

POLICY: **Reimbursements**  
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## POLICY

It is District policy to promptly reimburse employees for ordinary, necessary, and reasonable business expenses under an “accountable” plan (as defined by the Internal Revenue Code) when directly related to the transaction of District business. The purpose of this Policy is to establish the process of governing the reimbursement of travel, entertainment, and other business expenses (“business expenses”) incurred during the conduct of District business.

The purpose of this Policy is also to ensure the District operates in accordance with generally accepted accounting principles, including employee taxable benefits relating to reimbursements.

## SCOPE

This Policy is not intended to replace, but rather supplement existing District policies for business travel and programs for Purchase Cards and Fleet Fueling.

## DEFINITIONS

**Directly related** – Reimbursement of the expense has the expectation of deriving some current or future benefit for the District; the employee was actively engaged in a business meeting or activity necessary to the performance of the employee's job duties; and there was a clear business purpose for entertainment.

**Employee** – For purposes of this Policy, the term “employee” shall also mean “Director”

**Reimbursable expenses**—Ordinary, necessary, and reasonable business expenses when directly related to the transaction of District business, including acceptable business travel expenses as defined in Business Travel Policy #890.

## RESPONSIBILITIES

It is the responsibility of all **employees** to comply with this Policy and exercise prudent business judgment regarding business expenses. Employees submitting expense reimbursement requests that are not in compliance with this Policy risk delayed, partial, or forfeited reimbursement.

It is the responsibility of the **District**, pursuant to RSMo §321.190 to reimburse Directors for their actual expenditures in the performance of their duties on behalf of the District.

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It is the responsibility of the **Budget Officer**, with input from the **District Manager** and **Fire Chief** to budget sufficient funds for business expense reimbursements.

It is the responsibility of the **Board of Directors** to review business expense reimbursements that are not in compliance with this Policy.

It is the responsibility of the **Board of Directors** to review and approve all business expense reimbursement requests from the Treasurer, together with required documentation.

It is the responsibility of the **District Manager** or **Fire Chief** to review and approve in writing all business expense reimbursement requests from their subordinate employees, together with required documentation. In the extended absence of the District Manager or Fire Chief, the **Treasurer** may review and approve in writing, business expense reimbursement requests from the District Manager or Fire Chief's subordinate employees, together with required documentation.

It is the responsibility of the **Board** to review and approve in writing all business expense reimbursement requests from Directors together with required documentation.

It is the responsibility of the **Treasurer** to review and approve in writing all business expense reimbursement requests from the District Manager, Fire Chief, and Secretary, together with required documentation. In the extended absence of the Treasurer, the **President** may review and approve in writing, business expense reimbursement requests from the District Manager, Fire Chief, Secretary, and other Directors, together with required documentation.

If the District Manager, Fire Chief, Secretary, or a Director who is not the President, is also the Treasurer, then the **President** shall review and approve in writing, business expense reimbursements requests from the District Manager, Fire Chief, Secretary, or Director who is also the Treasurer. If the President is also the Treasurer, then the **Board** shall review and approve all business expense reimbursement requests from the President.

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When reviewing and approving in writing business expense reimbursement requests, the **Board of Directors, Treasurer, District Manager, and Fire Chief** are responsible for ensuring a business expense reimbursement request:

- Is proper and complies with this Policy;
- Is documented accurately, including source documents; and
- Is reasonable and necessary.

It is the responsibility of the **Treasurer** to:

- Not reimburse Directors until any financial interest statement has been filed as required by RSMo §§105.483-105.492;
- Not reimburse Directors until the notice from the State Auditor that the required filing of the District's annual report for the previous fiscal year has been received;
- Promptly review and reimburse approved business expense reimbursement requests that comply with this Policy (pursuant to RSMo §105.272, the Treasurer is the "designated employee...responsible for reviewing such vouchers of expenses and for ensuring reimbursement of only those expenses of employees properly incurred");
- Make the current Internal Revenue Service personal mileage reimbursement rate known to District employees; and
- Prepare and distribute as necessary, an insurance package, including proof of insurance, accident reporting kit, etc., for employees to take on trips requiring auto rental.

## PRACTICES

### Documentation

Requests for reimbursement of business expenses must be submitted on the ***Business Expense Reimbursement Request Form 830-1***, the ***Mileage Log Form #830-2*** or equivalent.

Original receipts are required for all expenses submitted for reimbursement. Copies of receipts will be accepted when the District is reimbursing less than 50% of the total receipt amount. Requests for exceptions to this Policy should document extenuating circumstances and be approved by the Board of Directors.

To meet the requirements of an "accountable" plan (according to the Internal Revenue Code), business expenses must be substantiated with adequate records such as account books, logs, diaries, vouchers, and/or receipts. This substantiation must include information relating to:

- The amount of the expenditure;
- The time and place of the expenditure;

- Itemized description of the expenditure;
- The business purpose of the expenditure;
- The name and address to whom the expenditure was made;
- Signature of the individual or organization's authorized representative if the receipt or invoice is handwritten; and
- The names and the business relationships of individuals other than yourself for whom the expenditures were made.

Receipts should not be marked or highlighted unless the marking or highlighting is critical to legitimize the receipt/invoice, e.g., adding a tip or adding the name of the business if it is not printed; or clarifies details, e.g., singling out a reimbursement by circling a line on a receipt.

Receipts smaller than 8½ inches by 11 inches shall be taped to a piece of 8½ inches by 11 inches paper; however, the tape should not cover information related to the substantiation as required by this Policy.

Requests for business expense reimbursement lacking sufficient documentation, including the employee's signature, will not be processed, and will be returned to the employee.

#### Personal vehicles

Employees who utilize personal cars for business travel will be reimbursed at the per mile rate established by the Internal Revenue Service. The Treasurer will make the current rate known to District employees.

Miles submitted for reimbursement should not include any normal commuting miles, i.e., mileage will be reimbursed only for District-related travel and not for normal home-to-District-to-home travel. Instead, this mileage may be an allowable income tax deduction for unpaid employees—employees should consult their tax professional for further information.

Expenses related to the operation of the personal vehicles, e.g., fuel, insurance, repairs, etc., are the responsibility of the employee.

#### Taxes and Fees

As a political subdivision of the State of Missouri, the District is exempt from certain taxes and fees. It is the employee's responsibility to be familiar with these exemptions.

It is the employee's responsibility to indicate to the vendor that the District is tax exempt.

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The Treasurer will issue a [Missouri Department of Revenue Form 194](#) or provide a copy of the Tax-Exempt Letter to an employee incurring business expenses.

Employees avoiding taxes and fees on personal transactions is against the law and therefore strictly forbidden.

Taxes and fees, from which the District is exempt, are not reimbursable under this Policy, and if paid by the employee, remains the obligation of that employee.

#### Air/Rail Travel

The cost of an upgraded travel class will be charged to the individual traveling and reimbursement will be made at the coach class rates. Personal frequent traveler credits may be used to upgrade travel class; however, no reimbursement will be made, and no contribution recorded on behalf of the employee for the business use of frequent traveler credits.

All unused air/rail tickets are to be returned to the Treasurer within ten (10) days of original departure. Unused air/rail tickets cannot be used for personal use by the employee if the District purchased the tickets or the employee has already been reimbursed by the District. Employees desiring to use unused air/rail tickets for personal use may reimburse the District for the tickets if the District purchased the tickets or the employee has already been reimbursed by the District

#### Lodging

Reimbursement for suites or luxury accommodations requires approval of the Board of Directors prior to check-in.

If two persons, one of whom is not on District business (spouse, friend, etc.), occupy a double room only the single rate may be reimbursed.

#### Meals

Costs incurred for meals and incidental expenses (M&IE) are deemed to be reasonable and allowable "only to the extent that they do not exceed on a daily basis the maximum per diem rates" as set forth by the United States General Services Administration (GSA). M&IE per diem allowance rates by geographic location can be found at [www.gsa.gov/mie](http://www.gsa.gov/mie).

Employees will be reimbursed a daily M&IE allowance rate instead of being reimbursed for actual expenses. Employees are not required to submit receipts for M&IE, except for business entertainment, i.e., individuals other than the

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employee for whom a meal was paid. The M&IE per diem allowance rate covers all charges, including vending, meal tips, and service charges.

The following provide the applicable reimbursement of M&IE:

First and last day of travel	75% of the applicable M&I per diem rate
Full days of travel	100% of the applicable M&I per diem rate

If a meal is provided to an employee during travel or if paid for by another employee, the traveling employee must deduct the M&IE applicable to the meal provided from the M&IE reimbursement request. If light refreshments are furnished during a meeting or conference/seminar, or if a complimentary meal is provided, no deduction of the M&IE is required, e.g., continental breakfast, airline meal, etc.

Unless attending conferences, training, or other business-related activity, an employee will not be reimbursed for M&IE if the employee is within 50 miles of the District.

#### Auto Rental

The cost of an upgraded vehicle size will be charged to the individual renting the vehicle and reimbursement will be made at the mid-sized rates. Personal frequent traveler credits may be used to upgrade vehicle sizes; however, no reimbursement will be made, and no contribution recorded on behalf of the employee for the business use of frequent traveler credits.

It is not necessary to purchase additional coverage for travel because the District has auto rental coverage in its current vehicle insurance policy.

#### Recurring Business Expenses

The District, at the discretion of the Board of Directors, may reimburse recurring business expenses in the form of an allowance.

#### RELATED POLICIES

Employment 218  
Training and Education 418  
Operation of Vehicles 542  
Purchase Cards 884  
Business Travel 890

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STATUTORY REFERENCE

RSMo §105.145  
RSMo §105.272  
RSMo §§105.483-105.492  
RSMo §321.190

REVISION HISTORY

Revision Date	Author	Revision Details
August 18, 2021	Monte Olsen	Initial version
March 23, 2022	Monte Olsen	Add reference to Policy 418
April 3, 2022	Monte Olsen	Added practices for reimbursing meals instead of the reimbursement rate determined by the Board and added statutory references to added restrictions of the Treasurer paying Directors when any financial interest statements have not been filed and a notice from the State Auditor has not been received regarding the receipt of the District's previous fiscal year's annual financial report