

II. BUDGET AND MANAGEMENT

Effective Date: April 21, 2008

D. TRAVEL POLICIES AND PROCEDURES

The governing board should formulate and adopt a travel policy applicable to all employees and board members of the non-profit entity. The purpose of a travel policy is to establish procedures and controls which are necessary to ensure that public funds are only expended for travel which benefits a public purpose. The policy should emphasize that an employee or board member traveling on official business is expected to exercise the same care when incurring travel expenses as would be the case with a prudent person traveling on personal business and expending personal funds.

The policy should specify the types of travel expenses eligible for reimbursement, rates of reimbursement, persons/positions responsible for approval of travel and related reimbursements, and the procedures to be followed by employees when submitting requests for reimbursement. Persons on travel status should be encouraged to travel together, whenever possible, to maximize the benefits to be derived from the expenditure of public funds. Also, employees should be personally responsible for unauthorized costs and for any expenses incurred for personal preference or convenience.

There are several methods, such as advances, credit cards, allowances, and "after - the-fact" reimbursement, which can be used by a non-profit entity to pay for travel expenses; however, reimbursement after the employee or board member has paid for the actual expenses is the preferred reimbursement method from an accountability standpoint.

Reimbursement rates for lodging and subsistence should be set at a level which allows the individual to be reimbursed for reasonable costs incurred in the course of official travel. While General Statute 138-6 sets the maximum lodging and subsistence reimbursement rates for state employees, non-profit boards should adopt their own desired rates of reimbursement. In lieu of the board establishing travel rates and policies, State rates and policies will apply in determining reimbursable costs. Board established rates which are within the State guidelines will be considered to be reasonable and no further justification of the rates will be required.

Travel costs for transportation incurred while conducting official business, and for which a travel request was approved, should be reimbursed provided they are, supported by receipts and other documentation and the actual cost does not materially exceed the estimated cost. The most economical mode of transportation should be determined by the approving authority taking into consideration costs of transportation, time factor, and subsistence expenses. In addition, a per mile rate of reimbursement should be established for the use of personal automobiles for official business. The rate should not be in excess of the state's current reimbursement.

The adopted policy should state that any officer or employee who submits a written reimbursement claim that he/she knows to be false or approves a reimbursement request which he/she knows to be false will be subject to disciplinary action, including possible termination of employment and/or criminal proceedings.

To ensure that public funds are expended prudently and that the entity receives the maximum possible benefit for public funds expended for travel, authority for approval of travel requests by employees should be placed at a level of management that can evaluate the need for the requested travel and estimate the expected costs compared to the benefit of the requested travel. This will normally be an employee who has supervisory responsibility for the requesting party and budgetary control over the area in which the requesting party works. An employee given the authority to approve travel requests of other employees should not have authority to approve his/her own travel request. The chief executive officer of the entity and/or a member of the governing board should approve these travel requests. Authority for approval of travel requests of the chief executive director of the entity should be assigned to a member of the governing board who can evaluate the need for requested travel and the expected costs and benefits.

After the request for reimbursement has been approved for payment by the designated person, the request should be submitted to the accounting office. The finance officer/treasurer should determine that the reimbursement form has been properly approved, is mathematically correct, and that requested reimbursements agree to submitted receipts and are within the limits set by the travel policy. If an error in the reimbursement request is found, the requesting party should be informed so the error can be corrected. Before reimbursement is made, it should be determined that an amount sufficient to pay the request has been encumbered for payment or that there is a sufficient unexpended appropriation in the expenditure item.