



EXPENSE REIMBURSEMENT AND FINANCIAL PROCEDURE POLICY

MADTA Policy # 13

Effective Date: December 17, 2013

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Purpose

The purpose of the Expense Reimbursement Policy is to protect MADTA's nonprofit status by providing operating procedures for reimbursement of valid, MADTA business expenses. This policy addresses advance payment requests, reimbursement payment requests, and travel payment requests. All MADTA expenses will follow these procedures. This policy does not replace any applicable state or federal laws governing nonprofit organizations.

Definitions

1. Expense

Any payable item directly related to and caused by operational activities of MADTA. Expenses must be directly or indirectly related to the mission of MADTA.

2. Member

Only active members acting on behalf of MADTA and executing MADTA business may submit payment requests.

REQUEST TYPES:

- a. **Advance Payment Request (Check Request) Form** is submitted when the MADTA expense, vendor and amount are sufficiently known in advance to secure an advance payment via a MADTA check.
- b. **Expense Reimbursement Request** is submitted after a pre-approved MADTA expense has been paid by a member. The member has the option to donate the expense amount; however, a reimbursement request should be submitted regardless. All expense reimbursement requests **MUST** have a dated original receipt attached. Expenses are paid directly to the member; no third-party payments will be made.
- c. **Travel Reimbursement Request** is submitted for pre-approved travel for MADTA. Mileage is paid at the current IRS rate for charity miles (currently \$0.14 per mile). *Please consult your Tax Professional regarding applicable laws concerning charity travel miles.*
- d. **Credit Card Procedures:** to use the credit card a request for advanced payment form must be signed and approved prior to giving credit card information to complete the payment. A description of the charge amount and reason for payment must be included (i.e. AKC FCAT recording fees, \$440.00). Each month the credit card statement will be reconciled to each

expense sheet submitted. There must not be any charge on any statement that does not have a receipt or request for payment attached. The credit card payment will be made upon receipt of the monthly bill. On-line purchases will be placed by authorized user of the credit card. Authorized users of the credit card are the President and Treasurer exclusively.

- e. **CHECK WRITING PROCEDURES:** every check written must have a request form that has been signed and approved (see authorization below). The request form must have complete information, receipts must be dated correctly and have a receipt for each entry on the form and the entries must total the amount requested. Improper documentation will be returned. Checks and approval forms must be filed by month, in check order in the Manila Banking envelope currently used. All banking records will be maintained in the MADTA office. Once approved for payment the check request will be forwarded to the Treasurer to issue a check.

- f. **DEPOSIT PROCEDURES:** All deposits will be entered on the Deposit Worksheet (see attached worksheet). All deposits will be deposited in the MADTA bank account. The Deposit Worksheet will be forwarded to the MADTA Treasurer at the end of the month to complete ledger entries. This worksheet will be filed in the Banking Envelope. Deposit will be made by a designated person other than the treasurer.

Authorization

All MADTA related expenses must be authorized by the annual budget or the Board of Directors. Only the President, Vice President or Secretary may authorize payments. The Treasurer may not authorize payment

Timing

Expenses must be turned in to the Treasurer for reimbursement no later than 30 days after the expenditure date. All December expenses are due by January 15 of the succeeding year. This will allow ample time to close the books, prepare financials, and prepare for annual reporting and audits. Expenses submitted after this date will NOT be reimbursed. Expense reimbursements will typically be paid within two weeks of receipt. Emailed forms are acceptable with a hard copy to follow.