

## **Expense Reimbursement Policy**

The Board of Trustees of the A.D. Henderson Foundation, Inc. (the “Foundation”), has determined that trustees, emeritus trustees, members, fellows, officers, and employees of the Foundation are to be reimbursed for business expenses incurred on behalf of the Foundation (hereinafter referred to as “authorized business expenses”) in accordance with the following criteria:

1. **Business Purpose**

Authorized business expenses covered by this plan must meet the requirements for deductibility as business expenses under Federal tax law. Such expenses must have been incurred by a trustee, emeritus trustee, member, officer or employee in connection with the performance of services by such person on behalf of the Foundation.

This plan does not apply to expenses paid directly by the Foundation by way of Foundation check or credit card. In those instances, the person preparing the check or using the Foundation credit card shall be responsible for recording the details as to the date, place, type of expenditure, amount, Foundation-related purpose for the expenditure, and appropriate budget category for the specific expenditure. This plan also does not apply to expenses of professional firms that bill the Foundation for their services and expenses.

Examples of common reimbursable expenses are:

- Automobile expenses on mileage basis for Foundation activities.  
Note: Mileage reimbursement is based on the IRS Standard Mileage Rate: Employees are reimbursed at the business rate allowed by the IRS; Trustees, Emeritus Trustees, and Fellows are reimbursed at the rate in service of charitable organizations allowed by the IRS. All Officers of the Foundation are considered employees, and therefore reimbursed at the business rate.
- Foundation board, member or board committee meeting expenses, including airplane fares, taxi, car rental, meals and hotel costs.
- Parking fees and tolls incurred in the course of Foundation activities.
- Continuing education within approved budget limits (tuition, room, board, and travel).
- Professional books, journals, magazines, and newspapers within approved budget limits.

- Dues to Foundation-related organizations within approved budget limits.
- Meals and entertainment of out-of-town speakers who address Foundation meetings.
- Meals and entertainment of prospective or approved grantee representatives when Foundation business is discussed.

Expenses for personal items (such as clothing, jewelry or club dues) or for personal recreational activities (such as performances or events not relevant to the Foundation's activities or travel outside of the United States not approved in advance as a Foundation activity) will not be reimbursed. In addition, lavish or extravagant expenditures (under Federal tax law standards) will not be reimbursed, nor will cash gifts to employees. Non-cash gifts to employees costing less than \$75 will be reimbursed, so long as the documentation requirements are satisfied. Foundation credit cards are to be used for Foundation authorized business expenses only in accordance with paragraph (1) above. If a personal expense is erroneously charged on a Foundation credit card, that expense must be reimbursed to the Operations Manager, or in her case, to the Treasurer, before the credit card bill is paid.

2. **Adequate Substantiation**

Any person requesting reimbursement for authorized business expenses hereunder must furnish to Operations Manager or, in her case, to the Treasurer, adequate substantiation of expenses to be reimbursed. Any Foundation authorized business expense exceeding \$25.00 must be substantiated with a receipt, including expenses charged to a Foundation credit card. Adequate substantiation shall be accomplished by the timely submission to the appropriate person of an expense reimbursement report properly completed in accordance with the substantiation requirements of Federal tax law, together with any relevant documentary evidence required under the substantiation requirement of Federal tax law. Such documentary evidence shall indicate the amount, description indicating the particular nature of the expense, time, place and business purpose or use of any authorized business expenses and any other necessary, related information, such as mileage in the case of personal automobile mileage reimbursement.

3. **Request for Reimbursement**

Any request for reimbursement for any authorized business expense hereunder must be submitted by any person within sixty (60) days after the incurrence of such expense by such person, absent an unusual circumstance such as illness or prolonged travel. Any request for

reimbursement must be submitted via a properly completed and substantiated Foundation expense reimbursement report and related documentary evidence in accordance with the provisions of paragraph (2) above.

4. **Return of Excess Amounts**

Any person receiving payment from the Foundation for an authorized business expense incurred by such person on behalf of the Foundation must return to the Operations Manager, or in her case, to the Treasurer, within sixty (60) days after the incurrence of any such expense, any amount of such payment that exceeds the amount the person has properly substantiated relating to such expense.

5. **Reimbursement of Transportation (Automobile) Expense**

Authorized transportation (automobile) expenses hereunder shall be reimbursed to an employee at the rate per mile established from time to time by the Internal Revenue Service for properly substantiated mileage with an authorized Foundation-related business purpose.

6. **Reimbursement of All Other Expenses**

All other authorized business expenses hereunder shall be reimbursed in an amount equal to the actual cost thereof incurred by an employee.

7. **Advances**

In limited circumstances, advances of authorized business expenses to be incurred by an employee on behalf of the Foundation may be granted by and at the discretion of the President or the Treasurer. The amount of money advanced by the Foundation to an employee must be reasonably calculated not to exceed the amount of anticipated expenditures and made on a day within thirty (30) days of the day that the anticipated expenditures are to be paid or incurred. The employee receiving such advance must substantiate any related expense to the Foundation within thirty (30) days after incurring any such expense and return to the Foundation within thirty (30) days any advanced amount that exceeds the amount the employee properly substantiated relating to such expense.

8. **Additional Rules**

Any reimbursement for expenses hereunder shall be payable by check if made to a person who is a trustee, emeritus trustee, member or officer and not an employee. Any reimbursement for expenses hereunder shall be payable to an employee by the Foundation either (1) with a check separate and apart from the employee's regular paycheck, or (2) by a separate amount disclosed on the employee's regular paycheck. This plan shall be maintained on a calendar year (*i.e.*, January 1 through December 31) basis and the method of reimbursement enumerated

hereunder may not be changed by action of either the Foundation or the employee at any time during a calendar year (*i.e.*, once the method of reimbursement is used, it must be consistently followed for the rest of the calendar year). This plan shall not be deemed to constitute a contract between the Foundation and any person or give any person the right to be retained in the service of the Foundation as an employee or otherwise or to be a consideration or an inducement for the employment of any employee.

**9. Consequences of Failure**

Consequences of failure by a person to comply with any provision or provisions contained in paragraphs 1 through 8 above may, at the discretion of the Treasurer, render the expenses related to such failure non-reimbursable.

Adopted by the Board of Trustees of the Foundation on October 28, 2009.

Revised by the Audit and Finance Committee of the Board of Trustees on January 16, 2015.

Revised by the Board of Trustees of the Foundation on May 7, 2015.

*Karen M. Pfeiffer*

*May 7, 2015*

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Signature of Secretary

Date

**REVISION HISTORY:**

<b>Revision</b>	<b>Discussion</b>	<b>Meeting Type</b>	<b>Date</b>
4	Change officers to employees for mileage reimbursement and include Emeritus Trustees	Board of Trustees	05-07-15
3	Change mileage rate reimbursed to trustees	Audit & Finance Comm.	01-16-15
2	Changes Made to Include Members	Annual Mtg. of Trustees	10/2009
1	Issues & Answers – Creation of Acct. Expense Reim. Plan	Board of Trustees	05/2008