THE NASHVILLE CHAPTER
OF THE INSTITUTE OF INTERNAL AUDITORS
TREASURY POLICIES

Philosophy - to be fair

The purposes of the Chapter’s policies on reimbursement of business expenses are:

To be fair and equitable. An individual should neither gain nor lose personally because they have incurred reasonable business expenses. Individuals incurring similar expenses are to be reimbursed or not reimbursed consistently throughout the Chapter.

To be reasonable and prudent in spending the Chapter’s money. Our Chapter wants all of the people who travel for us on business to be able to enjoy clean, safe, and comfortable accommodations. It is important for members to understand that the Chapter trusts them with the use of Chapter funds. They are trusted to make use of these funds as if they were personal.

Expense Reimbursements

Expenses incurred on behalf of the Chapter should be kept to a minimum. Where appropriate, the Chapter members who incur such expenses are encouraged first to seek reimbursement from their employer. If the employer chooses not to reimburse the expense, the Chapter will reimburse the member for Chapter related business expenses paid by the member which would otherwise be deductible in accordance with Section 162 of the Internal Revenue Code. In order for such expenses to qualify for reimbursement, they must:

1. Be ordinary and necessary in the conduct of Chapter-related business and be directly attributable to it;
2. Demonstrate good judgment by the member;
3. Represent reasonable cost to the Chapter; and
4. Comply with the provisions of this policy.

Items more than 60 days old will not be reimbursed. Any exceptions to this policy must be approved by the Board of Governors or by a majority of the Chapter’s officers. Reimbursement requests which violate this policy will not be reimbursed.

1. Documentation
   A receipt is proof in writing that something (goods, food, service, etc.) has been purchased. A proper receipt will have the name of the business, the date and time of purchase, an itemized list of purchases (meal, tip, etc.), and the amount of money spent.

Receipts documenting all travel-related expenditures should be submitted with the request for reimbursement. **Receipts for any single expenditure of $25.00 or more must be attached.** Reimbursement for expenses in the amount of $25.00 or more will be denied if appropriate documentation is not submitted. If the original receipt is lost or unavailable, approval may be requested from a majority of the Chapter’s officers (excluding the member making such a request).
Reimbursement of all expenses will be based on actual cost to the member requesting reimbursement.

2. **Advances**
The Chapter does not provide cash advances for any reason.

3. **Overnight Travel**
All overnight travel for Chapter members must be approved by the Board of Governors in advance. The Board of Governors has previously approved item numbers 8 and 9, with these items to be continued on an annual basis.

4. **Meals**

   **Documentation Requirements**
   For meal expenses to be reimbursed, individual names, company affiliation, business purpose, date, and location must be recorded regardless of amounts.

   When the member is staying at a hotel property where meals are charged to the room (e.g., hotel restaurant/deli or room service), the member should remember that the hotel folio is not considered a sufficient receipt for meal expenses. An itemized receipt should still be requested for each meal costing more than $25.00.

   **General Policy and Limitations**
   Actual meal expense while traveling on Chapter business is reimbursable. Members are expected to use discretion regarding food and beverage expense. Excessive beverage or meal expense will not be considered an appropriate business expense and will not be reimbursed. The purchase of alcoholic beverages will not be reimbursed at any time. Generally, tips should not exceed 15-20% of the cost of the meal.

   Generally, meals will be reimbursed when incurred for Chapter members:
   
   - to entertain an out-of-town speaker and their guest as a business courtesy,
   - on overnight travel,
   - on same day travel, when away from home for a meal, or
   - to discuss committee business, provided the expense (1) is within the committee’s budget and (2) has prior approval from the Chapter’s officers. The Chapter will not pay for meals of spouses of Chapter members.

   If a meal is furnished as part of a meeting or by an airline at no cost to the member, no reimbursement will be paid for that meal. Where meals are provided as part of an educational program or seminar, the Chapter will not reimburse the member for the cost of such meals taken outside the program.

   **Out of Town Meals**
   Meal expenses incurred for out of town travel are reimbursable up to a maximum of $75.00 per day. This amount is not to be considered a per diem. Reimbursement for out of town meal expenses is based on actual expenditures of the member, up to the maximum amount.

5. **Travel**

   **Mileage**
   Mileage will be reimbursed at the IRS rate in effect for both in town and out-of-town travel.

   **Airfare**
   Airfare will be reimbursed for out-of-town speakers and Chapter members who travel on Chapter business. Any air travel required should be at coach class fare. Travelers should look for low cost fares
and advanced purchase discounts to keep the costs to a reasonable rate. Travelers should book travel well in advance of the travel dates to avoid last-minute premium airfare and hotel costs.

Reimbursement for airfare includes “Early Bird” charges from Southwest airlines, as well as baggage fees imposed by certain airlines. Generally, the chapter will only reimburse for one checked bag. Such reimbursement does not include fees for overweight or oversize bags.

**Reimbursement Policy**

When traveling out-of-town on Chapter business, the member may elect to travel either by auto or airplane. When the member travels by auto, the Chapter will reimburse the member:

(a) at the lesser of (1) the actual mileage cost (as calculated above) or (2) the lowest airline fare available using advanced purchase discounts, or

(b) at an amount approved in advance by the Board of Governors.

6. **Hotels**

Only room charges and applicable taxes will be reimbursed. The hotel folio, including the credit card receipt, is required for reimbursement.

When traveling, Chapter members are expected to live comfortably but with reasonable prudence. When overnight accommodations are required, a good **moderate** commercial hotel with a reasonable rate for that community should be used.

**Long Distance Phone Calls**

Generally, long distance phone calls will not be reimbursed. Members are expected to use their personal cellular telephones while traveling to make long distance phone calls.

**Hotel Parking Charges**

If the member elects to drive a personal car or rental car on Chapter business, the Chapter will reimburse the member for any costs that the hotel charges for parking such cars. If possible, the member should park their car individually to avoid the usually more expensive valet parking charges.

7. **Exclusions**

Non-reimbursable expenses will include any expenses that are unreasonable, unnecessary, or personal in nature. The following charges, while not an exhaustive listing, are considered unreasonable, unnecessary, or personal:

- Bar tabs,
- Traffic tickets,
- An excessive number of local phone calls charged to the room,
- In-room movie rentals,
- Dry cleaning,
- Spas, and related activities,
- Beverage and snack bars (regardless of whether other meal expenses have or have not been incurred), or
- Newspapers and other reading materials.

8. **Leadership Conference**

The Chapter may elect to send a maximum of two people to the Leadership Conference each year. Expenses incurred at the annual Leadership Conference are subject to this policy and are limited to the following:

- Travel costs.
- Three night’s hotel charges for each traveler, unless an additional night’s stay would be offset by a decrease in airfare obtained by staying an extra night.
- One rental car for the trip or transportation fees to/from the airport.
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- Meals not provided by the conference.
- The maximum reimbursement to be paid by the Chapter is $1,500 per person. Reasonable expenses in excess of this amount may be reimbursed if approved in advance.

9. **International Conference**

The Chapter will send the outgoing Chapter president to that year’s international conference, **provided** that the (1) Chapter’s *actual* revenues **exceed** actual expenses by $2,000 or (2) chapter has achieved GOLD status in the CAP program for the current year. For purposes of making travel arrangements, the Chapter will make this determination one week prior to the early registration deadline for the International Conference, or no later than May 1. Expenses incurred at the International Conference are subject to this policy and are limited to the following:
- Conference registration fees for the President only, taking advantage of any early registration discounts.
- Travel costs.
- Three night’s hotel charges, unless an additional night’s stay would be offset by a decrease in airfare obtained by staying an extra night.
- One rental car for the trip or transportation fees to/from the airport.
- Meals not provided by the conference.
- The maximum reimbursement to be paid by the Chapter is $2,000.
- The President may elect, at his/her discretion, to apply these funds instead to attend an IIA headquarters sponsored seminar or conference offered within the United States. Such travel must conclude before December 31 in the calendar year in which the president’s term of service ends.

All exceptions to the reimbursement policies must be approved by the current President prior to purchase.

10. **Expense Approval Policies**

- Generally, committee chairs and/or officers who submit receipts for reimbursement for budgeted items should state the appropriate business purpose and submit them to the treasurer for reimbursement. Non-budgeted items should be approved by the President, and if over $1,000 should be approved by the Board. Expenditures exceeding the budget by $100 or more should also be approved by the President.
- All reimbursement requests must be approved by the Treasurer and another chapter officer independent of the request and the Treasurer function.
- Reimbursement requests submitted by the treasurer must be approved by the President (or other designee).

11. **Other Treasury Policies**

- The approval of all expense items should be segregated from the custody and disbursement functions.
- Reports comparing actual expenditures to the budget should be prepared monthly and provided to the President and other officers.
- Financial statements should be distributed to the board at least quarterly, including a comparison of current year results to the budget.
- Bank statements should be reviewed by the chapter’s President, President-Elect, Vice President, or their designee each month.
- Bank statements should be reconciled monthly and reviewed by someone independent of the Treasurer, as designated by the President.

**Fee Waiver Policy**
The chapter will waive the monthly luncheon fee for all students and teachers. In addition, chapter members who are unemployed and seeking employment will have the luncheon fee waived during their period of unemployment.

Officers can attend chapter luncheons at no cost to handle onsite duties. In addition, for seminars hosted by a member company, up to 2 employees may attend free in exchange for coordinating the logistics in lieu of paying for the meeting facility.

**Privacy Policy**

The chapter’s officers and committee members will comply with the IIA’s privacy policy with regard to access and use of confidential member data.

**Records Retention and Destruction Policy**

Chapter financial records and blank check stock should be safeguarded. Financial records for the current year and the seven previous years should be maintained. Once the previous year’s audit has been completed, the Treasurer should see that the ‘eighth’ year written records are destroyed in a secure manner. For example, once the 2013-14 audit is completed, the records for the 2006-07 year will be destroyed (the ‘eighth’ year).

The chapter should maintain their records using some type of accounting software, either QuickBooks or a product provided by IIA Headquarters for chapter use. Those records should be backed up on a regular basis and not purged.

Last updated: 8/5/2019
By Cate Stricklin, Treasurer
Approved by BOG at 816/2019 meeting