

**REIMBURSEMENT AND TRAVEL EXPENSES**

Approval Date: 05/2010

Revision Date(s):

**POLICY****Expense Reimbursement**

Members of the organization's Board of Directors will serve without compensation other than reimbursement for expenses incurred to fulfill their board duties. The Rotary Club of Des Moines Executive Director may request reimbursement of any expenses from an officer of the Board of Directors.

Purchases of routine operating supplies and equipment will be made in the most cost-effective manner and will not exceed budgeted allowances for such items. Accounts payable (invoices) containing proper documentation of supplies or services will be paid within 30 days.

Routine Foundation expenses are paid through the checking account of the Rotary Club of Des Moines. On a monthly basis, the net revenue and expenses of the Foundation are transferred to or from the Foundation savings account as needed.

No person, including the Rotary Club of Des Moines Executive Director and members of the Board of Directors, shall approve their own request(s) for reimbursement.

**Payments made to other organizations**

The organization may participate in various community service or other projects that are included in the annual budget of the Foundation. When the Rotary Club of Des Moines Foundation makes payments to other organizations to support a project of the Foundation, the following procedures will be required and documented prior to making any payments or billing any club members:

- The organization will assure that the nature of the project is in alignment with the exempt purpose of the Foundation (as found on IRS Form 1023).
- If the organization is a nonprofit organization, the Foundation will require a copy of the organization's IRS determination letter assuring that the organization is a registered exempt organization. Designation as an Iowa section 504 nonprofit corporation will not be considered adequate for purposes of supporting other nonprofit organizations.
- The Foundation will conduct a review of any conflicts of interest that the transaction(s) may create to assure the integrity of the project. The Foundation will require a signed conflict of interest statement from any Board Member(s) or Rotary Club of Des Moines member(s) who are involved in the transaction and/or project. Any conflicts of interest will be evaluated and documented according to the terms of Policy 170 – Conflicts of Interest. If conflicts of interest are identified, the Foundation Board of Directors may choose not to participate in the project.
- If there are any conflicts of interest with Board Member(s) or Rotary Club of Des Moines member(s), the Foundation Board of Directors will strongly consider obtaining written bids from other vendors to assure that all goods and services associated with the project are fair and competitive.
- The Board of Directors will examine and approve that the procedures above are complete and appropriate before any transactions with the other organization are made.

If the steps above are completed to the satisfaction of the Board of Directors, the Foundation will require:

- Detailed invoices that clearly state the nature of the expenditures for the project. Such invoices will include language to indicate how the purchase will support the project.

**REIMBURSEMENT AND TRAVEL EXPENSES**

- Invoices for any goods or services not clearly associated with the project will be not approved or paid.
- Any invoices in excess of budgeted amounts will not be paid without the prior approval of the Board of Directors.
- Prior to payment, the Rotary Club of Des Moines Executive Director will routinely review the invoices associated with any payment to other organizations to assure the appropriateness of the purchases.

**Travel Expenses**

The organization will provide reimbursement for necessary and reasonable travel expenses incurred by the Board of Directors, Rotary Club of Des Moines Executive Director, or affiliated parties. Any travel advances are deducted from the subsequent reimbursement to the party. It is the policy of the organization to establish travel expense limitations and guidelines as follows:

1. Authorizations
  - a. All travel requests must be for budgeted travel and approved at least 30 days in advance by the Board of Directors.
2. Travel Advances
  - a. Travel advances will be issued if requested at least 30 days prior to the trip. The advance will not exceed 25% of the estimated costs.
3. Personal Mileage
  - a. Use of a personal vehicle for business purposes supporting the organization will be reimbursed at the IRS mileage rate. Commuting mileage will not be reimbursed.
4. Public Carrier
  - a. The most cost-effective means of travel, such as coach airfare, must be used. Travel may be arranged through a travel agency or an on-line discount provider. Receipts are required for reimbursement.
5. Lodging
  - a. Lodging expenses will be reimbursed for the basic room charge and applicable taxes. Incidental expenses charges to the room will not be reimbursed unless they are reasonable and necessary for business purposes. Receipts are required for reimbursement.
6. Meals
  - a. Reasonable and necessary meal expenses will be reimbursed at a rate not to exceed rates that are reasonable and necessary in the location of the travel including applicable taxes. Receipts are required for reimbursement. Tips should be noted on meal receipts. Reimbursement for purchases of alcohol requires the prior approval of the Board of Directors.
7. Taxi or Vehicle Rental
  - a. Actual taxi fares, including tips, will be reimbursed entirely. Tips must be noted on taxi receipts. Receipts are required for reimbursement.
  - b. Reasonable and necessary vehicle rentals will be reimbursed. Receipts are required for reimbursement.
  - c. Parking and toll expenses will be reimbursed. Receipts are required for reimbursement.

---

**REIMBURSEMENT AND TRAVEL EXPENSES****Companion Travel**

Companion travel or travel expenses will **not** be routinely reimbursed by the organization. A quorum of the Board of Directors may approve companion travel or travel expenses when the travel would clearly be in the interest of the Rotary Club of Des Moines Foundation. Any expenses allocated to companion travel or travel expenses will be considered income to the Board Member and reflected in an annual IRS Form 1099 to the Board Member unless they are deemed to be reasonable and necessary to the business interests of Rotary International or the Rotary Club of Des Moines Foundation.

**Prohibited Reimbursements**

The organization does not routinely provide reimbursement for the following types of expenditures:

- First-class or charter travel;
- Tax indemnification and gross-up payments;
- Discretionary spending accounts;
- Housing allowance or use of residence for personal use;
- Payments for business use of personal residence;
- Health or social club dues or initiation fees;
- Personal services (e.g., maid, chauffeur, chef)

Any reimbursement of such expenses would require substantiation and approval of the full Board of Directors prior to reimbursement.

**PROCEDURE**

1. During the annual budget preparation process, the Rotary Club of Des Moines Executive Director will project the administrative expenses required for the upcoming year with an approximate monthly cost. Upon final approval of the budget the Board of Directors, the Rotary Club of Des Moines Executive Director will be authorized to purchase budget approved items in the amounts and at the cost indicated.
2. The Board of Directors must approve items not included in the original budget but subsequently identified as necessary to the operation of the organization.