

General Personnel

Expenses ¹

The Board regulates the reimbursement of all travel, meal, and lodging expenses by resolution.² Money shall not be advanced or reimbursed, or purchase orders issued for: (1) the expenses of any person except the employee,³ (2) anyone's personal expenses,⁴ or (3) entertainment expenses.⁵ 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.⁶ The District is not responsible for losses due to an employee's own negligence, losses due to normal wear, or losses due to theft, unless the theft was a result of the District's negligence.⁷ 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:⁸

1. The amount of the estimated or actual expense, with attached receipts for actual incurred expenses.

¹ 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); 820 ILCS 115/9.5 (regulation of employee expenditures under the Ill. Wage Payment and Collection Act)(WPCA); the Local Government Travel Expense Control Act (ECA) 50 ILCS 150/10 (regulation of travel expenses); and the Grant Accountability and Transparency Act (GATA), 30 ILCS 708/130 (regulation of travel expenses under grants). See f/n 13 of sample policy 2:125, *Board Member Compensation; Expenses*.

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.

The WPCA, 820 ILCS 115/9.5 defines *necessary expenditures* as all reasonable expenditures or losses required of the employee in the discharge of employment duties and that inure to the primary benefit of the employer.

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.

² 50 ILCS 150/10. See f/ns 4 through 8 in sample policy 2:125, *Board Member Compensation; Expenses*, for more discussion. For a sample resolution, see sample exhibit 2:125-E3, *Resolution to Regulate Expense Reimbursements*.

³ 105 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 district.

⁴ Optional. *Personal expenses* are not defined in 50 ILCS 150/5 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.

⁵ 50 ILCS 150/25.

⁶ *Id.* at 150/5.

⁷ Optional. 820 ILCS 115/9. The purpose of this sentence is to provide information to employees and the community about WPCA exclusions from reimbursable expenses.

⁸ 50 ILCS 150/20. 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 sample exhibits 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 f/n 12 below, and see also f/n 20 of sample policy 2:125, *Board Member Compensation; Expenses*, for more discussion.

Additionally, while the WPCA (820 ILCS 115/9.5(a)) allows employees to submit a signed statement regarding any receipts when supporting documentation is nonexistent, missing, or lost, 820 ILCS 115/9.5(b) outlines that employers are not liable for expenditure amounts that exceed the specifications or guidelines the employer has established for necessary expenditures. The ECA requires districts to establish such specifications and guidelines. 50 ILCS 150/10 and 20 (regulation of travel 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.⁹
3. The date(s) of the official business on which the expense advancement, reimbursement, or purchase order will be or was expended.¹⁰
4. The nature of the official business conducted when the expense advancement, reimbursement, or purchase order will be or was expended.¹¹

Advancements

The Superintendent 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,¹² provided they fall below the maximum allowed in the Board's expense regulations.¹³

Expense advancement requests must be submitted to the Superintendent or designee on the District's standardized estimated expense approval form for employees. After spending expense advancements, employees must use the District's standardized expense reimbursement form and submit to the Superintendent: (a) the itemized, signed advancement voucher that was issued, and (b) the amount of actual expenses by attaching receipts.¹⁴ Any portion of an expense advancement not used must be returned to the District.¹⁵ Expense advancements and vouchers shall be presented to the Board in its regular bill process.

Reimbursements and Purchase Orders

Expense reimbursements and purchase orders may be issued by the Superintendent 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 expenses¹⁶ by providing an estimation of expenses on the District'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 reimbursement on the District's

⁹ 50 ILCS 150/20(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.

¹⁰ *Id.* at (4).

¹¹ *Id.*

¹² 105 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 f/n 8 above, and see also f/n 20 of sample policy 2:125, *Board Member Compensation; Expenses*, for more discussion.

¹³ 50 ILCS 150/10 and 20. This phrase recognizes that while advancements are allowed in these situations, they should remain below the maximum allowable reimbursement amount (MARA) set by the board.

¹⁴ 50 ILCS 150/20.

¹⁵ This paragraph's provisions are required by 105 ILCS 5/10-22.32.

¹⁶ Optional. Consult the board attorney to determine whether a pre-approval process is appropriate for the district. 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 district. If it is required, ensure that exhibit 2:125-E3, *Resolution to Regulate Expense Reimbursements*, reflects the district'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 sample exhibit 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.

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

Use of Credit and Procurement Cards

Credit and procurement card usage is governed by policy 4:55, *Use of Credit and Procurement Cards*.

Exceeding the Maximum Allowable Expense Amount(s) ¹⁷

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. ¹⁸

Registration ¹⁹

When possible, registration fees will be paid by the District 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. Fees for the first checked bag will be reimbursed.²⁰ Copies of airline tickets and baggage receipts 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, ride sharing services, or other local transportation costs.

Meals

Meals charged to the District should represent mid-fare selections for the hotel/meeting facility or general area.²¹ Tips are included with meal charges. Expense forms must explain the meal charges incurred. Alcoholic beverages will not be reimbursed.

¹⁷ 50 ILCS 150/ does not define MARA. Consult the board attorney to assist with a conversation about how much authority the board wishes to delegate to the superintendent for purposes of setting the MARA. Topics for these conversations are listed in f/n 8 of sample policy 2:125, *Board Member Compensation; Expenses*.

¹⁸ 50 ILCS 150/10 and 15. See f/n 13 in sample policy 2:125, *Board Member Compensation; Expenses* for more discussion.

¹⁹ 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 sample exhibit 2:125-E3, *Resolution to Regulate Expense Reimbursements*, for a sample resolution.

See f/ns 4 and 8 in sample 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 clarify considerations and unanswered questions surrounding its statutorily-imposed duty to set a MARA (50 ILCS 150/10).

²⁰ Optional. This language reflects the standard for expenses permitted for federal awards. 41 C.F.R. §301-12.2. If the board does not reimburse baggage fees, delete this sentence and ~~and baggage receipts~~ from the next sentence.

²¹ Alternatively, a board could set a daily limit on meal costs, such as:

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.

Additional Requirements for Travel Expenses Charged to Federal and State Grants ²²

All grant-related travel expenses must be pre-approved by the Superintendent or designee. ²³

Expenses for travel, including expenses for transportation, lodging, meals, and related items incurred by employees and charged to a federal grant or State grant governed by the Grant Accountability and Transparency Act (30 ILCS 708/) must also meet the following requirements:

1. The participation of the employee is necessary to the award, and the costs are specifically related to the award. ²⁴
2. Expenses must be permissible under the terms and conditions of the award.
3. Expenses must be reasonable and consistent with this policy. ²⁵
4. The Board does not reimburse actual expenses or pay a per diem allowance unless the employee is on official *travel status*²⁶ for more than 12 hours.²⁷ However, employees remain eligible for

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 f/n 8 of sample policy 2:125, *Board Member Compensation; Expenses*, and ensure this amount is consistent with the MARA set by the board resolution.

²² 30 ILCS 708/130. Boards are required to follow this subhead when they use grant money to reimburse employee travel expenses charged to federal pass-through grants and State grants covered by GATA. This policy is designed to be used in conjunction with sample administrative procedure 5:60-AP, *Federal and State Grant Travel Expense Procedures*, to achieve compliance.

GATA adopts the uniform federal guidance for State grants, including for travel costs. 2 C.F.R. §200.475. Additionally, under GATA, boards may charge travel expenses to grants based on their own policy, provided the policy does not exceed federal travel regulations. 30 ILCS 708/130; 41 C.F.R. Chapters 300-304 (federal travel regulations). With regard to lodging, meals, and incidentals specifically, boards not only must keep costs at or below the federal standards, but they also cannot allow costs to exceed those normally allowed by the Governor's Travel Control Board (GTCB). 30 ILCS 708/130. The federal travel regulations and the rules of the GTCB are comprehensive. This policy addresses the most common areas of travel expenses and applies the strictest standard between the State and federal travel rules. To the extent this policy does not cover certain specific types of travel expenses, GATA provides that the GTCB Rules must be followed, provided they do not exceed federal travel regulations. The federal rules are at: www.gsa.gov/policy-regulations/regulations/federal-travel-regulation. The GTCB Rules are at: www.ilga.gov/commission/jcar/admincode/080/08002800sections.html. Regardless of the federal and State rules, travel expenses must still comply with the MARA set by the Board, unless approved by the board in accordance with this policy.

In GATA and throughout the IASB Policy Reference Manual, the terms *award* and *grant* are used interchangeably. The federal regulations define and use the term *federal award* or *federal financial assistance* (2 C.F.R. §200.1), but awards/federal financial assistance are more commonly referred to as grants.

²³ Federal travel regulations state that requests for authorization for actual expense reimbursement should be made in advance of travel. 2 C.F.R. §301-11.302. Sample exhibit 5:60-E2, *Employee Estimated Expense Approval Form*, can be used as a form for pre-approval.

²⁴ 2 C.F.R. §200.475(b)(1).

²⁵ 2 C.F.R. §200.475(b)(2).

²⁶ *Travel status* is not specifically defined in the federal travel regulations or in the GTCB rules, however, the Governor's Travel Council Regulation Rules, which apply to State employees and members of State boards, provide that an employee is on *travel status* while away on official business. Travel status begins when an employee leaves his or her work location or, if reporting directly to a destination, from the employee's residence or other location. It ends when an employee returns to his or her work location or, if reporting directly from the original destination, to the employee's residence or other location at the completion of the authorized travel. 80 Ill.Admin.Code §3000.140.

²⁷ 41 C.F.R. §301-11.1.

mileage reimbursement (minus regular commuting mileage/costs) and other transportation expenses if on travel status less than 12 hours. ²⁸

5. Expenses may be charged based on an actual cost basis or on a per diem basis in lieu of actual costs incurred; however, only one method may be applied per trip. ²⁹
6. Commercial airfare costs in excess of the least expensive coach or economy class are prohibited except when such accommodations would: (1) require circuitous routing; (2) require travel during unreasonable hours; (3) excessively prolong travel; (4) result in additional costs that would offset transportation savings; or (5) offer accommodations not reasonably adequate for the traveler's medical needs. Qualifying circumstances must be explained on the expense form, and Board approval of the additional expense is required. ³⁰
7. Per diem rates and actual reimbursement amounts for mileage, meals, and lodging may not exceed the rates established by the Governor's Travel Control Board or federal travel regulations, whichever is less.³¹ These limits do not apply when: (1) an employee stays in the lowest-priced room available at or near a hotel where a conference or seminar is located or in accommodations arranged by the conference/seminar organization, or (2) lodging at or below the established rate is unavailable.³² In those cases, the employee will be reimbursed for actual lodging expenses with prior approval, but in no case will the reimbursement exceed 300% of the applicable maximum per diem rate.³³ If a conference fee includes a meal, the meal or per diem allowance will be reduced by the actual value of the meal or the applicable meal allowance, whichever is less. ³⁴
8. Employees must use the least expensive compact car available when using a rental car for travel, unless an exception is approved.³⁵ The Board does not reimburse employees for collision damage waiver or theft insurance. ³⁶
9. The Board will reimburse travel expenses not chargeable to an award from other District funds consistent with this policy.

²⁸ 41 C.F.R. §301-10.300-10.310 are the federal regulations that address mileage reimbursement and related expenses.

²⁹ 2 C.F.R. §200.475(a).

³⁰ 2 C.F.R. §200.475(e).

³¹ To determine the lesser applicable amount, compare the State rates, available at: <https://cms.illinois.gov/employees/travel/travelreimbursement.html>, with the federal per diem rates, available at: www.gsa.gov/travel/plan-book/per-diem-rates.

³² 80 Ill.Admin.Code §2800.400; 41 C.F.R. §301-11.30.

³³ 41 C.F.R. §301-11.30. 300% is the maximum reimbursement amount permitted under federal travel expense regulations and may be adjusted down by the board. The board may not reimburse over the MARA even if the expense is under the 300% threshold, unless it meets the requirements of the ECA. See f/n 17, above. See sample procedure 5:60-AP, *Federal and State Grant Travel Expense Procedures*, for details on lodging requirements, including excessive lodging requests.

³⁴ 80 Ill.Admin.Code §2800.500.

³⁵ See 41 C.F.R. §301-10.450 for a list of authorized exceptions.

³⁶ 41 C.F.R. §301-10.451. Federal regulations generally prohibit reimbursement for collision damage waiver and theft insurance in part because the government has negotiated full insurance coverage into its agreements with rental companies. Similarly, the State has negotiated the cost of damage collision waivers into its preferred vendor agreement. Districts may wish to pursue similar arrangements for additional coverage. Employees will often have coverage for rental car damage through their own personal auto policies. The federal regulations permit employees on official business to be reimbursed for their out-of-pocket deductibles. *Id.*

LEGAL REF.: 2 C.F.R. §200.475.
30 ILCS 708/130, Grant Accountability and Transparency Act.
50 ILCS 150/, Local Government Travel Expense Control Act.
105 ILCS 5/10-22.32.
820 ILCS 115/9.5, Ill. Wage Payment and Collection Act.
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)

Approved: