Reimbursement of expenses

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***"People are reimbursed fairly and promptly for approved expenses."***

Intent

On occasion, kaimahi/volunteers may have to meet work-related costs out of their own pockets. They may claim reimbursement for reasonable and authorised expenses. In exceptional circumstances, we reimburse for unauthorised but reasonable costs.

This policy applies to work-related expenses including travel-related expenses such as accommodation and use of a private vehicle. It applies to any claim for reimbursement unless the type of claim is dealt with in an employment agreement.

Definitions

"Allowance" includes a fixed amount paid for a particular period and time; an amount paid regularly for business use of a privately owned asset or tool e.g. vehicle, telephone.

"Cap" refers to a limit on expenses that can be claimed (eg monthly cap on amount of mileage)

"Corroborated" means evidence of the expense (eg tax invoice, receipt). If a tax invoice is not supplied, corroboration may be provided for example by:

* the kaimahi writing up the expenditure and getting it co-signed by a colleague who knows about the expenditure
* a statutory declaration about the expense and reasons for it
* if it was impossible to obtain receipts, especially for small amounts of expenditure, this should be stated with a brief description given.

Credit card slips and other receipts that do not give details of purchases are not accepted as corroboration.

"Expense" includes travel-related and accommodation costs.

"Sensitive expenses" include but are not limited to expenses for:

* entertainment or other provision of hospitality
* catering
* payment for spouses or partners.

Responsibililities

**Management** will ensure:

* this policy and the process for claiming expenses is communicated to all staff and volunteers
* operational systems enable prompt and accurate reimbursement for expenses
* that kaimahi are properly delegated and understand the limits of their authority to approve expenses
* there is sufficient distance and independence between the approver and the person claiming reimbursement
* their own claims for reimbursement and travel are properly authorised (ie by board)
* any breaches of this policy are dealt with appropriately.

Kaimahi and volunteers must comply with this policy when applying for reimbursement of expenses.

Requirements

**Criteria for reimbursement**

An expense can be reimbursed if:

* it is incurred on the organisation's behalf and is consistent with our [financial management principles](https://docs.thepolicyplace.co.nz/view-policy?core_policy_id=198)
* it was pre-approved unless exceptional circumstances apply
* it was reasonable and corroborated (ie evidenced)
* a bank account is provided with the claim for reimbursement if the claim requires more than petty cash and account details are not already held
* for meeting or parking expenses, how and why the expense was incurred is explained (eg the name of guests or staff hosted at a hui; why parking was required)
* for a sensitive expense item, it:
  + fits with organisational goals
  + can be confidently justified
  + is internally and/or externally defensible.

**Preferred suppliers**

Preferred suppliers will be used when purchasing items and for travel and accommodation bookings.

**Advance payments**

At times, advance payments may be authorised. These will be subtracted from the amount of any later reimbursement. The advance money must be returned if the expenditure for which it was given is not incurred.

**Travel and vehicle reimbursement**

Kaimahi may claim reimbursement for travel-related costs (eg bus, train, private vehicle taxi, uber) if:

* the travel complies with criteria for reimbursement
* the claim is for the most direct route travelled
* there is a record of the number of kilometres travelled, date and purpose of the journey (eg in vehicle log)
* parking and associated expenditure are corroborated.

Private vehicle mileage is paid at the current IRD rate per kilometre subject to any cap (eg for long distance) unless another rate has been prescribed by the organisation.

**Accommodation and meal expenses**

It may be agreed that expenses while working away from home are paid by allowance.

Alternatively, reimbursement may be for actual and reasonable accommodation and meal expenses. What is “reasonable” will depend on the circumstances (e.g location, availability of other accommodation, particular needs of the person). It does not include alcohol or items of a personal or luxury nature (e.g mini bar use, entertainment costs) unless related to organisational purposes (eg hosting an event).

[Koha](https://docs.thepolicyplace.co.nz/view-policy?core_policy_id=11) may be given for private accommodation (eg staying with friends, whānau). It may be a reasonable contribution towards costs of kai and living for the period of the stay.

**Certain expenses will not be reimbursed**

* expenses claimed as a tax deduction
* expenses normally paid by the employee
* expenses recoverable from a third party
* purchases we would ordinarily pay for through a purchase order or account with another supplier when this was known or should have been reasonably known to the claimant
* expenses unrelated to work
* late payment interest on credit cards
* parking or traffic fines and penalties
* unauthorised expenses, except as below
* expenses covered by an allowance.

**When no prior authorisation**

We reimburse for expenses that were not pre-approved only if:

* the level of expense claimed is reasonable in the circumstances
* there are exceptional circumstances warranting reimbursement (e.g there was no-one available to authorise and payment was urgently required)
* corroboration is provided
* a bank account is provided with the claim (if not already held) where the claim requires more than petty cash.

Compliance

Social Sector Accreditation Standards - Level 2, 3, 4, Financial management and systems 2.0

Helpful links

[Koha and donations](https://docs.thepolicyplace.co.nz/view-policy?core_policy_id=104)

[Financial management principles](https://docs.thepolicyplace.co.nz/view-policy?core_policy_id=198)

Review

Date: January 2022

Next review: by December 2023