



MESSIAH LUTHERAN CHURCH

Reimbursement Policy

Purpose

Messiah Lutheran Church (hereafter "the congregation") recognizes that many expenses paid by the pastor, staff members and volunteers are part of the ordinary and necessary costs of ministry in this congregation. Accordingly, we hereby establish an accountable reimbursement policy to defray such costs directly.

Requirements, Process and Guidelines

The costs for reimbursement of expenses shall be estimated and included in the annual congregation budget or from a previously board designate fund.

The following requirements for the policy are binding upon the congregation and upon each pastor, staff member and volunteer seeking reimbursement:

1. The pastor/staff member/volunteer shall be reimbursed for her/his/their ordinary, necessary and reasonable expenses, documented in accordance with IRS policies, incurred in the conduct of the ministry on behalf of the congregation.
2. The Treasurer must be given an adequate accounting of each expense on the latest Expenditure Form that includes a statement of expense amount, date and expenditure purpose involved. Physical copies of the Expenditure Form and receipt in the Treasurer's office mailbox are strongly preferred but electronic submission of copies to the Treasurer is acceptable in case of necessity.
3. A log of total miles per month and enumeration of their general purpose shall suffice to substantiate automobile mileage for the pastor, but under no circumstances will commuting mileage between the pastor's home and church office be reimbursed.
4. Copies of the Expenditure Form shall be retained by both the pastor/staff member/volunteer and the Treasurer for annual review by the Audit Committee.
5. The Treasurer is responsible for approving the expense. No person may approve her/his/their own expenses. The Budget & Finance Ministry Chair will approve any reimbursements requested by the Treasurer. The Treasurer shall exercise discretion regarding the adequacy of the substantiation and the appropriateness of any reimbursement and consult with the President, the Budget & Finance Ministry Chair or the Congregation Council if necessary.
6. It is the intention of this policy that reimbursements will be paid after the expense has been incurred by the pastor/staff member/volunteer. Substantiation must be provided within sixty days of incurring the expense. However, should circumstances require payment of an advance for any particular anticipated expense, the pastor/staff member/volunteer must account for the expense and return any excess reimbursement within 30 days of the issuance of the advance. Any excess advance must be returned to the congregation before any additional advances are provided to the pastor/staff member/volunteer.
7. Budgeted amounts not spent must not be paid as a salary bonus or other personal compensation. If such payments are made, the entire amount of the payment for which there is no documented expense will be taxable income to the pastor/staff person/volunteer. Disposition of any unspent

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balances remains at the discretion of the congregation in building the budget for the next fiscal year.

8. It is understood by the various parties that all elements of this resolution must be carefully followed to prevent the congregation from being required by regulation to list total payments for business expenses on IRS reports (W-2) as "includable compensation." The primary responsibility for meeting the requirements of expense reporting belongs to the individual incurring the expense.
9. A petty cash fund of \$100 for cleaning supplies purchased is authorized for the Sexton. All receipts of purchased must be kept and provided to the Treasurer as outlined above before the fund may be replenished.