



Expense Reimbursement Policy

1) Overview

- a. Ebenezer Bible Fellowship Church (EBFC) recognizes that certain expenses paid by the pastors are part of the ordinary and necessary costs of the ministry. Accordingly, we have established an Expense Reimbursement Policy to cover these costs.
- b. A "Reimbursed Expense" account line item shall be included in the budget for each pastor and shall be in addition to the Pastor's annual salary. The amount of the reimbursed expense line item will be reviewed annually by the PRC during the budgeting process to determine if any adjustments should be made for the following year.
- c. Any unused portion of the expense account will not be paid to the pastors at year-end, but will be unspent budget for the year. Failure to follow this requirement will result in the expense reimbursement amount for the year being included as taxable income.
- d. Use of EBFC credit card will be in accordance with the "Procurement Credit Card Policy".

2) Expense Account Guidelines

- I. The pastors shall be reimbursed from the reimbursed expense account for his ordinary, necessary and reasonable expenses incurred in the conduct of the ministry for and on behalf of the Church. The following are examples of expenses that would be considered necessary and reasonable.
 - a. Books, subscriptions and periodicals – either hard copy or via electronic medium.
 - b. Continuing education and seminars – These are encouraged and should be charged under conference expense line item. Expense reimbursement can only be used with the approval of the PRC. Travel to and from such conference or continuing education would be covered under "f" below.
 - c. Automobile – payment for mileage, tolls, parking when using personal vehicle for travel, visitation or other situations as required by the ministry of EBFC. Guidelines for this expense:
 - i. The mileage rate will be in accordance with the "standard federal mileage rate".
 - ii. Mileage to be included should be mileage related to the event or situation. For example, taking a side trip for personal reasons while travelling would not have that mileage reimbursed.
 - d. Entertainment required for EBFC business – lunches or meals fall into this category. As a rule, these need to be guided by legitimate business purpose. In the submittal and approval of these expenses there needs to be an evaluation by both the pastor and approver as to the legitimacy of the expense. By way of guidelines the following are guidelines to follow:
 - i. Off-site meals with only pastoral staff included. This should be kept to a minimum and the senior staff member in attendance should pay. Those involved should always ask, "Could the meeting be held on site vs. having an off-site with a meal." High level of frequency of offsite meals could result in these expenses being viewed as an employee benefit vs. a legitimate business expense.
 - ii. Lunches where the entire staff is involved, the senior member of the group should pay for the bill. Approval by the PRC should be provided in advance with a justification for the expenditure is provided and approval given.

- iii. Off-site meals or entertainment should be for the purpose of the pastor to be ministering to the other individual or group in line with the pastor's duties and responsibilities. Relationship to the individual should also be identified.
 - e. Travel fares, lodging and meals while on business for EBFC
 - f. Other expenses related to the ministry approved in advance by the PRC or the Senior Pastor.
- 2. All expense reimbursement should be given an adequate accounting of each expense item, including but not limited to a statement concerning the expense, an account book diary or other similar record showing the amount, date, place and purpose of the business and associated receipt for expenses over \$25. For expenses less than \$25, documentation as to the purpose of the expense a description of the expense and the associated credit card bill or other detail identifying the expense.
- 3. It is the intention of this policy that reimbursements will be paid after the expense has been incurred vs an advance for a future purchase. It is recognized that expenses for travel would be before the trip, but the expense will have taken place.
- 4. Expense reimbursement should be for EBFC business expenses only and should not be used for personal expenses. In the event personal expenses are included in a particular expense report the amount should be reimbursed by the Pastor at the time of seeking approval for the expense account or as soon as practical.
- 5. Expense account reimbursement should not be used for computer equipment unless pre-approval is obtained from the head of the PRC committee. It is the intention of the budget that computer equipment and accessories should be included within the technology budget for the church and not included within the pastor's expense accounts.