

REISTERSTOWN UNITED METHODIST CHURCH

ACCOUNTABLE REIMBURSEMENT POLICY

The Reisterstown United Methodist Church ("Church") recognizes that certain expenses of ministry paid by the pastor/staff person/committee members are part of the ordinary and necessary costs of ministry in this Church. Accordingly, we hereby establish an accountable reimbursement policy to defray them directly. The pastor reimbursement accounts shall be annual line items in the Church budget. They shall be in addition to the pastor's annual salary and housing. Committee/staff expenses will be reimbursed from the ministry account for which the expense was incurred. The following requirements for the policy are binding upon the Church and upon its pastor/staff person/committee members. Accordingly, the Church hereby establishes an accountable reimbursement policy, pursuant to IRS regulations and upon the following terms and conditions:

1. The pastor/staff person/committee members shall be reimbursed for his/her ordinary, necessary, and reasonable business expenses incurred in the conduct of the ministry for, and on behalf of, the Church.
2. The Church treasurer must be given an adequate accounting within 60 days after the expense is paid or incurred. The adequate accounting shall include, but not be limited to, a check requisition form, showing the amount, date and purpose of the expense. Documentation shall include receipts for all items of \$25 or more. Appropriate documents, cash receipts, canceled checks, credit card sales slips, and contemporaneous records (for those non-receipt expenses less than \$25), must be attached to each expense report (pastor) or check requisition form.
3. If a receipt cannot be obtained or is lost, then the person incurring the expense must complete the Lost Receipt section on the check requisition form indicating date of the purchase, amount, location and purpose of the expense.
4. Committee chairs can sign their own requests unless it is over \$250 then they need the Church Council or Finance chair to co-sign the check request.
5. A log of total miles per day and enumeration of their general purpose shall suffice to substantiate automobile mileage, but under no circumstances will commuting mileage between the pastor's /staff person's home and Church office be reimbursed. Copies of the documentary evidence and expense report shall be retained by both the pastor/staff person and the Church.
6. The Church treasurer shall be responsible for approving the expenses for the pastor. Committee chairs must approve all expenses for the ministry areas for which they are responsible. The Church treasurer shall exercise his/her discretion regarding the adequacy of the substantiation and the appropriateness of any reimbursement. Questions arising in these areas will be resolved by the treasurer, subject to the review

and approval of the committee on SPR (for the pastor or staff member or the committee on finance.

7. Budgeted amounts not spent will not be paid as a salary bonus or other personal compensation. If such payments are made, the entire amount of the accountable reimbursement policy account will be taxable income to the pastor/staff person. The Church will be required by law to report that amount as part of the pastor's/staff person's compensation. Disposition of any unspent balances remains at the discretion of the committee on finance/the council/charge conference in building the budget for the next Church year.
8. It is understood by the various parties that all elements of this resolution must be carefully followed to prevent the Church from being required by regulation to include all reimbursements as income on the pastor's/staff person's Form W-2. The primary responsibility in this regard is on the pastor/staff person to report and adequately account for his or her expenses to the SPRC chairperson and/or Church treasurer.

Adopted on _____

by the Church Council of Reisterstown United Methodist Church.

Chair, Church Council

Chair, Finance Committee