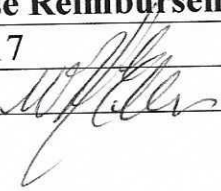


HAPPY HOMESTEAD CEMETERY DISTRICT

POLICIES & STANDARD PRACTICES

TITLE: Expense Reimbursement	DATE: July 19, 2017
ADOPTED: July 19, 2017	AMENDED:
SIGNATURE: 	AMENDMENT NO.

1.0 **DEFINITIONS.** As used in this section, the following terms shall have the following meanings:

(a) “District” – shall mean the Happy Homestead Cemetery District;

(b) “Board” – shall mean the Board of Trustees of the Happy Homestead Cemetery District;

(c) “Manager” – shall mean the District Manager of the Happy Homestead Cemetery District;

(d) “Business Connection” – shall mean any purpose that is connected to or incurred in the performance of the employee’s or trustee’s services to the District;

(e) “Substantiation” – shall mean information and documentation supporting travel, transportation, lodging, meals, or entertainment expenses sufficient to satisfy the “adequate accounting rules” and sufficient to enable the District to identify the specific nature of each expense and to reasonably conclude that the expense is a legitimate business expense.

2.0 **POLICY**

2.1 It is the policy of the Happy Homestead Cemetery District to reimburse “ordinary and necessary” expenses incurred by a employee or trustee of the District while engaged in an activity directly related to or associated with the business of the District.

(a) “Ordinary and necessary” means those expenses that would ordinarily and necessarily be incurred by any person engaged in any similar business activity or purpose. The term “necessary” is used to distinguish the expense as one “appropriate and helpful” to the business purpose or activity, as opposed to a personal expense which does not further the business purpose or activity.

(b) Entertainment and/or meal expenses are reimbursable only if such expenses are “directly related to or associated with” the business of the District. Some exceptions to this requirement exist if the expenditure meets the “ordinary and necessary” test above. Such exceptions include:

- (1) Food and beverages for employees furnished on the business premises;
- (2) Recreational, social, or similar expenses primarily for employees who are not highly compensated;
- (3) Directly related expenses of employee or trustee meetings, etc.;
- (4) Expenses directly related and necessary to attendance at a business meeting or convention or any tax-exempt organization described in IRS Code § 501(c)(6);
- (5) Cost of food, services and facilities made available to the general public as a means of advertising or promoting goodwill in the community.

2.2 Reimbursement of such expenses shall be limited to the reasonable amount of such expenses necessarily incurred in the performance of the District’s business, and such expenses as are substantiated as required herein.

2.3 The District, in its sole discretion, may permit the employee or trustee to receive an advance of an amount estimated to be necessary to cover such business travel expenses. In such case, the employee or trustee shall sign a statement certifying his or her receipt of such advance, and an undertaking to be personally responsible for the repayment of all such advanced amounts not expended and properly accounted for in accordance with the terms of this policy. Such amounts advances must be returned to the District, or properly accounted for on forms provided by the District, no later than 60 days after the funds are advanced. In the event such funds are not returned to the District, or properly accounted for within the time permitted, such funds shall be included in the employee’s or trustee’s gross income and reported on the Form W-2 or 1099.

2.4 No reimbursement shall be made for any expenses incurred in travel to or attending any meeting, seminar, convention, training program or other similar function without the prior approval of the Board of Trustees.

3.0 **SUBSTANTIATION OF BUSINESS EXPENSES**

3.1 Every employee or trustee of the District must be able to substantiate claimed expenses by

adequate records or sufficient evidence to establish the (1) amount of each expense, (2) time and place of each expenditure, (3) the business purposes for which the expense was incurred, and (4) the business relationship of any person entertained with such expense.

3.2 To prove expenses for entertainment, travel, transportation, meals, lodging and so forth, the employee or trustee shall maintain an "adequate record." An "adequate record" is a detailed record, such as a diary, an account book or some other statement of expense. The employee or trustee does not have to record information in an account book or diary that duplicates information reflected on a receipt, so long as the two forms of evidence complement each other. The District shall accept a completed expense report with receipts attached as an "adequate record," so long as said expense report reflects the date, place, type and purpose of each expense, and so long as every expenditure of \$10.00 or more is supported by a written receipt.

(a) Travel Away From Home

In order to qualify for reimbursement of travel expenses associated with travel away from home, the employee or trustee must substantiate, by adequate records and receipts, the following:

- (1) Amount of each separate expenditure for travel away from home, such as the cost of transportation or lodging;
- (2) Dates of departure and return for each trip away from home, and the number of days away from home spent on business;
- (3) Destination or location of travel, described by the name of the city or town or other similar designation; and
- (4) Business purpose for the travel or nature of the business benefit derived or expected to be derived as a result of the travel.

(b) Local Travel

Local travel expenses include ordinary and necessary expenses of getting from one workplace to another in the course of business when the taxpayer is not traveling away from home. It does not include commuting from home to a workplace or return. In order to qualify for reimbursement, the employee or trustee must prove the following elements:

- (1) Cost of transportation;
- (2) Date of the transportation;
- (3) Business destination; and

(4) Reason for the expense.

(c) Entertainment & Meal Expenses

Each entertainment or meal expense must be substantiated by adequate records or sufficient evidence establishing each of the following elements:

(1) Amount;

(2) Date;

(3) Place (name and address or location) and type of entertainment or meal;

(4) Reason for entertainment or the business purpose and the nature of the business benefit expected to be gained;

(5) Business relationship to the District of the persons at the entertainment or meal (name, occupation and title); and

(6) Presence of the taxpayer or an employee at the business meal.

(d) Standard Mileage Allowance

The District will reimburse employees and/or trustees who travel by auto at the standard mileage allowance as established by the IRS in effect at the time of the travel. If more than one employee/trustee share an auto, only one person will be reimbursed such standard mileage rate.

3.3 Every employee or trustee seeking reimbursement of business-related expenses shall provide the District a written statement of the business purpose of the travel or other expense incurred on District business.

4.0 **ENTERTAINMENT ACTIVITIES**

Generally, reimbursement will not be made for any expense associated with an activity considered to be entertainment, amusement, or recreation, except to the extent that it is established that the expense was *directly related* or *associated* with the active conduct of the District's business.

4.1 Directly Related

An expense is considered directly related to the active conduct of the District's business if all of the following requirements are met:

(a) The employee/trustee had more than a general expectation of deriving some specific business benefit at some indefinite future time:

- (1) during the period of entertainment, the employee/trustee was actively engaged in the conduct of business with the person being entertained; and
 - (2) the active conduct of business was the principle aspect of the entertainment activity.
- (b) Entertainment expenses will not be considered to be directly related when the entertainment occurs where there is little, of any, possibility for the active conduct of business. This situation generally arises when:
- (1) the employee or trustee is not present;
 - (2) there are substantial distractions; or
 - (3) a group of people is entertained and the group includes persons other than business associates.
- (c) Employees/Trustees may seek reimbursement for the cost of meals and entertainment associated with the active conduct of a trade or business and occurring directly before or after a bona fide and substantial business discussion.
- (d) No reimbursement will be made for the cost of entertaining employee's or trustee's spouses, or the spouses of their business associates, unless it can be shown that there was a clear business purpose rather than a personal or social for paying for the spouse.

EXPENSE REPORT FORM

EMPLOYEE NAME: _____

EXPENSES INCURRED

	7-Nov-05 Monday	8-Nov-05 Tuesday	16 Nov. 05 Wednesday	29 Nov. 05 Thursday	1 Dec. 05 Friday	5 Dec. 05 Saturday	10 Dec. 05 Sunday	TOTALS
Air Fare	\$500.00					\$500.00		\$1,000.00
Local Transport	\$12.00		\$26.00			\$12.00		\$50.00
Breakfast		\$9.00	\$16.00	\$14.00	\$12.00	\$5.00		\$56.00
Lunch								\$0.00
Dinner	\$36.00	\$36.00	\$3.00	\$287.50	\$36.00	\$36.00		\$434.50
Hotel	\$156.00	\$156.00	\$156.00	\$156.00	\$156.00			\$780.00
Postage				\$2.49				\$2.49
Courier			\$18.22					\$18.22
Office Supplies		\$14.99						\$14.99
Other								\$0.00
TOTALS	\$704.00	\$215.99	\$219.22	\$459.99	\$204.00	\$553.00	\$0.00	\$2,356.20

LOCAL TRANSPORT, PARKING, AND OTHER

Date	Description	Amount
7 Nov.	Taxi to hotel	\$12.00
16 Nov.	Taxi to Customer's Offices	\$26.00
5 Dec.	Taxi to Airport	\$12.00

BUSINESS ENTERTAINMENT

Date	People	Business Purpose	Place	Amount
29 Nov.	Sam & Joe & Wives	Marketing	Great Restaurant	\$ 287.50

Employee Signature: _____

Approval: _____ Date: _____

Date Paid: _____ Check No. _____

Less Cash Advances:	\$ 500.00
Less Hotel/Air Fare:	\$ 1,000.00
Less Other Charges:	
AMOUNT DUE AGENCY:	\$ 1,500.00
AMOUNT DUE EMPLOYEE:	856.20

Attach Receipts Over \$10.

*All "ERROR" Messages Must Be
Removed to Qualify for Payment.*