



## ACCOUNTABLE REIMBURSEMENT POLICY

*The following resolution was duly adopted by the Governing Board of the Unitarian Universalist Church of Loudoun (UUCL) at a regularly called meeting held on November 4, 2004, a quorum being present:*

Whereas income tax regulations 1.162-17 and 1.274-5(e) provide that an employee "need not report on his tax return" expenses paid or incurred by him or her solely for the benefit of his/her employer for which he/she is required to account and does account to the employer and which are charged directly or indirectly to the employer; and

Whereas income tax regulation 1.274-5(e) further provides that "an adequate accounting means the submission to the employer of a ... statement of expense or similar record maintained by the employee in which the information as to each element of expenditure (amount, time and place, business purpose, and business relationship) is recorded at or near the time of the expenditure, together with supporting documentary evidence, in a manner which conforms to the 'adequate records' requirements" set forth in the regulation; and

Whereas The UUCL desires to establish a reimbursement policy pursuant to regulations 1.162-17 and 1.274-5(e); therefore be it resolved, that The UUCL hereby adopts a reimbursement policy pursuant to income tax regulations 1.162-17 and 1.274-5(e), upon the following terms and conditions:

1. Any minister called, or any person now or hereafter employed by The UUCL shall be reimbursed for any ordinary and necessary business and professional expense incurred on behalf of the church, if the following conditions are satisfied:
  - a. the expenses are reasonable in amount;
  - b. the person incurring the expense documents the amount, time and place, business purpose, and business relationship of each such expense with the same kinds of documentary evidence as would be required to support a deduction of the expense on the person's federal income tax return
  - c. the person documents such expenses by providing the church treasurer with an accounting of such expenses no less frequently than monthly. In no event will an expense be reimbursed if substantiated more than 60 days after the expense is paid or incurred by a minister or employee.
2. The church treasurer shall be responsible for approving reimbursement requests. The treasurer shall exercise his/her discretion regarding the adequacy of the substantiation and the appropriateness of any reimbursement. Questions arising

in these areas will be resolved by the treasurer's decision, subject to the review and approval of the Governing Board.

3. The UUCL shall not include in a minister's or employee's W-2 form the amount of any business or professional expense properly substantiated and reimbursed according to the preceding paragraphs, and these persons should not report the amount of and such reimbursement on his or her Form 1040.
4. Any UUCL reimbursement that exceeds the amount of business or professional expenses properly accounted for pursuant to this reimbursement policy must be returned to the church within 120 days after the associated expenses are paid or incurred and shall not be retained by the minister or employee.
5. If, for any reason, the church's reimbursements are less than the amount of business and professional expenses properly substantiated by a minister or other employee, the church will report no part of the reimbursements on the person's W-2, and the minister or employee may deduct the unreimbursed expenses as allowed by law.
6. Under no circumstances will the church reimburse a minister or other employee for business or professional expenses incurred on behalf of the church that are not properly substantiated according to this policy. Budgeted amounts not spent must not be paid as a salary bonus or other personal compensation. Church and staff understand that this requirement is necessary to prevent our reimbursement plan from being classified as a "nonaccountable" plan.
7. All receipts and other documentary evidence used by a minister or other employee to substantiate the business nature and amount of business expenses incurred on behalf of the church shall be retained by the church. The minister or employee may, at his or her election, make copies of such evidence.

Attachment:  
Reimbursement Request Form

**Approved by Board Nov 8, 2010**

**RECORD OF CHANGES:**

**Date      Change**

# Unitarian Universalist Church of Loudoun

20460 Gleedsville Road  
Leesburg, Virginia 20175-8861  
703-737-7644

## Reimbursement / Check Request

Date: \_\_\_\_\_

Person Submitting Request: \_\_\_\_\_

Make Check Payable To: \_\_\_\_\_

Amount: \_\_\_\_\_

*Please describe the expense in the space below. Attach receipts if applicable.*

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All requests should identify the budget line item to charge and must be approved by the individual responsible for that line item. Committee Chairpersons may approve expenses for their committees. The President or Vice-President will approve all other expenses.

Budget Line to Charge: \_\_\_\_\_

Approved By: \_\_\_\_\_

|            |  |               |  |
|------------|--|---------------|--|
| Date Paid: |  | Check Number: |  |
| Signature: |  |               |  |