

Spending Guidelines

PURPOSE

- To encourage responsible stewardship.
- To ensure sufficient documentation is maintained to meet standards required by the Internal Revenue Service and other agencies.
- To address changes to the following areas: Meals, Dash Prepaid Mastercards, and purchasing.
- No changes were made to the following topics: Mileage, Hotels, Airline Travel, Automobile Rentals, Taxi, and Car Service, Long-distance Telephone, Laundry and Dry Cleaning Services, Spouse Travel, Babysitting.

REFERENCES

Per Diem rates for travel meal reimbursement amounts can be found on the [GSA website](#).

Relevant forms can be found on the [Employee Help page](#).

- Check Request Form
- Travel Plan Form
- Credit Card Request Form
- Mileage Reimbursement Form
- Expense Reimbursement Form
- Lost or No Receipt provided form

POLICIES

Meals

At Northwood Church, we understand that meals are often a tool for connecting with other pastors, church leaders, members, and attendees. Northwood considers a meal to qualify as a legitimate business expense when it furthers our purposes and values in connection with an employee's assigned duties. Examples include discipling, training, counseling, mentoring, or appreciating other pastors, church leaders, members, attendees, or community members.

The IRS views meals as an inherently personal expense, requiring employees to bear a heavy burden in proving they qualify as legitimate business expenses.

Staff members may use church funds for meals when traveling out of town or when conducting prescribed business activities locally.

Eating a meal or grabbing coffee, while running errands on behalf of Northwood Church, does not qualify as a legitimate business purpose.

Local Meals

Meals incurred outside of travel status are considered a personal expense unless one of the following exceptions is met:

1.) The meal is a **business meeting**, and a legitimate business purpose for the meeting (described above) is documented.

- Growing or multiplying Leaders
- Discipling or Mentoring
- Counseling or Accountability
- Purposeful tasks to promote our mission

2.) The meal is a team-building or team appreciation event, and a specific purpose for the event is documented.

- Thank you...
- Celebrating...
- Support for a life event (New baby, family death, surgery, or illness)...

3.) \$10.00 should be used as a guideline for the average price of a meal (including upcharges and beverages)

4.) Meals of a spouse or other family member **are covered** expenses when

- The meal is a natural extension of other ministry activities.
- The spouse or family members were also involved in those activities.

5.) Receipts for all expenses need to be tagged or submitted by the end of business each Monday.

- This includes all purchases made on a Dash card, or the corporate card, if applicable.

Check requests

*This form should be used to pay outside vendors.

- Do not request a check to be issued until the work is completed. All approvals should be received before any invoices are sent to the finance office.
- Checks will not be distributed until proper documentation is received. This includes all invoices and tax forms.
- A separate request is required for each vendor, please include how check should be distributed (mail vs. personal delivery / ex: your mailbox)
- Verify all contact information is filled out on the form prior to submission including a good contact phone #. If this is a recurring vendor, contact information is only required if changes need to be made.

- A W-9 will need to be submitted for any person or company that is performing a service for Northwood Church as an LLC or private contractor
 - A new W-9 is required every calendar year, prior to the first check being issued, regardless of the amount.

Check reimbursement

This form should be used for employees of Northwood Church who are requesting to be reimbursed for business-related purchases

- All receipts must accompany the reimbursement request.

Amazon

- Purchases should be made through NWC Amazon business account. You will receive an email to register to your @wearenorthwood address.
- Amazon purchases should be paid with individual Dash cards and receipts uploaded to the Dash site
- We will no longer reimburse personal Amazon subscriptions since the business account is available

Chase Credit Card:

- The use of the Visa needs to be pre-approved by Bradford.
- Purchases made on the Visa are limited to time-sensitive purchases that were not expected when Dash requests were made and requested via the in-office form
- Credit Card Receipts should be stamped and completed the same as for reimbursements, and turned in immediately.

Dash Cards (Prepaid Mastercard)

- Each department has a predetermined allowance based on individual needs and historic spending. This allowance is for recurring, anticipated expenditures for the month.
- On the first of each month, or the next business day, each prepaid card will be credited with this allowable amount which can be used at the employee's discretion.

Additional Funds

- If additional funds will be needed for ministry the following month, a request should be submitted in writing by the 15th day of the month prior Additional funds requests will be reviewed and approved/denied by Administrator.
- Requests for additional funds that were not included in this month's Additional funds request, will be denied but may be added to the following month's request.
- Additional funds request forms must be submitted in writing. (email or text requests, not on the proper form will not be honored) This form is available on our employee help site at all times
- Any funds not spent by the end of the month will not "rollover" to the next month.
- Dash funds are for "typical" purchases only. If you happen to have extra funds on your Dash card, that does not mean that you should spend those funds without the proper authorization.
- Purchases made with a Dash card are subject to the same guidelines as outlined above and will be held to the same IRS standards
- All dash transactions need to be categorized by end of the day every Monday:
 - Category (the department the purchase was made for)
 - Description (required information as specified above)

- Photo of the **itemized** receipt, a receipt showing only the total is not sufficient.

Authorized users of Dash cards agree to the following guidelines:

_____ I understand that every penny on my Dash card is the Lord's money that I have personally been entrusted with.

_____ I will under no circumstance use my Dash card for personal expenses.

_____ I will not get cashback from my Dash card or reload my personal gift cards/apps.

_____ I will tag and upload my receipts on a weekly basis, before 4 o'clock every Monday.

_____ I understand that if I do not tag my receipts my Dash card will be frozen.

_____ I understand that if I let someone else use my Dash card I am still responsible for the purchases and tagging those receipts.

_____ If I suspect fraud anytime on my Dash card I will call the number on the back of my Dash card to report the suspected fraud.

These guidelines are put in place to help keep everyone accountable for the way we are spending God's money. If you have any questions about a purchase, it is better to ask for permission than to assume forgiveness later. Failure to follow this procedure can result in disciplinary action.

Miscellaneous Purchasing

- Purchasing one-time or specialty items should not happen regularly. Before purchases are made for office supplies, IT equipment, production equipment, maintenance or travel, notify the following person/department:
 - Office Supplies = Stephanie Wright
 - IT Equipment or Subscriptions = Bradford Singleton
 - Appliances / Equipment (i.e. things that plug into the wall) = Avonne Beaver
 - Maintenance = Randy Moneymaker
 - Travel = Rodney Richard/Finance Office
- Before purchasing items outside of the specific items listed above please check the conference room, the back storeroom of the extension, or ask via slack if another ministry has a particular item.
- Purchases made with Northwood Church funds are not mission-specific and should be shared as much as possible. If you use something from another ministry, respect it, use it properly, and put it back in the same condition, or better, than you found it.
- Before purchasing an item ask yourself if this can be used more than once, or if we already have something on hand that could work for the intended purpose.
- If you received a donation of an item for your particular ministry, it is then your responsibility to then find the proper storage for that item within your ministry's area.
- The guidelines stated above are just that, guidelines. These will not cover every situation but please be mindful of spending and do not spend money just because you have access to the funds.

Church Related Travel

1. Prior to scheduling a trip, all employees must complete a Travel Plan Form and submit it to the Pastor for approval.
2. Upon approval, the employee may proceed with making travel arrangements and accommodations within the pre-approved dollar amount
 1. Any changes in costs must be approved by the Pastor prior to purchasing.
3. Any travel-related expenses incurred prior to Pastoral approval are not eligible for reimbursement.

Travel Meals

- When traveling, a maximum of two meals per day will be reimbursed or paid by the church. 60% of the GSA per diem rates for the city in which you are dining or closest locality published should be used as a guideline. To determine which rate to use, go to the [GSA website](#) Search for the city in which you are dining, then click on the M&IE breakdown in the left-hand menu to see the breakdown by meal.
- Travel meals may be purchased using an assigned Dash Card, and in extenuating circumstances, a church credit card or personal funds. In any case, each meal must be substantiated by an itemized receipt and report.
- Please note that this amount is considered, on average, a reasonable meal expense. Staff members are expected to practice good stewardship and dine as cost-effectively as possible when traveling.

Mileage Reimbursement

Employees may be reimbursed for use of personal automobiles when their position requires such usage for legitimate business purposes. The mileage reimbursement rate is the maximum rate allowed by the IRS, and the reimbursement is calculated as miles driven from the church campus to the destinations and back to the church campus.

Miles driven to and from an employee's residence are not reimbursable according to IRS guidelines, and may not be included for mileage reimbursement. If a trip originates or ends at an employee's residence, then they must subtract the amount of their normal commuting distance from the total miles driven for that trip.

Northwood Church does not reimburse mileage when:

- Driving to or from a church paid/reimbursed meal or beverage.
- Driving anything other than the shortest route possible.

- Driving without cause to a destination that is equal, similar, or comparable to a closer destination.

Team members must include the following information for mileage reimbursements:

- Date of travel
- Starting location, ending location, and all destinations in-between
- The prescribed business purpose of travel

Mileage reimbursements must be submitted to Accounts Payable within 60 days from the date of travel in order to be reimbursed, as required by the IRS.

Carpooling is encouraged when multiple team members are traveling from the same general vicinity or location. The driver should claim the mileage expense reimbursement.

Employees are encouraged to rent a car when traveling a significant distance, and should make calculations to determine if renting a car is more economical than paying mileage. Supervisors may exercise discretion in determining if circumstances exist that make it more appropriate for the staff member to drive his or her personal vehicle. Prior approval from the staff member's supervisor must be obtained if mileage is to be reimbursed for trips outside of Charleston, Berkeley, or Dorchester counties.

Hotels

Hotel accommodations should be reasonably-priced. Luxury hotels or resort accommodations should not be reserved without prior approval.

A single non-concierge level room should be reserved. Suites are acceptable only when the suite accommodation is the standard-type room of the hotel. Team members of the same sex are encouraged to share a room (2 persons to a room).

The following types of expenses are considered to be of a personal nature and will not be reimbursed:

- Personal or extra-cost services such as barber, beautician, manicurist, shoeshine, and massage.
- Special room services, such as in-room movies and mini-bar services.
- Additional charges for room upgrades, poolside rooms, special floors or health clubs.

Airline Travel

Staff members should reserve the lowest applicable non-penalty economy fare. Travelers will make reservations as far in advance as possible to take advantage of airline discounts. Non-refundable or penalty tickets provide considerable savings opportunities and should be used when it is unlikely that an itinerary will change. Additional costs incurred due to changes in travel plans for business reasons are reimbursable. Changes made for personal convenience and optional upgrades are to be absorbed by the

staff member. Baggage fees will not be reimbursed unless they are deemed appropriate due to the length of stay or items needed for the trip.

Automobile Rentals

Automobiles should be rented only when public transportation and taxis are impractical, more expensive, or not available. Economy class vehicles are sufficient for 1-2 travelers. A larger vehicle (Midsize SUV for example) may be rented when three or more people are present.

Other Travel-Related Expenses

Travel Plan pre-approval is required for any entertainment expenses incurred in the course of travel. The costs of obtaining or renewing personal identification required for domestic (i.e., a driver's license) or international travel (i.e., a passport), are considered personal expenses by IRS standards.

The costs of obtaining optional recommended immunizations and preventive medications are considered personal expenses, regardless of whether they are obtained for domestic (i.e., flu vaccinations, tetanus boosters) or international (i.e., malaria preventatives, hepatitis vaccinations) purposes.

Travel to certain countries may require obtaining a visa, or paying an entrance/exit tariff, or obtaining a specifically required immunization (i.e., a "yellow card" evidencing a yellow fever immunization for travel to many African countries). These country-specific required costs are considered reimbursable expenses.

Cash Advances

In rare circumstances where a significant amount of cash is required during travel, Cash Advances may be approved via Travel Plan Form.

Taxi and Car Service

Taxi and car service used for business-related travel to and from airports or within out of town locations are reimbursable expenditures. The amount of the reimbursement is equal to the actual fare, tolls, "extra" charges for luggage, passengers and the like, and a reasonable tip. Team members are encouraged to seek the most cost-effective alternatives, such as hotel or airport shuttle services, whenever possible.

Long-Distance Telephone

International long distance charges will be reimbursed, limited to one phone call home per day, for duration of no more than 5 minutes. Emergency circumstances will be considered.

Laundry and Dry Cleaning Services

Individuals traveling on church business and away from their homes for more than five days are entitled to reimbursement for reasonable actual laundry/valet expenses beginning with the sixth day.

Spouse and Family Travel

A spouse or other family member may accompany a staff member on a business trip with prior approval from the Pastor via the Travel Plan Form. Spouse or family member travel expense will not be reimbursed, unless approval is obtained prior to travel.

Expenses for travel of an employment candidate's spouse to participate in the interview process in order to make an employment decision are considered to have a legitimate business purpose and are reimbursable.

Babysitting

Charges for babysitting are not reimbursable without prior approval from the Pastor.

Payments made to employee-owned companies

All payments made to companies owned by an employee are subject to the same review and approval controls as personal expense reimbursements. If the employee who owns the company (or a relative of the owner) would ordinarily approve the expense, then the Church Administrator must approve the reimbursement.

Compliance

Compliance is the responsibility of each team member. Repeated non-compliance with this policy by a team member is subject to loss of reimbursement privileges.