

# DRAFT UPDATE – REWRITTEN

5:60

## General Personnel

### Expenses<sup>1</sup>

The Board regulates the reimbursement of all travel, meal, and lodging expenses by resolution.<sup>2</sup> Money shall not be advanced or reimbursed, or purchase orders issued for: (1) the expenses of any person except the employee,<sup>3</sup> (2) anyone's personal expenses,<sup>4</sup> or (3) entertainment expenses.<sup>5</sup> Entertainment includes, but is not limited to, shows, amusements, theaters, circuses, sporting events, or any other place of public or private entertainment or amusement, unless the entertainment is ancillary to the purpose of the program or event.<sup>6</sup> Employees must submit the appropriate itemized, signed, standardized form(s) to support any requests for expense advancements, reimbursements, or purchase orders that show the following:<sup>7</sup>

1. The amount of the estimated or actual expense, with attached receipts for actual incurred expenses.
2. The name and title of the employee who is requesting the expense advancement or reimbursement. Receipts from group functions must include the names, offices, and job titles of all participants.<sup>8</sup>

The footnotes are not intended to be part of the adopted policy; they should be removed before the policy is adopted.

<sup>1</sup> State law controls this policy's content (105 ILCS 5/10-9, 5/10-10, and 5/22-1 (no compensation allowed, conflicts of interest prohibited); 105 ILCS 5/10-22.32 (expense advancements); and the Local Government Travel Expense Control Act (ECA) 50 ILCS 150/10, added by P.A. 99-604, eff. 1-1-17 (regulation of travel expenses)). The deadline for implementation of this policy under the ECA is 7-1-17, but as a practical matter due to other requirements in the law, the implementation deadline will be 3-2-17; see the third paragraph in *fn* 3 of policy 2:125, *Board Member Compensation; Expenses*.

<sup>2</sup> 105 ILCS 5/10-22.32 states that "[t]he school board may advance to teachers and other certified employees the anticipated actual and necessary expenses incurred in attending meetings that are related to that employee's duties and will contribute to the professional development of that employee." This policy expands beyond those two categories (105 ILCS 5/10-20) of employees, and the limited purpose of attending meetings, to reimburse all employees for approved expenses necessary for the employee to perform his or her duties.

This policy contains an item on which collective bargaining may be required. Any policy that impacts upon wages, hours, and terms and conditions of employment, is subject to collective bargaining upon request by the employee representative, even if the policy involves an inherent managerial right. If a local collective bargaining agreement contains a provision on expenses, consult the board attorney about how this policy may impact it.

<sup>3</sup> 50 ILCS 150/10, added by P.A. 99-604, eff. 1-1-17. See *fn*s 4 through 8 in policy 2:125, *Board Member Compensation; Expenses*, for more discussion.

For a sample resolution, see 2:125-E3, *Resolution to Regulate Expense Reimbursements*.

<sup>4</sup> 105 ILCS 5/10-22.32. The final paragraph of this law prohibits money for expenses to be advanced or reimbursed to any person other than a board member or employee of the Cooperative.

<sup>5</sup> Optional. *Personal expenses* are not defined in 50 ILCS 150/25, added by P.A. 99-604, eff. 1-1-17 or 105 ILCS 5/10-22.32. Consult the board attorney about this term and delete it only at the direction of the board attorney. Excluding personal expenses from advancements, reimbursements, and purchase orders is a generally-accepted best practice. The practice also aligns well with the State's widely-accepted transparency movement. Reimbursing personal expenses is also a magnet for the media.

<sup>6</sup> 50 ILCS 150/25, added by P.A. 99-604, eff. 1-1-17.

<sup>7</sup> *Id.*

<sup>8</sup> 50 ILCS 150/20, added by P.A. 99-604, eff. 1-1-17. The School Code uses the term *voucher* for expense advancements (105 ILCS 5/10-22.32); the ECA requires submission of itemized, signed, standardized forms. Both 5:60-E1, *Employee Expense Reimbursement Form* and 5:60-E2, *Employee Estimated Expense Approval Form* incorporate *voucher* into the ECA's requirement to use standardized forms. See *fn* 11 below, and see also *fn* 20 of policy 2:125, *Board Member Compensation; Expenses*, for more discussion.

<sup>9</sup> *Id.* at (2) and (3). This sentence mirrors the statute. The term *offices* is not defined. Consult the board attorney about whether inserting *job titles* would be sufficient for this requirement.

#### Comment [APowell1]:

This policy implements the Local Government Travel Expense Control Act, 50 ILCS 150/10, added by P.A. 99-604, eff. 1-1-17.

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3. The date(s) of the official business on which the expense advancement, reimbursement, or purchase order will be or was expended.<sup>9</sup>
4. The nature of the official business conducted when the expense advancement, reimbursement, or purchase order will be or was expended.<sup>10</sup>

### Advancements

The Director may advance expenses to teachers and other licensed employees for the anticipated actual and necessary expenses to be incurred while attending meetings that are related to their duties and will contribute to their professional development,<sup>11</sup> provided they fall below the maximum allowed in the Board's expense regulations.<sup>12</sup>

Expense advancement requests must be submitted to the Director or designee on the Cooperative's standardized estimated expense approval form for employees. After spending expense advancements, employees must use the Cooperative's standardized expense reimbursement form and submit to the Director: (a) the itemized, signed advancement voucher that was issued, and (b) the amount of actual expenses by attaching receipts.<sup>13</sup> Any portion of an expense advancement not used must be returned to the Cooperative.<sup>14</sup> Expense advancements and vouchers shall be presented to the Board in its regular bill process. *within 60 days.*

### Reimbursements and Purchase Orders

Expense reimbursements and purchase orders may be issued by the Director or designee to employees, along with other expenses necessary for the performance of their duties, provided the expenses fall below the maximum allowed in the Board's expense regulations.

Expense reimbursements and purchase order approvals are not guaranteed and, when possible, employees should seek pre-approval of expenses<sup>15</sup> by providing an estimation of expenses on the Cooperative's standardized estimated expense approval form for employees, except in situations when the expense is diminutive. When pre-approval is not sought, employees must seek

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<sup>9</sup> *Id.* at (4).

<sup>10</sup> *Id.*

<sup>11</sup> 105 ILCS 5/10-22.32 authorizes advancements for the listed items. This statute addresses expense advancements for certain activities; its language pre-dates the ECA and is narrower than the ECA. This policy seeks to reconcile the differences by separating advancements into a separate subhead. See *fn* 7 above, and see also *fn* 20 of policy 2:125, *Board Member Compensation: Expenses*, for more discussion.

<sup>12</sup> 50 ILCS 150/10 and 20, added by P.A. 99-604, eff. 1-1-17. This phrase recognizes that while advancements are allowed in these situations, they should remain below the MARA set by the board.

<sup>13</sup> 50 ILCS 150/20, added by P.A. 99-604, eff. 1-1-17.

<sup>14</sup> This paragraph's provisions are required by 105 ILCS 5/10-22.32.

<sup>15</sup> Optional. Consult the board attorney to determine whether a pre-approval process is appropriate for the Cooperative. Neither 105 ILCS 5/10-22.32 (expense advancements) nor 50 ILCS 150/ (expense reimbursements and estimates) address expense *pre-approvals*. 50 ILCS 150/20 states: "an *estimate* if expenses have not been incurred ..." or "a *receipt* ... if the expenses have already been incurred," suggesting no pre-approval is necessary. However, pre-approval is a best practice, and an employee who incurs expenses without pre-approval may run the risk that his or her expenses will not be approved. On the other hand, submitting estimated expenses for approval begs a pre-approval process, and some attorneys may read the law to require pre-approval of expenses. The pre-approval process also provides school officials with better information for financial planning.

Consult the board attorney to determine whether a pre-approval process is appropriate for the Cooperative. If it is required, ensure that 2:125-E3, *Resolution to Regulate Expense Reimbursements* reflects the Cooperative's specific pre-approval requirements. For an example of a standardized *estimated* expense form that could be used as a form of pre-approval, see 5:60-E2, *Employee Estimated Expense Approval Form*. The form provides three methods for employees to submit estimated expenses: providing estimated expenses (50 ILCS 150/), expense advancements for the specific activities (105 ILCS 5/10-22.32), or a purchase order.

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reimbursement on the Cooperative's standardized expense reimbursement form for employees. Expense reimbursements and purchase orders shall be presented to the Board in its regular bill process.

### Exceeding the Maximum Allowable Expense Amount(s) <sup>16</sup>

All requests for expense advancements, reimbursements, and purchase orders exceeding the maximum allowed in the Board's expense regulations may only be approved when:

1. The Board's resolution to regulate expenses allows for such approval;
2. An emergency or other extraordinary circumstance exists; and
3. The request is approved by a roll call vote at an open Board meeting.<sup>17</sup>

### Registration <sup>18</sup>

When possible, registration fees will be paid by the Cooperative in advance.

### Travel

The least expensive method of travel will be used, provided that no hardship will be caused to the employee. Employees will be reimbursed for:

1. Air travel at the coach or economy class commercial airline rate. First class or business class air travel will be reimbursed only if emergency circumstances warrant. The emergency circumstances must be explained on the expense form and Board approval of the additional expense is required. Copies of airline tickets must be attached to the expense form.
2. Rail or bus travel at actual cost. Rail or bus travel costs may not exceed the cost of coach airfare. Copies of tickets must be attached to the expense form to substantiate amounts.
3. Use of personal automobiles at the standard mileage rate approved by the Internal Revenue Service for income tax purposes. The reimbursement may not exceed the cost of coach airfare. Mileage for use of personal automobiles in trips to and from transportation terminals will also be reimbursed. Toll charges and parking costs will be reimbursed.
4. Automobile rental costs when the vehicle's use is warranted. The circumstances for such use must be explained on the expense form.
5. Taxis, airport limousines, or other local transportation costs.

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<sup>16</sup> 50 ILCS 150/ does not define *maximum allowable reimbursement amount* (MARA). Consult the board attorney to assist with a conversation about how much authority the board wishes to delegate to the Director for purposes of setting the MARA. Topics for these conversations are listed in ¶n 8 of policy 2:125, *Board Member Compensation; Expenses*.

<sup>17</sup> 50 ILCS 150/10 and 15. See ¶n 13 in policy 2:125, *Board Member Compensation; Expenses* for more discussion.

<sup>18</sup> Amend the language in subheads *Registration, Travel, Meals, Lodging, and Miscellaneous Expenses* to align with the MARA defined in the board's expense regulation resolution. See 2:125-E3, *Resolution to Regulate Expense Reimbursements* for a sample resolution.

See ¶n 4 in policy 2:125, *Board Member Compensation; Expenses*, for further discussion about the board's power to set the expense regulations by policy (105 ILCS 5/10-20) and ¶n 8 for considerations and unanswered questions surrounding its statutorily-imposed duty to set a MARA (50 ILCS 150/10, added by P.A. 99-604, eff. 1-1-17).

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## Meals

Meals charged to the Cooperative should represent mid-fare selections for the hotel/meeting facility or general area.<sup>19</sup> Tips are included with meal charges. Expense forms must explain the meal charges incurred. Alcoholic beverages will not be reimbursed.

## Lodging

Employees should request conference rate or mid-fare room accommodations. A single room rate will be reimbursed. Employees should pay personal expenses at checkout. If that is impossible, deductions for the charges should be made on the expense form.

## Miscellaneous Expenses

Employees may seek reimbursement for other expenses incurred while attending a meeting sponsored by organizations described herein by fully describing the expenses on the expense form, attaching receipts.

LEGAL REF.: 105 ILCS 5/10-22.32.  
Local Government Travel Expense Control Act, 50 ILCS 150/.

CROSS REF.: 2:125 (Board Member Compensation; Expenses), 2:240 (Board Policy Development), 4:50 (Payment Procedures), 4:55 (Use of Credit and Procurement Cards)

**Comment [APowell2]:**  
**OPTION:** Alternatively, a board could set a daily limit on meal costs:  
Employees will be reimbursed for meal costs and tips up to \$\_\_\_\_ per day consistent with the maximum reimbursement amount(s) set by the Board.  
Ensure this amount is consistent with the Maximum Allowable Expense Amount set by the Board resolution.  
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<sup>19</sup> Alternatively, a board could set a daily limit on meal costs, such as:

Employees will be reimbursed for meal costs and tips up to \$\_\_\_\_\_ per day consistent with the maximum reimbursement amount(s) set by the Board.

But see also fn 8 of policy 2:125, *Board Member Compensation; Expenses* and ensure this amount is consistent with the MARA set by the board resolution.