by The Episcopal Diocese of Arizona shall be reimbursement for any ordinary and necessary business and professional expense incurred on behalf of the Diocese, 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 with the same kinds of documentary evidence as would be required to support a deduction of the expense on the employee’s federal income tax return; and (3) the employee documents such expenses by providing the Canon for Finance with an accounting of such expenses, no less frequently than monthly. In no event will an expense be reimbursed if substantiated more than 60 days after the expense is paid or incurred by the employee.

2. Reimbursable business and professional expenses include local transportation, overnight travel (including lodging and meals), education, meeting expense. When traveling on church or diocesan business, a “Travel Authorization Form” must be signed and approved by the Bishop or Diocesan Treasurer prior to any expenditures being made. The exception to this is when the expenses for the trip are being covered by funds from your program as part of the approved Diocesan Budget.

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3. The Diocese shall not include in an employee’s W-2 form the amount of any business or professional expense properly substantiated and reimbursed according to the preceding paragraphs, and the employee should not report the amount of any such reimbursement as income on Form 1040.

4. Any diocesan reimbursement that exceed the amount of business or professional expenses properly accounted for by an employee pursuant to this reimbursement policy must be returned to the diocesan office with 30 days after the associated expenses are paid or incurred by the employee, and shall not be retained by the employee.

5. If, for any reason, the diocesan reimbursements are less than the amount of business and professional expenses properly substantiated by an employee, the diocese will report no part of the reimbursements on the employees W-2, and the employee may deduct the unreimbursed expenses as allowed by law.

6. Under no circumstances will the diocese reimburse an employee for business or professional expenses incurred on behalf of the diocese that are not properly substantiated according to this policy. This requirement is necessary to prevent our reimbursement plan from being classified as a “non accountable” plan.

7. All receipts and other documentary evidence used by an employee to substantiate the business nature and amount of his business and professional expense incurred on behalf of the diocese shall be retained by the diocese.

Mileage reimbursement

1. It is assumed that car-pools will be used whenever possible. Please be good stewards and share the cost of travel from your area to your meeting site.

2. Clergy who are rectors of parishes should have a travel allowance for their work which includes participation “in the councils of the church.” Therefore, no mileage reimbursement will be given for this group.

3. Clergy who are vicars of missions and who are therefore employees of the Diocese will be reimbursed at the rate of $0.25/mile once their travel allowance, as per the budget (usually $2,000/year) has been expended.

4. Lay people, retired, and non-stipendiary clergy who need to make more than a 40 mile round-trip will be reimbursed at the IRS volunteer rate. (One of the interesting facts we discovered in researching this, is that this is the maximum rate the IRS will allow one to take as a deduction. Reimbursement at more than this rate is considered taxable income!)

5. This policy applies only to driving expenses with the Diocese. For Diocesan business, if your trip requires you to travel out of state by car, or involves meals and lodging or airfare, you must have trip budget approved by this office before you travel, otherwise the Treasurer will not authorize reimbursement.

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6. In the case where a person needs to attend an ongoing class or workshop (e.g. Fresh Start) and the travel costs of attending such an event are prohibitive; please apply to the Bishop for additional assistance.