

601 ALLOWABLE BUSINESS EXPENSES FOR DIOCESAN OFFICES

This policy defines a business expense as a necessary, reasonable, appropriate, and allowable non-compensatory expense incurred for a valid business purpose to fulfill the mission of the Church. This expense policy covers activities by all Employees of the Chancery of the Diocese of Charleston and its related entities (“Employees”) as an effort toward responsible and accountable stewardship of Diocesan assets. This policy also identifies the documentation and process required to substantiate and pay allowable business expenses.

Change or reissuance of this policy is to be made through the Office of Finance upon approval by the Vicar General. Exceptions to this policy are to be approved in writing by the Vicar General.

Secretaries are responsible for ensuring compliance with these policies within their departments and adherence to approved budgets. The Office of Finance is responsible for monitoring approvals and stewardship of resources and will conduct periodic audits of such expenditures to ensure compliance with this policy.

Business expenses should be paid directly by the purchaser either through the corporate credit card program or the check request process through Accounts Payable. In rare instances, reimbursement of expenses made by an individual with personal funds will be considered, but it should be the exception and not the norm.

Being Good Stewards

Care should be taken to consider the mission of the Chancery when budgeting for or authorizing business expenses. In order for an expense to be paid directly by the Chancery through the Accounts Payable process, through the Chancery credit card program, or reimbursed to an employee, the business expense must be:

- **Necessary** to perform a valid business purpose fulfilling the mission of the Chancery;
- **Reasonable** in that the expense is not extreme or excessive, and reflects a prudent decision to incur the expense;
- **Appropriate** in that the expense is suitable and fitting in the context of the valid business purpose; and
- **Allowable** according to the terms of any regulations, contracts, or Diocesan policy.

General Policies

All contracts that bind the Chancery and/or its related entities must be reviewed by the Vicar General’s Office. This review consists of canonical, civil/legal, financial, and risk/insurance considerations. Upon completion of the review, an Officer of the Bishop of Charleston, A Corporation Sole or its related entities will execute the contract.

Payments that are due subject to contract terms are only permitted once the contract has been fully reviewed and executed by the appropriate Officer.

Payments of budgeted expenses are appropriate, but opportunities to achieve savings should always be considered. There should not be a mentality to spend simply because there are funds budgeted.

Any spending in excess of the budget will require pre-approval by the Vicar General.

All expenses in excess of \$15,000 must have the review and sign off of the Chief Financial Officer of the Chancery or the Treasurer of the related entities.

Travel Expense

Overnight Travel

Costs incurred while travelling overnight on Diocesan business are reimbursable by the diocese provided the expense is necessary and reasonable and has been approved by the appropriate Secretary, and funds are confirmed to be available in the budget. Personal expenses while traveling (in-room movies, alcohol, side trips and other personal travel or entertainment, etc.) are not chargeable to the Chancery or related entities. If the Employee's spouse accompanies the individual, personal costs (including the spouse's meals, airfare, incremental room costs, etc.) are not chargeable to the Chancery or related entities.

As appropriate, please consider videoconferencing or web conferencing as an alternative to travel using our Microsoft Teams platform.

Travel arrangements should be completed as far in advance as possible, with prudence being exercised to obtain competitive and reasonable costs possible for airfare and room accommodations where necessary.

Employees are permitted to participate in and accrue all rewards related to travel. Enrollment for these programs is a personal expense and not reimbursable. Employees will not be reimbursed for the value of any personal points used for business travel.

Airfare

Domestic travel by plane, necessary for the performance of one's duties and assignments, should be purchased at coach fares. Seat upgrades are not billable or reimbursable. Baggage fees should be limited to one checked bag when not included with the fare class.

International flights in excess of 8 hours may be eligible for an increased fare class at the discretion of the Vicar General.

In the event that an Employee extends a business trip for personal recreation, the following should occur:

- If the cost of the 'extension' is the same or below what the cost of the business trip would have been, the Chancery or related entity will cover the entire cost.
- If the cost of the 'extension' is more than what the cost of the business trip would have been, the Chancery or related entity will cover the cost of the business trip only.
- The Employee must show via printed ticket prices what the cost of the business trip would be (in accordance with all guidelines above).

Automobile Travel

When travelling on business by automobile, a fleet car should be used, if it is available. All persons on Diocesan business should travel together where practical to keep mileage costs to a minimum.

When use of a fleet car is not practical or fleet cars are not available, reimbursement for use of an individual's personal automobile on Diocesan business will be made at the prescribed IRS mileage rate. The Office of Finance will notify all employees of changes in the approved mileage rate. Mileage reimbursement at the prescribed rate represents total remuneration available for all expenses associated with the business use of one's personal vehicle, including gasoline, insurance, routine service and repairs, etc.

Commuting mileage (mileage from home to office) is not reimbursable. Only mileage in excess of the employee's normal commute to his or her office is reimbursable. For example, when travelling from home directly to a meeting, the allowable mileage will be the lesser of:

- Mileage from home to an appointment, or
- Mileage from office to appointment.

For clarity, the home office for all Chancery employees and Catholic Community Foundation employees is the Pastoral Center at 901 Orange Grove Road. The home office for St. Clare's Home is 3035 E. Gap Creek Road. Catholic Charities employees' home office is that location assigned by the Executive Director.

Employees who typically work from a remote location will not be reimbursed for occasional travel to their assigned home offices.

Parking

The cost to park is reimbursable when incurred for business. The costs associated with

parking tickets and traffic citations is not reimbursable.

Food – Business Travel

The concept of reasonableness should apply to all food costs, and the primary beneficiary of expenditures for food and entertainment should be the mission of the Chancery and/or its related entities.

The amount reimbursed for meals when traveling shall not exceed the current IRS per diem rates, and is inclusive of taxes and gratuity. If the charge exceeds the IRS per diem rate, the amount submitted for reimbursement should be reduced accordingly. Amounts charged to the corporate credit card in excess of the per diem amounts will be recouped through payroll deductions in the next practical pay period. The Chancery and its related entities will not reimburse for alcoholic beverages in the context of business travel.

Conferences and Meetings Hosted by the Chancery and its Related Entities

Business Planning Meetings

Business planning meetings held on the premises should ideally be structured so participants can enjoy their normal lunch period, however planning meetings which extend through the lunch or dinner period may choose to offer food for the participants. This expense may be charged to the diocese provided the cost is reasonable and infrequent in occurrence, with supervisory approval and after verifying funds are available in the budget. Costs should be a function of how many attendees are confirmed to attend.

Donor Solicitation and Appreciation Events

Meals and special events for the purpose of cultivating, soliciting, and stewarding donors must be budgeted within the Office of Stewardship and Mission and are subject to Bishop or Vicar General approval. The cost should be a function of number of attendees and must be confirmed to be within the budget, appropriate and reasonable, and for the express purpose of furthering the mission of the Chancery.

Office Social Events and Gatherings

When voluntary gatherings of employees involving food & beverage are held on or off the premises, the associated costs are not chargeable to the Chancery or its related entities. Special luncheons and events may be charged to the Chancery or its related entities upon prior written approval from the Vicar General.

Software Licensing Fees and Subscription Services

If a corporate purchasing program exists, no reimbursements will be allowable for subscriptions of computer software services – e.g. Adobe Acrobat Pro. If no corporate account exists, licensing fees for software are allowable at the discretion of the individual departments but are subject to Secretary approval and confirmation that funds are available in the budget. Software should be critical to mission and provide demonstrable efficiency over existing alternatives within the current technological suite or approved list of products. If a download of any software is required, approval must be obtained from our technology team.

Gifts & Flowers

Under most circumstances, gifts are not an allowable expense, however there are limited circumstances in which a gift may be allowable.

The gift policy is as follows:

- Hospitalization of an Employee or volunteer (not to exceed \$50).
- Death of an Employee or volunteer or member of their immediate family (not to exceed \$100).
- Gifts for weddings, birthdays, anniversaries, Employee resignations, and other such events are not chargeable.
- Retirement gifts on behalf of the diocese are allowable upon receipt of written permission from the Vicar General.
- Thank-you gifts may be given to volunteer council and committee members annually and/or upon completion of their terms if approved in writing by the Vicar General.

Continuing Education, Attendance at Conferences, Workshops, Conventions

The cost of attendance at continuing education seminars and inter-Diocesan meetings may be chargeable to the diocese provided (1) it has been presented to the appropriate Secretary for consideration, (2) sufficient funds exist in the approved annual departmental budget, and (3) is necessary and appropriate for the employee's role at the Chancery or its related entities. No unbudgeted expenses should be incurred without express written consent by the Secretary or Vicar General.

When attending such seminars or meetings, only business-related expenses may be incurred. Personal expenses (in-room movies, alcohol, side trips, and other personal travel and entertainment, etc.) are not chargeable. If the Employee's spouse attends the conference, personal costs (including the spouse's meals, airfare, incremental room costs, etc.) are not chargeable.

Participation on Boards, Professional Organization Membership Dues, Subscriptions

Employees may be invited to serve on national, regional or local boards, project committees, etc. Prior to accepting invitations to serve on these boards or committees, the Secretary or Vicar General will evaluate the invitation for any potential conflicts of interest or conflict with Catholic values.

Additionally, the following will be considered:

- Purpose of serving on committee. How does serving benefit the Chancery or its related entities and the professional development of the employee?
- Amount of time and frequency of travel that will be required
- Estimate of expenses to be paid by the Chancery or its related entities

Volunteers who serve on Diocesan, parish, or school advisory boards, committees, councils, etc. are not eligible for stipends, mileage, or other travel-related expense reimbursement associated with their activity. The Vicar General will establish any appropriate recognition for these volunteers.

Generally, membership in professional organizations related to one's position at the Chancery are permitted at the discretion of the Secretary. Such expenses should be budgeted when determined to be appropriate.

Stipends

Diocesan Employees are not to accept a stipend or other form of payment from a parish, school or Diocesan office when asked to participate in a function related to their normal duties. However, the Employee may accept a donation to the Diocese for the service offered, which will be credited to the Employee's office or department.

Tuition

At this time, tuition reimbursement is considered under a separate policy. Please refer to Human Resources for additional information.

Substantiation, Receipts, and Approvals

All business expenses must be substantiated. Business expenses that are in excess of the approved budget must have Vicar General approval.

Substantiation for the accounts payable process consists of the check request with all approvals, original itemized invoice, coding to general ledger, notation of business purpose, and any other documentation to support the expense. Completed check requests received by Friday at 12:00 noon will be paid during the following week's cycle.

Substantiation for corporate credit card charges include the itemized receipt uploaded to the card portal, coding to the general ledger, notation of business purpose, and name of all attendees (where applicable). Receipts must show all itemized purchases. In the event of a lost receipt or if a receipt is unavailable, the Employee must provide a written explanation of the expense within the portal.

Questions regarding proper coding can be directed to the Office of Finance.

Payments and reimbursements will only be made upon actual incurred expenses, not projections, estimates, or contingencies.

Any failure to comply with the policy will cause the expense to be disallowed and result in notification to Employee's supervisor. Disallowed invoices submitted through Accounts Payable will not be processed.

Secretaries must sign all requests from their staff for reimbursement of expenses in connection with the general areas of travel, meals, lodging, meetings, and seminar/retreats/conferences and purchases of goods and services. Approval of Secretary expenditures requires the authorization of their direct supervisor. When their direct supervisor is the Vicar General, he may delegate the authorization for approval to the Chief Financial Officer or the Chief Operating Officer.

Deductions from Pay

Improper credit card charges that do not comply with this policy or charges in excess of published per diem rates will be deducted from the employee's payroll in the next practical pay period(s), to include an employee's final pay, as needed until the Chancery is reimbursed in full for such improper or excess charge.