



# TOWN OF GROVELAND EXPENSE REIMBURSEMENT POLICY AND PROCEDURES

## 1. Purpose

To establish a policy that sets out procedures for a uniform method for approval, payment and accounting of reimbursements to employees for legitimate business-related expenses.

## 2. Scope

This policy covers all employees, elected officials, and appointed officials, of the Town of Groveland. The term employee will be used throughout the policy for all covered under the policy.

## 3. Procedures

Town employees are encouraged to identify and have the Town prepay all expenses (e.g. plane tickets, hotel accommodations, conference fees). In addition, Town employees are encouraged to have expenses (e.g. office supplies) directly billed to the Town. The Town has accounts set up with multiple vendors in order to minimize out of pocket expenses incurred by employees.

Employees are expected to secure approval from their department manager or the Finance Director prior to incurring business-related reimbursable expenses.

Procedures for requesting and receiving reimbursement are as follows:

- a. The employee completes the employee expense reimbursement form
  - i. Name: Enter your name
  - ii. Occurrence Date: Enter the date(s) when the expenses were incurred.
  - iii. Purpose: Enter purpose for incurring expense.
  - iv. Expenses: Complete the expense portion of the form. (Refer to the “Covered Expenses” portion of this policy, for reimbursement specifics).
  - v. Mileage: Complete this section by listing the total business-related mileage; IRS Mileage Rate and multiply the number of miles times the cents per mile to equal total amount due.
- b. **The employee attaches all original receipts to the employee expense reimbursement form. When an employee pays by personal check, a copy of the canceled check must also be attached to the reimbursement form. When the employee uses his/her credit card or debit card, the customer copy of the receipt and a copy of the credit/debit card statement showing the charge must also accompany the employee expense reimbursement form.**

- c. Employee signs and dates the employee expense reimbursement form and submits it to department manager or assigned representative for approval. Preference is that expenses are submitted no later than one month after the expenses have been incurred.
- d. The department manager reviews the employee expense reimbursement form and the attachments to ensure that the expenses are business-related, and fall within the policies set forth by the Town prior to signing the form. If questionable expenses are included on the form, the department manager should ask the employee for clarification, gaining mutual agreement whether or not the expense falls within Town definition or reasonable, reimbursable expenses. Approval is deemed given once the department manager signs and dates the form.
- e. The department manager submits the employee expense reimbursement form to the town accountant with the Bills Payable Schedule so that the employee can receive reimbursement of the business-related expenses in a timely manner.

#### **4. Covered Expenses**

The following expenses are considered reasonable employee reimbursable expenses:

##### **a. Business Mileage**

Mileage incurred with a personal vehicle as part of business travel from town offices to an outside destination. Travel must be listed from the town offices, not from the person's home. If the person is traveling from their home to an outside business location, only the mileage incurred in excess of their normal commute to the town office may be reimbursable. Reimbursement will be made for the actual business travel at the current IRS mileage rate. Employees must log their origination point and destination point on the reimbursement form.

##### **b. Travel expenses**

Employees will be reimbursed for both in-state and out-of-state travel related expenses only when the travel has been approved in advance by the department manager.

##### **c. Business travel requiring overnight accommodations**

Expenses incurred for hotel/motel/etc. accommodations whenever overnight travel is required will be reimbursed for actual expenses incurred. Employees are expected to stay at "average rate" facilities utilizing a conference rate or a group rate when available. Employees will not be reimbursed for "wet-bar" expenses incurred in their room. An itemized hotel/motel receipt is required as documentation for all overnight accommodation reimbursement requests.

##### **d. Air Transportation**

Employees are expected to secure the lowest available fares for airplane, train, or other vehicle transportation. Airplane travel should be at economy, coach, or other lower travel rates. The employee will be reimbursed for actual out-of-pocket expense and

receipts must be attached to the expense reimbursement form. Airport parking and/or shuttle fees are reimbursable as long as receipts are submitted.

e. **Rental Cars**

Employees are expected to use the most reasonable transportation services available to them. Rental cars should be limited to mid-class or smaller vehicles, unless the number of persons attending requires a larger vehicle. Receipts must be attached to the employee reimbursement form.

f. **Business Meals, luncheons**

The Town will reimburse employees for approved business meals. Reimbursement will not be made for alcoholic beverages. Employees are expected to limit meals to a reasonable expense amount and should not include “high priced specialty meals”. Reimbursement will be based on actual expense. Employees are expected to use reasonable discretion in their selection of menu items, whether via room service or in other dining facilities. Itemized receipts must be attached to the expense reimbursement form.

g. **Business and Office Supplies**

The employee must have department manager approval to incur expenses of this nature, BEFORE any expenses are incurred. Itemized receipts must be attached to the employee expense reimbursement form for all purchases of this nature. The Town has accounts at a variety of businesses and office supply vendors and encourages staff to use these vendors first, if possible.

h. **Training**

Approved training that is not prepaid by the Town will be considered a reimbursable business expense. Receipts must be attached to the employee expense reimbursement form.

i. **Postage**

Special postal services or delivery services not available at the Town or which require immediate off site service that is business-related will be reimbursed to the employee. Receipts must be attached to the employee expense reimbursement form.

j. **Business-Related Expenses for Other Miscellaneous Items**

From time to time other business-related expenses may be incurred that are not listed in this policy, such as parking, road tolls or fees, use of rental equipment, or use of a taxi service. The employee must secure prior approval from his/her department manager

before incurring such an expense. The employee will be reimbursed for actual business-related expenses. Receipts must be attached to the employee expense reimbursement form.

## **5. Non Reimbursable Expenses**

The following expenditures incurred by an employee in the course and scope of their duties shall not be reimbursed:

- a. Massachusetts sales tax
- b. Alcoholic beverages including liquor, beer and wine
- c. Flowers and gifts for employees or others
- d. Charitable contributions
- e. Political contributions
- f. The personal portion of any trip
- g. Family expenses, including those of a partner when accompanying employee on Town business, child or pet care
- h. Entertainment expenses, including theatre, shows, movies, sporting events, sightseeing tours, golf, spa treatments, etc.
- i. Non-mileage personal automobile expenses including repairs, insurance, gasoline, traffic citations
- j. Personal losses incurred while on Town business
- k. Expenses paid for by any other organization
- l. Valet services
- m. Mileage while traveling as a passenger in a privately owned car
- n. Personal travel insurance
- o. Medical or hospital expenses
- p. Theft, loss or damage to personal property while on Town business
- q. Personal toilet articles, reading material, or personal telephone calls while on Town business

## **6. Employee Misconduct**

Disciplinary or corrective action should be taken whenever it is determined that an employee falsified an employee expense reimbursement form, or failed to pay their bill after the Town reimbursement.

When it has been determined that an employee has knowingly and purposefully falsified an employee expense reimbursement form, the Town may take disciplinary action up to and including termination.

If the employee has violated a local, state or federal law, proper authorities will be contacted.

## **7. Exceptions to Policy**

Exceptions to this policy may be approved by the Finance Director. Exceptions should be made in writing and attached to the employee expense reimbursement form.

Policy implemented August 8, 2014