

EXPENSE REIMBURSEMENT (EMPLOYEES)

671.2

The District authorizes the reimbursement of employees for certain work-related expenses that an employee either (1) pays for directly, or (2) incurs via the use of a personal vehicle for District business. The administration may approve reimbursement of an employee's work-related expenses if the Director of Finance and Operations, or an authorized designee, determines that the expense meets the following criteria:

1. The District has a reasonable factual basis for reimbursing the expense without the reimbursement being treated as taxable wages to the employee, including information that supports the business-related reason for the expense.
2. The expense is reasonably necessary and does not materially conflict with District policies.
3. Subject to any authorized exceptions, the employee must have obtained advance approval to incur the expense, either generally or specifically — such as by policy, by contract, or by an authorized supervisor.
 - a. An example of general approval would involve an employee's supervisor-approved attendance at a two-day professional development activity that requires an overnight stay. The approval of the employee's attendance encompasses approval of the directly-related travel expenses that otherwise qualify for reimbursement.
 - b. The Director of Finance and Operations may grant an exception to the advance-approval requirement where the employee demonstrates that there is sufficient cause for an exception and the expense otherwise clearly qualifies for reimbursement.
4. The amount of the reimbursement shall not exceed the lesser of the actual expense incurred or the maximum reimbursement amount established by the District for the expense, if any.
 - a. The maximum meal reimbursement amount is \$50 per day.
 - b. The Director of Finance and Operation may, at their discretion, determine that a request for reimbursement of an expense in an amount that was not specifically approved in advance is clearly excessive and, as a result, take appropriate action (such as denying full reimbursement).
5. The employee substantially complied with District procedures regarding expense reimbursement, as established by the administration, and with any

supervisory directives related to the expense. At a minimum, the administrative reimbursement procedures shall:

- a. Be consistent with the requirements for an accountable expense reimbursement plan under Internal Revenue Service standards, such as that the recipient of reimbursement must account for each expense within a reasonable period of time;
 - b. Address supervisory signoff/review of reimbursement requests; and
 - c. Require the employee to provide adequate substantiation of each reimbursed expense via District-approved documentation (e.g., itemized receipts).
6. If applicable, the employee followed all procedures required to obtain reimbursement of an expense under a specific state, federal, or private funding source, such as a grant.
 7. No employee may be the individual who gives final approval for reimbursement of his/her own reimbursement requests or who approves any exceptions related to his/her own reimbursement requests. Any reimbursement request made by the Director of Finance and Operations must be approved by the Superintendent.

The District may deny a request for reimbursement, in whole or in part, if an employee fails to meet any of the above-listed requirements in connection with a reimbursement request.

An employee must promptly return any excess reimbursement/payment (e.g., upon the recipient's own calculation/discovery or upon receiving notice if an error or overage is first discovered by another person). Failure to follow the District's expense reimbursement policies and procedures is also grounds for possible discipline.

Employees who request expense reimbursement and supervisors who authorize and approve reimbursable expenses are further expected to adhere to the following guidelines and parameters regarding expense reimbursement:

1. District employees are expected to be reasonably diligent in avoiding excessive costs and in utilizing reasonable, low-cost options.
2. The primary intent of the expense reimbursement process is to reimburse employees for personal, but work-related eligible expenses (such as those incurred while travelling for a business purpose). While occasional reimbursement for direct employee purchases of goods or services that are ultimately delivered to the District may be necessary in unusual or emergency circumstances, supervisors and employees shall not use the expense reimbursement process to regularly contravene or willfully avoid the

District's purchasing, procurement, and payment procedures for such goods or services.

3. When practical, employees and supervisors should attempt to arrange for direct District payment of known and predictable expenses, such as conference registration fees and reserved hotel accommodations, particularly when doing so will facilitate avoiding a charge for sales tax.
4. A supervisor may require an employee to make specific purchases, use specific vendors, or use specific methods of travel where doing so is deemed to be in the best interest of the District. For example, a supervisor may direct an employee to obtain a rental vehicle for certain work-related travel when reimbursing mileage for the business use of a personal vehicle would be comparatively cost-prohibitive, or the supervisor may arrange with the employee to cap mileage reimbursement for the trip at the cost of an available, less-expensive travel option.
5. The District does not reimburse employees for any of the following:
 - a. The cost of any alcohol purchased in connection with a reimbursable meal or work-related function.
 - b. The cost of parking violations or traffic violations/citations incurred while operating a personal vehicle for work-related business.
 - c. The cost of any personal entertainment and social events (e.g., a golf outing) that may be associated with a conference, convention, training, or similar event.
 - d. Additional costs attributable to the employee's family member(s) or other guest(s).

Legal References:

Wisconsin Statutes

[Section 118.24\(5\)](#)

[authority to reimburse certain expenses incurred by administrators related to approved professional development]

Federal Law

[IRC Section 62](#)

[definition of adjusted gross income]

[IRC Section 162](#)

[deductions for trade or business expenses, generally]

Adopted: 09/18/89
Amended: 12/05/11
01/17/22