



*St. Michael Catholic Church*

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POLICY AND PROCEDURES  
ON  
EXPENSE REIMBURSEMENT  
FOR MINISTRY-RELATED  
TRAVEL, PURCHASES AND  
THE ISSUANCE AND USE OF  
PARISH-ISSUED CREDIT CARDS

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Pastor / Parochial Administrator

October 4, 2021

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## **GENERAL INFORMATION:**

Whereas, the St. Michael Catholic Church, hereon known as “the St. Michael church”, desires to establish a consistent reimbursement policy pursuant to federal Internal Revenue Service (IRS) regulations, state laws, the Church’s Code of Canon Law and Diocese of Colorado Springs finance policies; be it therefore resolved that the St. Michael Church hereby adopts a reimbursement policy, upon the following terms and conditions:

1. This policy shall apply to all clergy member(s), employee(s) (paid staff), and lay volunteer person(s) at the St. Michael Church.
2. Any clergy member, employee or lay volunteer now or hereafter employed by the church shall be reimbursed for any ordinary and necessary business and professional expenses incurred on behalf of the church in the exercise of their parish ministry, if the following conditions are satisfied:
  - a. The expense(s) are reasonable in amount;
  - b. The employee or clergy documents the monetary amount, time and place, official purposes, and official capacity/relationship for each such expense with the same kind of documentary evidence as would be required to support a deduction of the expense on the individual’s federal income tax return; and
  - c. Individual provides documentation for such expenses by providing the church business manager or accountant with an accounting for such expenses at least monthly. In no event will an expense be reimbursed, if the transaction or activity occurred more than 60 days after the expense/cost has been paid or incurred by the individual(s).
3. **Reimbursable ministry and professional expenses** shall include:
  - Local transportation, parking and toll fees (including vehicle mileage\*/gas per diem for travel associated directly with their fulfillment of parish ministry(s));
  - Travel expenses for official business\* purposes (including overnight lodging; automobile rental fees or air/bus fares, or taxi (including meals));

(\* - A monthly mileage tracking sheet must be maintained and submitted to the parish’s Business Manager for reimbursement of the total miles driven during the month (e.g., date, total miles, and for what purpose/function.))

  - Meals and entertainment (related to church business ONLY\*);

(\* - Any expenses incurred by a St. Michael Church clergy member, employee or volunteer while on their personal time-off (i.e., vacation, days-off, etc.) will be the sole responsibility of the individual to pay—they may not charge on the parish’s corporate credit card or seek any official reimbursement.)

- In-service training, continuing education classes/events and retreats related to their parish ministry;
  - Professional books, subscriptions and periodicals relating to their ministry;
  - Office supplies, postage and equipment (including a computer, printer and software);
  - Professional dues;
  - Continuing education, training and seminar directly related to their ministry;
  - Religious materials and liturgical vestments (including care and maintenance of garments) (provided the materials and vestments are parish property);
  - Telephone (office landline and cellular) and Internet access fees;
  - Miscellaneous business and professional expenses; and/or
  - Rectory / church utility bills.
4. Reimbursements shall be paid out of church general/operating funds by the issuance of a check (apart and separate from the individual's monthly payroll check).
  5. The church may, in advance, establish annual budget limitations agreeing to reimburse the business and professional expenses only up to a specified budget limit.
  6. The church shall not include in the clergy, employee or volunteer's Form W-2, the amount of any properly substantiated and reimbursed business and professional expenses as provided in this policy and Diocese of Colorado Springs finance policies and procedures. It is understood by the church and the staff person, that all provisions of this policy and related IRS regulations must be carefully followed and adhered to avoid the possibility that such reimbursable expenses will be declared as income to the respective individual.
  7. Requests for reimbursements will be made as needed or monthly, as a minimum.
  8. **Vehicle/Gas/Mileage Reimbursements:** Clergy and employees shall maintain an official business/travel mileage log (cf. Attachment 3) and submit it to the St. Michael Church Business Manager at the end of each month. (NB: Vehicle mileage sheets shall denote official travel only (i.e., directly ministry related) – it must not include any personal travel mileage for reimbursement.)
  9. **Parish Credit Cards:**
    - a. The St. Michael Parish business manager, paid staff and clergy member(s) may be issued a Parish Church corporate credit card, which will facilitate the charging of transactions associated with official church or professional expenses to the church. Issuance of a business credit card to an individual is at the discretion of the Pastor and **approval of the parish's Finance Council.**

Such approval must be annotated in official and for-file council meeting minutes for record.

- b. Clergy members and employees are not permitted to initiate or knowingly charge personal expenses to the church corporate credit card, unless prior permission has been requested in writing, and granted by the Pastor. If for any reason, the church corporate credit card is used for personal expenses without prior permission, the Pastor or Parochial Administrator of the church shall, at his own discretion, have the right to request that:
  - (1) the card holder returns the card to the church for immediate cancellation and,
  - (2) the card holder be required to reimburse the parish for the full amount charged on the parish's credit card, and
  - (3) the card holder be suspended from access to all church-issued credit card privileges.

(NB: Disciplinary action (up to and including termination of employment) will also be initiated (following a thorough investigation) regarding the entire incident. Criminal charge/s may be sought through local law enforcement authorities, only after the Pastor/Administrator has consulted with the diocese's General/Legal Counsel.)

- c. Under no circumstances will the church reimburse an individual for expenses incurred on behalf of the church that are not properly substantiated by proper documentation (i.e., receipts, bills, invoices, etc.) according to this policy. The church clergy, staff and volunteers must understand that this requirement is necessary to ensure good stewardship of the parish church's funds.
  - d. All receipts and other written documentary evidence used by an employee or pastor to substantiate the ministry nature and amount of his/her business and professional expenses incurred on behalf of the church, must be submitted to the St. Michael Parish's Business Manager monthly and shall be retained by the church for its internal examination and annual end-of-fiscal year review or audit.
  - e. Should any individual fail to submit their expense receipts for review and reimbursable expenses charged to their issued credit card within the issuing bank's monthly billing cycle, thereby creating interest charges for the outstanding balance due during the payment cycle, any and all finance charges shall be the responsibility of the individual to pay.
- 10. It shall be understood that the St. Michael Church's Pastor and/or the Finance Council may, at its discretion, review, rewrite, delete or entirely revoke, any portion or all this parish-level reimbursement policy, notwithstanding any portion which is regulated by IRS, local, state or canon law.
  - 11. This policy shall remain in effect if the clergy member, employee, volunteer is employed by the St. Michael Church, and, if amended, shall be resigned by all employees, as necessary, to demonstrate their understanding.

## **Travel and Other Expense Reimbursement Policy**

### **Purpose:**

The Church recognizes that clergy members, employees and volunteers (“Personnel”) may be required to travel or incur other expenses from time-to-time to conduct ministry activities and to further the mission of this parish church. The purpose of this policy is to ensure that:

- (a) adequate accounting and financial controls are in place;
- (b) travel and other expenditures are appropriate; and
- (c) to provide a uniform and consistent policy for the timely reimbursement of authorized expenses incurred by parish clergy and personnel.

It is the policy of the St. Michael church to reimburse only reasonable and necessary expenses actually incurred by approved clergy member(s), employees and volunteers.

When incurring business expenses, the St. Michael Church expects Personnel to:

- Exercise discretion and good judgment with respect to their credit card expenses;
- Be cost conscious and spend ministry money as carefully and judiciously; as the individual would spend his or her own funds; and
- Record expenses supported by required paper documentation.

### **Receipts:**

Receipts are required for all expenditures billed directly to the St. Michael Church, such as airfare and hotel, conference and/or convention charges. No expense reimbursement request will be considered or processed, unless the individual requesting reimbursement submits all pertinent written receipts for each expenditure (not simply a credit card receipt or copy of a statement) showing the vendor’s name, a description of the services provided (if not otherwise obvious), the date, and the total expense figures, including tips (if/when applicable).

### **General Travel Requirements:**

- **Necessity of travel.** In determining the reasonableness and necessity of travel expenses, Personnel and the person authorizing the travel (i.e., the Pastor or Administrator) shall consider the ways in which the St. Michael Church benefits from the travel and weigh those benefits against the anticipated costs of the travel.
- The same factors shall be considered in deciding whether the benefits to the St. Michael Church outweigh the costs and less expensive alternatives, such as participation in telephone or video conferencing; or the availability of local programs or training opportunities vs. traveling long-distance to conferences.
- **Personal and spousal travel expenses.** Individuals traveling on behalf of the St. Michael Church are to be cautious about incorporating personal travel or business with their church-related trips. Church expenses must clearly be demonstrated.

However, personnel shall not arrange church travel at a time that is less advantageous to the St. Michael Church or involves greater expenses to the St. Michael Church to accommodate personal preferences of travel plans. Any additional expenses incurred because of personal travel, including but no limited to: extra hotel nights; excursions; and meals or transportation are the sole responsibility of the individual and will not be reimbursed by the St. Michael Church. Expenses associated with travel or an individual's spouse, family members or friends will not be reimbursed by the St. Michael Church

**Air Travel:**

Air travel reservations should be made as far in advance as possible, to take advantage of reduced air fares.

**Frequent-Flyer Miles and Compensation for Denied Boarding:**

Personnel traveling on behalf of the St. Michael Church may accept and retain frequent-flyer miles and compensation for denied boarding for their personal use. Individuals may not however, deliberately patronize a single airline to accumulate frequent-flyer miles, if less expensive, comparable tickets are available with another airline.

**Lodging:**

Personnel traveling on behalf of the St. Michael Church may be reimbursed at the single room rate for the reasonable cost of hotel accommodations. Convenience, the cost of staying in the city in which the hotel is located, and proximity to other venues on the individual's itinerary shall be considered in determining reasonableness. Personnel shall make use of available corporate and discount rates for hotel selections and accommodations.

**Out-of-Town Meals:**

Personnel traveling on behalf of the St. Michael Church are reimbursed for the reasonable and actual costs of meals (including tips) subject to a maximum per diem meal allowance per day (for them, not others) and the terms and conditions established by the Diocese of Colorado Springs' finance policies and procedures relating to the allowances.

**Ground Transportation:**

Employees are expected to use the most economical ground transportation available under the circumstances, and should generally use the following, in this order of desirability:

- **Courtesy cars or vans.** Many hotels have courtesy cars or vans, which will take you to and from the airport at no charge. Employees should take advantage of this free service whenever possible. Another alternative may be an airport shuttle or bus.
- **Airport shuttle or bus.** Airport shuttles or buses generally travel to and from all major hotels for free or a small service fee. At major airports, such services are as quick as a taxi or considerably less expensive. Airport shuttle or bus services are generally located near the airport's baggage claim area.
- **Taxis.** When courtesy cars/vans and airport shuttles are not available, a taxi is often the next most economical and convenient form of transportation when the trip is for a limited time and minimal mileage is involved. A taxi may also be the most economical mode of transportation between an individual's home and the airport.
- **Personal Cars.** Personnel are compensated for use of their personal cars when used for ministry-related business. When individuals use their privately-owned vehicle (POV) for such travel, including travel to and from the airport, mileage will be allowed at the currently approved IRS and diocesan rate per mile.

In the case of individuals using their personal vehicles to take a trip that would ordinarily be made by air, mileage will be allowed at the currently approved diocesan rate. However, the total mileage reimbursement will not exceed the sum of the lowest available round-trip coach airfare.

#### **Parking/Tolls:**

Parking and express toll fees, including charges for hotel parking, incurred by personnel traveling on official ministry work will be reimbursed. The costs of parking tickets, fines, car washes, valet service, and so on, are the responsibility of the employee and will not be reimbursed by the St. Michael Church.

#### **Entertainment and Business Meetings:**

Reasonable expenses incurred for business meetings or other types of ministry-related entertainment will be reimbursed only if the expenditures are approved in advance by the Pastor or Administrator of the St. Michael Church and qualify as tax-deductible expenses. Detailed documentation for any such expense must be provided, including:

- Date and place of entertainment;
- Nature of the expense;
- Names, titles and corporate affiliation of those entertaining;
- A complete description of the business purpose of the activity, including the specific business matter discussed; and



- Vendor receipts (not credit card receipts or billing statements) showing the vendor's name, a description of the services provided, date and total expenses, including tips (if applicable).

### **Other Expenses:**

Reasonable ministry-related telephone and fax charges due to the absence of personnel from their routine place of ministry work is reimbursable. Conference and convention fees; parking fees; and meals (up to \$40 per day), including tips (between 15-20%) are reimbursable. Reimbursable ministry expenses also include: ministry-related books, DVDs or CDs.

Additionally, the St. Michael Church provides a Safeway Supermarket credit card or pre-paid debit card to the pastor or parochial administrator to acquire food, etc., to stock and use in the parish's rectory. Per diocesan policies, the pastor has a food allowance of \$400.00 per month.

### **Non-reimbursable Expenditures:**

The diocese and parish churches are expected to be good stewards of the generous gifts given them by parishioners. The St. Michael Church maintains a strict policy that expenses in any category that could be perceived as lavish, wasteful or excessive will not be reimbursed, as such expenses are inappropriate for reimbursement by the church, for clerics, employees and volunteers who are expected to live within their means. Expenses that are not reimbursable include, but are not limited to:

- Travel insurance.
- First-class tickets or upgrades.
- House sitting or pet boarding fees.
- Childcare costs.
- In-flight movies or refreshments.
- Hotel room movies and other forms of personal entertainment.
- When lodging accommodations have been arranged by the church and the individual elects to stay elsewhere, reimbursement is made at the amount no higher than the rate negotiated. Reimbursement shall not be made for transportation between the alternate lodging and the meeting site.
- Limousine travel.
- Movie tickets, liquor or bar costs.
- Membership dues at any country club, private club, athletic club, golf club, tennis club or similar recreational facility or organization.
- Participation in or attendance at golf, tennis or other sporting events.
- Purchase of golf clubs or any other sporting or recreational equipment.
- Gym, spa or other similar charges.
- Clothing purchases.

- Business conference and entertainment that are not ministry-related and approved by the St. Michael Church Pastor or Parochial Administrator in advance.
- Valet service.
- Car washes.
- Parking or traffic tickets.
- Toiletry articles.
- Expenses for spouses, friends or relatives. If a spouse, friend or relative accompanies individual(s) on a trip, it is the responsibility of the individual to determine any added cost for double occupancy and related expenses. (Reimbursement by the St. Michael Church will be at a single-occupancy rate.)
- Overnight retreats expenses without the prior approval of the Pastor or Parochial Administrator.
- Expenses related to an activity where an honorarium or stipend is personally received.
- Flowers or other gifts purchased by the individual.

**Parish Credit Card(s):** (Includes Clergy Supermarket credit or debit card)

St. Michael Parish credit cards are ordered and issued at the Pastor's or Parochial Administrator's discretion (and only after approval by the parish's Finance Council) by the parish's Business Manager.

The church issued credit cards are to only be used for purchases on behalf of the St. Michael Church and for expenses incurred while traveling on church ministry official business. At no time, may an employee (who is in position of a church-issued credit card) use this credit card for purchases unrelated to ministry work and intended for personal use.

The use of the church issued credit card for anything other than its intended purposes may result in the credit card being revoked and disciplinary and/or criminal action implemented involving the individual (i.e., employees: up to and including termination of employment or dismissal/termination of ministerial and/or volunteer status).

Parish credit cards shall not be used for any personal purposes whatsoever.

**Documentation:**

Requests for reimbursement of ministry-related expenses and/or request for payment of credit card bills **MUST** be submitted with appropriate written documentation (i.e., bill, invoice, receipts, etc.) attached. If the written documentation is lost, the individual will seek a replacement or complete the diocese's Lost/Missing Receipt Form and submit it to the parish's Business Manager along with other receipts.

The church complies with federal IRS regulations and State of Colorado Department of Revenue laws, which require that all business/operational expenses be substantiated with written records. This substantiation must include information related to:

- The amount of the expenditure;
- The time and place of the expenditures;
- The business purpose of the expenditure; and
- The names and the business relationship of individuals for whom the expenditures were made.

**NB:**

1. Requests for reimbursement lacking documentary information (or proofs) will not be processed and will be promptly returned to the originator.
2. **Original** receipts (not copies) for every purchase charge must be submitted along with the bill, invoice or Purchase Order to the St. Michael Church's Business Manager.

**Approvals:**

Expense reimbursement forms (i.e., Purchase Orders), together with the required documentation, must be submitted to the St. Michael Church's Pastor or Parochial Administrator for review and approval, before submitting it to the church's Business Manager for processing.

**Reporting Fraud, Waste and Abuse:** (a Whistleblower)

Anyone within the Diocese of Colorado Springs (clergy members, employees, lay volunteers or members of the Catholic faithful) who suspects fraud, waste and/or abuse within a parish church or diocesan entity is encouraged to report it to the next level of supervisory authority (i.e., involving a volunteer to the ministry coordinator; involving a staff/employee to the Pastor; involving an ordained member of the diocesan clergy to the diocese's General Counsel or the Bishop).

A whistleblower reporting suspected fraud, waste, abuse and/or financial misconduct or mismanagement will be protected in accord with existing diocesan, state and federal laws from retaliation, harassment, etc.

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## GLOSSARY OF TERMS

**Individual:** The term used to denote “clergy members, staff employees, and parish-level volunteers”.

**Purchase Order:** An official document that authorizes a purchase transaction; generally completed by the purchaser and approved by the Pastor.

**Reimbursement:** The process or action of repaying a person, who has spent or lost money, purchasing something of value in direct connection to a parish ministry that they are associated.

**Written documentation:** Refers any paperwork that can be submitted with a reimbursement request or Purchase Order that substantiates a purchase of something. This paperwork can be: receipts, invoices, bills, etc.

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## LIST OF ATTACHMENTS

1. Policy & Procedures Acknowledgment form
2. Privately Owned Vehicle (POV) Monthly Mileage/Toll log
3. St. Michael Church Purchase Order (PO)

**ATTACHMENT 1**

St. Michael Church  
Reimbursement Policy Acknowledgement Form

**Clergy / Staff / Volunteer Acknowledgment**

I acknowledge that I have received a copy of the St. Michael Church’s Reimbursement policy. I understand that it provides guidelines and summary information about the church’s reimbursement policy, procedures and rules of conduct.

I also understand that it is my responsibility to maintain accurate records and to forward all supporting expense reports with supporting documentation on a monthly basis.

If applicable to my position as a member of the St. Michael Church, I acknowledge that I have been, or will or may be, issued a corporate credit card in my name in association with the church, and that I am solely responsible for the proper use and security of the credit card, and I will immediately report to the St. Michael Church Business Manager and/or Pastor or Parochial Administrator, any loss or theft of the card or the assigned account number.

\_\_\_\_\_  
Printed Name of Clergy / Staff Employee / Volunteer (Circle which title applies)

\_\_\_\_\_  
Signature of Clergy / Staff Employee / Volunteer (Circle which title applies)

\_\_\_\_\_  
Authorized Church Representative Signature

\_\_\_\_\_  
Date

**ATTACHMENT 2**

**St. Michael Church  
Privately Owned Vehicle (POV) Monthly Mileage/Toll Log**

St Michael Catholic Church  
Monthly Mileage Sheet

For the month of \_\_\_\_\_ 20\_\_\_\_  
Department \_\_\_\_\_ Account 6030

Date	Start	Stop	Miles	Destination	Toll/ Parking

Total Toll/Parking \$ \_\_\_\_\_  
Total Miles \_\_\_\_\_ x \$ \_\_\_\_\_ per mile \$ \_\_\_\_\_  
Total Reimbursement \$ \_\_\_\_\_

*I certify that this record of mileage represents actual miles driven in my car while performing duties as an employee of Ave Maria Catholic Church.*

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_  
Supervisor Signature \_\_\_\_\_ Date \_\_\_\_\_

Our Lady of the Pines Catholic Church  
Monthly Mileage Sheet

For the month of \_\_\_\_\_ 20\_\_\_\_  
Department \_\_\_\_\_ Account 6030

Date	Start	Stop	Miles	Destination	Toll/ Parking

Total Toll/Parking \$ \_\_\_\_\_  
Total Miles \_\_\_\_\_ x \$ \_\_\_\_\_ per mile \$ \_\_\_\_\_  
Total Reimbursement \$ \_\_\_\_\_

*I certify that this record of mileage represents actual miles driven in my car while performing duties as an employee of Ave Maria Catholic Church.*

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_  
Supervisor Signature \_\_\_\_\_ Date \_\_\_\_\_

**ATTACHMENT 3**

St. Michael Church  
Purchase Order (PO)

**P U R C H A S E   O R D E R**

Purchase Order # 1965AA

⊗ St. Michael Catholic Church  
P.O. Box 199  
Calhan, CO 80808  
(574 Eighth Street, Calhan, CO 80808)  
(303) 646-4964  
Tax Exempt #84-0499858

<b>VENDOR</b> (If this is a new vendor or individual, please include complete mailing address)  <b>and</b> <b>EXPLANATION OF</b> <b>PURCHASE</b>	Qty.	Unit Cost	Acct	Sub Account #	Date Needed	Date Ordered	Cost of Purchase
							\$
							\$

_____ Purchaser	_____ Pastor or Parochial Administrator
_____ Date	Retain: File copy

