

## EXPENSE REIMBURSEMENT PROCEDURES

### I. INTRODUCTION.

This document presents some of the general concepts and procedures that shall guide Metro 4/SESARM's business expense reimbursement processes. Staff, and member agencies of Metro 4 and SESARM and their agency staff intending to utilize Metro 4/SESARM's business expense reimbursement services, are expected to follow the Metro 4/SESARM Expense Reimbursement Policies and Procedures when incurring expenses and requesting reimbursement from Metro 4/SESARM.

#### A. Definitions.

1. "Approvable expenses" are expenses that are incurred by Metro 4/SESARM or participating member agency staff and that are deemed necessary and approvable, consistent with the mission of Metro 4/SESARM or the relevant participating member agency. Approvable expenses shall include those necessary to gain new knowledge and expertise, interact with various individuals, organizations, and agencies, share knowledge and expertise, represent the local and/or state air pollution control agencies, and/or conduct other necessary business required by the employer.
2. A "participating member agency" is any member agency of Metro 4 or SESARM that has designated funds to be held back from the EPA regional grant allocation, deducted from an individual agency's grant award for the year, and awarded instead to Metro 4/SESARM for use in non-matched form to support the agency's work.
3. "Reimbursable business expenses" are essentially any business-related expense incurred on behalf of an individual participating member agency or staff person of that agency, and similar expenses incurred by Metro 4/SESARM or Metro 4/SESARM staff.

#### B. The most common reimbursable expenses include:

1. Registration fees;
2. Travel expenses;
3. Event expenses; and
4. Office administration expenses.

- C. Most expenses related to gaining knowledge to function more effectively and efficiently are reimbursable, if the participating member agency requests that Metro 4/SESARM use a portion of the agency's contributed funds to reimburse the agency or one of its staff for business expenses.
- D. Participating member agencies and their staff are cautioned that:
1. The chain of command in each agency should be made aware of the arrangements being considered for Metro 4/SESARM to provide agency support services through expense reimbursements.
  2. No agency should initiate a request to Metro 4/SESARM for support that would constitute circumvention of procurement and other critical requirements of that agency.
  3. Care must be exercised in requesting that Metro 4/SESARM bear the cost of reimbursement of any expense for which the agency's subaccount does not contain adequate funds to cover the desired reimbursement. The only exception to the inadequate funds provision would be where additional funding is pending in the short-term and there are funds in other categories available to "float a short-term loan" to the agency with inadequate funding. Such an arrangement is relatively simple to do, with the agency carrying a small negative balance until the new grant award with new funds for that agency is received. At that time, Metro 4/SESARM will deduct from the available balance of agency support funds for that participating member agency the amount that is in arrears. *(Example: If Metro 4/SESARM overspent available funds in a specific agency subcategory by \$1,000 and the next grant award contained agency support funds of \$5,000, the net new balance for that agency would be adjusted to \$4,000.)*
  4. Metro 4 and/or SESARM are fully responsible under federal regulations to manage and administer the distribution of grant funds. Even though a participating agency will have contributed funding to Metro 4 and/or SESARM through the regional holdback process for State and Tribal Assistance Grant (STAG) funding, and even though Metro 4 and/or SESARM will exercise due care in retaining and using an agency's contribution to the benefit of that agency, the Metro 4/SESARM staff is legally responsible for management of the grant and must have final decision making responsibility for all financial matters including agency support funding, in consultation with the Metro 4 and/or SESARM Boards of Directors, as appropriate.

## **II. BUSINESS EXPENSE REIMBURSEMENTS.**

### **A. Registration Fees.**

1. Staff registration fees are frequently incurred by Metro 4/SESARM staff and participating member agency staff to attend such events as AAPCA, AWMA, and NACAA regional and national meetings. These may be recurring or unique and may be of a general nature or regarding special topics.

### **2. Registration Fee Payments.**

#### **a. Advance Payment of Registration Fees.**

Metro 4/SESARM will pay the hosting organization in advance for its staff and participating member agency staff when documentation has been provided, the hosting organization has been advised that Metro 4/SESARM will be paying the registration fees, and the participating agency has requested that Metro 4/SESARM pay the fees.

#### **b. Reimbursement of Registration Fees.**

Metro 4/SESARM will reimburse registration fee expenses upon provision of properly authorized reimbursement requests including documentation of registration for the event and, where available, a copy of the invoice for the registration fee.

### **B. Travel Expenses.**

1. Travel expenses are the most common reimbursed expenses by Metro 4/SESARM and constitute the bulk of expense reimbursement paid each fiscal year. Please refer to the Metro 4/SESARM Travel Procedures for extensive information on this category of reimbursable expenses.

### **2. Advance Payment of Travel Expenses.**

a. Advance payment of travel expenses is not a common practice and is not recommended for the future due to the various complications that can occur between travel planning and an actual trip date. Events may be cancelled, or personal or professional conflicts may arise, rendering an individual unable to attend the event.

b. If deemed necessary, and only due to special circumstances, administrative staff and member agency staff may be provided advance payment of anticipated expenses, subject to final accounting after all expenses have been incurred, and reimbursement of excess advance payments when applicable.

### 3. Reimbursement of Travel Expenses.

#### a. Travel Reimbursements to Participating Agencies.

- i. In some cases, a participating member agency may reimburse all or a portion of a staff person's travel expenses and then request reimbursement to the agency by Metro 4 or SESARM, as applicable. Kentucky, for instance, has an agency American Express card that is used for arranging air travel. As an example, about once each calendar quarter, Kentucky sends receipts of payment and itineraries and requests that SESARM reimburse the agency.
- ii. An occasional local or state agency may pay the entire trip cost for a staff person to attend an event and then request that Metro 4 or SESARM, as applicable, reimburse the agency.
- iii. In participating member agency reimbursement cases, an agency-specific budget code is usually provided to link the reimbursement payment to the air agency account so that the payment, when deposited, will credit back to the air program.

#### b. Payments to Staff of Participating Agencies.

- i. In most cases, participating member agency expense reimbursements are paid directly to member agency staff and mailed, either to the individual's home or to the agency address, as directed by the member agency.
- ii. In the future, electronic payments may be made by Metro 4/SESARM, though such arrangements had not been completed at this writing.

#### C. Event Expenses.

1. Event expenses may include but are not limited to customary meeting, workshop, conference, or training course support costs, miscellaneous incidental event costs, or both.
2. Event expense categories may include but are not limited to meeting space, audio-visual equipment rental and support, information technology access and support, snacks and refreshments, unplanned, on-site copying of handouts, and other miscellaneous event expenses.
3. Timing of required payments will vary based on the policies of the service provider.
4. At this time, event payments and reimbursements are made by SESARM.

5. In the past, when both Metro 4 and SESARM were grant recipients, costs of events were split, 31:69 Metro 4/SESARM for Air Director Meetings and by percentage calculations based on local vs state agency staff attending training courses.

6. Metro 4/SESARM Event Costs.

a. Primary Event Costs Paid by Metro 4/SESARM.

Most costs of Metro 4/SESARM events will be paid by Metro 4/SESARM in some combination of upfront deposits (occasional), upfront full estimated payments (rare), and/or payments at the conclusion of an event (usual).

b. Primary Event Costs Paid by Metro 4/SESARM Staff.

i. While Metro 4/SESARM-sponsored event costs are usually covered through vendor billing and Metro 4/SESARM payments, there are occasions where an event vendor will not process a credit application or there will not be time to process one. In such cases, a Metro 4/SESARM person may need to pay for any combination of meeting space, information technology, audio-visual, and snack/refreshment costs using a personal credit card. These occurrences are rare but not unheard of.

ii. If direct payment by Metro 4/SESARM cannot be arranged, the Metro 4/SESARM staff person may need to provide personal credit card information to the vendor(s) for event cost payments. In some cases, prepayment of all or part of the event costs may be required before the event begins. In most cases, the vendor(s) will charge the credit card after completion of the event.

iii. When event cost prepayment has been required, been made, and the event has concluded, there should always be a cost true-up period during which it will be determined whether any event costs were not covered by the prepayment and another payment is due, or whether there was an overpayment and a refund is due.

iv. At the conclusion of all transactions covering the charges for a Metro 4/SESARM event, the Metro 4/SESARM staff person should collect and assemble all event expense receipts and create a summary table of total event costs. A reimbursement request would then be submitted to the Executive Director if the costs were incurred by Metro 4/SESARM staff reporting to the Executive Director, or to the Metro 4 and SESARM Secretary/Treasurers, if the costs were incurred by the Executive Director. The reimbursement request may be submitted to the approving individual(s) at any time, or it may be combined in a larger reimbursement request at the

end of the month, at the discretion of the staff person who incurred the expense. If the event expense reimbursement amount is large, the reimbursement request should be a fully-separate request so that it can be more easily identified in future searches for payment documentation.

c. Metro 4/SESARM Event Miscellaneous and Incidental Event Costs.

- i. Even when Metro 4/SESARM is directly paying the primary costs of a Metro 4/SESARM-sponsored event, there may arise some situations where attending Metro 4/SESARM staff may encounter a need to provide additional support to the event, such as producing copies of handouts that were not prepared before the event began.
- ii. In such cases, with any preapproval required by the Executive Director or the Secretary/Treasurers of Metro 4/SESARM, the staff person may proceed to incur the costs.
- iii. The costs should be included in the next business expense reimbursement request filed by the individual, provided that all necessary documentation is in-hand.

7. Participating Member Agency Event Costs.

- a. Participating member agency events may include agency-wide staff meetings, branch meetings, field staff meetings, technical workshops such as inspection, monitoring, and permit workshops, training courses, and other such events where administrative and technical knowledge is dispensed and gained by attendees.
- b. Expenses for such events may include any or all of the categories noted in Section II. C. 2. above. Event expenses may also include full meal expenses when all-inclusive arrangements have been made by an agency with a venue or when specific meals have been designated as critical and such all-inclusive or specific meals have been pre-approved by the EPA Region 4 grants staff. This is an important grant condition that must be met at all times.

D. Office Administration Expenses.

1. Since Metro 4/SESARM does not have a historical practice of approving the use of company credit and debit cards by staff, there will be recurring and unique expenses during every fiscal year that require payment by staff and subsequent reimbursement.
2. Office administration expenses may include but are not limited to general and supplies, non-capital equipment such as computers and printers, office automation

subscriptions such as QuickBooks and Microsoft Business 365, filing charges for corporate annual reports and amended articles of incorporation, and various other expenses required to ensure adequate, typical office functionalities.

3. These costs and associated documentation should be included, as they are incurred, in the next monthly expense reimbursement request for the Metro 4/SESARM staff person who incurred the costs.

### **III. MISCELLANEOUS EXPENSE REIMBURSEMENT PROVISIONS.**

#### **A. Business Purposes.**

All expenses submitted for reimbursement shall have a business purpose; that is, a Metro 4/SESARM staff person or participating member agency employee must have paid or incurred reimbursable expenses while performing assigned work tasks, receiving training, otherwise gaining knowledge and/or expertise, or providing knowledge, expertise, and/or public information as an employee of Metro 4/SESARM or a participating member agency.

#### **B. Prohibited Business Expense Reimbursements.**

1. If any business expense is included in hotel lodging charges, event registration fees, Metro 4/SESARM event support payments, or in other payments or reimbursements by Metro 4/SESARM or by a participating member agency to a respective agency staff person, Metro 4/SESARM shall not provide a reimbursement of such expense.
2. Metro 4/SESARM and participating member agency staff shall not request reimbursement for any meal for which they did not bear an out-of-pocket cost.
3. Metro 4/SESARM and participating member agency staff shall disclose to Metro 4/SESARM by notation in the expense reimbursement package any situation not likely known to Metro 4/SESARM where a cost that otherwise would be reimbursable has been covered by other means or was not incurred.

#### **C. Documentation.**

1. All requests for reimbursement shall be accompanied by adequate documentation and receipts as follows:
  - a. The purpose of the expense, if not immediately evident;
  - b. Receipts for all expenses, if available, but in all cases receipts for single item purchases or multiple items in one purchase equaling or exceeding \$25.00;
  - c. Vendor or service provider name;

- d. Date of expense;
  - e. For events, a copy of the agenda, unless a Metro 4/SESARM-sponsored event; and
  - f. Other purchase information critical to the approvability of the expense reimbursement request.
2. If a required receipt is not made available by the vendor or is lost by the individual, the individual shall prepare a memo or letter to the supervisor and expense authority advising of the situation, describing the costs and amounts, certifying that the expenses were incurred, and initialing or signing and dating the document.
- D. Forms.
1. All expense reimbursement requests shall include a cover memo or e-mail transmittal message, and/or an adequate tabular summary of information regarding the expenses that are the subject of the reimbursement request, as required in Section III. C. above.
  2. Tabular summaries may utilize a form provided by Metro 4/SESARM, a form authorized by the participating member agency, or a form specifically necessitated by the nature of an expense or series of related expenses;
  3. Forms shall include a section for the signature and date of the requesting individual, and the signature and date of the approving individual.
- E. Approval.
1. The approving individual shall be the Metro 4/SESARM Executive Director for requests from Metro 4/SESARM staff, or the Metro 4 or SESARM Secretary/Treasurer, where necessitated by the absence of the Executive Director.
  2. The approving individual shall be the appropriate participating member agency authority for requests from a participating member agency staff person.
- F. Timing of Requests for Reimbursement.
1. All requests for reimbursement shall be submitted Metro 4/SESARM in a timely fashion, generally within 60 days of incurring the expenses. For a series of expenses associated with one trip or event, Day 1 of the 60-day period shall be the first day after conclusion of the trip or event.
  2. Individuals intending to request reimbursement shall be aware of end-of-fiscal-year deadlines for payment of all fiscal year expenses, as established by Metro 4/SESARM



in late-year communications and shall submit final fiscal year reimbursement requests accordingly.

G. Accuracy.

The combination of employee creation of a request and review by the approving individual shall ensure accuracy including use of correct, current reimbursement rates of Metro 4/SESARM or the participating member agency.

H. Participating Member Agency Reimbursement Rates.

A participating member agency may choose to request that Metro 4/SESARM reimbursements to the agency and/or staff be conducted according to the business reimbursement policies and procedures of the respective agency in lieu of the Metro 4/SESARM policies and procedures. In such case, said participating member agency policies and procedures shall be provided to Metro 4/SESARM.

I. Appropriateness of Expense Reimbursement Requests.

1. No Metro 4/SESARM employee or participating member agency staff person shall request reimbursement for expenses that are not allowed by law or regulation of applicable jurisdictions.
2. No participating member agency or participating member agency staff shall request that Metro 4/SESARM reimburse a business expense that is inconsistent with these Procedures and/or the associated Policies, that would not be approved by the participating member agency, and/or that does not meet federal grant cost principles of being necessary, reasonable, allowable, and allocable as described in 2 CFR 200.
3. No Metro 4/SESARM or participating member agency approving individual shall approve a reimbursement request that is not allowed by law or regulation of the applicable jurisdiction(s).
4. No participating member agency or participating member agency staff shall approve a business expense that is inconsistent with these Procedures and/or the associated Policies, that would not be approved by the participating member agency, and/or that does not meet federal grant cost principles.

J. Prior Approval.

Neither Metro 4/SESARM staff nor participating member agency staff shall make nonrefundable arrangements for any expenses without having confirmed the approvability of such expenses through consultation with the employer's Policies and

Procedures and/or applicable chain-of-command. Failure to comply with this requirement may subject the individual incurring the cost to have to assume said cost.

K. Conservative Spending of Grant Funds.

All business expenses, for which there is an intent for Metro 4/SESARM funding to reimburse the costs, shall be incurred only after consideration of the necessity for the expense. A conservative approach should be used in the process of planning to incur expenses whether to serve Metro 4/SESARM administrative operations, to support a meeting, workshop, or training course, or to pay registration fees and travel expenses for Metro 4/SESARM and participating member agency staff to travel to, and attend, various events. Achieving the lowest possible cost should always be the goal, with consideration of extenuation and special circumstances that may affect the ability to achieve the lowest pure cost. For instance, the lowest cost of ground transportation may not be achievable if a larger, SUV-type vehicle is needed to transport monitoring equipment to a service center for repair or calibration. Cheaper cost options must also be balanced against staff time out of the office with the participating member agency opinion carrying priority weight in arriving at a final decision on the best option for that agency.

L. Return of Excess Reimbursements.

Metro 4/SESARM staff and participating member agency staff shall return to Metro 4/SESARM any excess reimbursement within 30 days of discovery of any excess reimbursement. Said return of funds shall be in the form of a check or electronic deposit to SESARM's current bank account.

M. Airline, Hotel Credit Card Loyalty Credits.

In return for assistance from Metro 4/SESARM staff in initially covering necessary business expense costs using personal resources including personal credit cards, Metro 4/SESARM staff may retain and use for their own purposes any such loyalty credits. This shall include points, miles, and/or dollars. However, the availability of such credits and other benefits shall not be a consideration in travel planning except when the most economical and feasible quotes from two vendors are comparable in cost and do not create a necessity for additional time out of the office.

**IV. CERTIFICATION AND SIGNATURE.**

This certifies that these Expense Reimbursement Procedures have been prepared for the exclusive use of Metro 4 and SESARM, that they will be made available to all Metro 4/SESARM staff and the Metro 4 and SESARM Boards of Directors, and that the requirements herein will be explained in adequate detail to ensure that all Metro 4/SESARM staff and representatives are aware of, comply with, and fully implement them.

Greg DeAngelo, Executive Director  
Metro 4/SESARM