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# DEXTER TOWNSHIP

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**POLICY 01.03.01 – EXPENSES INCURRED BY TOWNSHIP OFFICIALS AND EMPLOYEES:  
PERMITTED EXPENSES; PRIOR APPROVAL; DOCUMENTATION; VERIFICATION;  
REIMBURSEMENT; PENALTY FOR VIOLATION.**

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DATE APPROVED BY BOARD (Original): 2013 February 19

DATE EFFECTIVE (Original): 2013 February 19

**REVISION NUMBER: #**

DATE APPROVED BY BOARD (Revision): YYYY Month DD

DATE EFFECTIVE (Revision): YYYY Month DD

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Signature – Township Supervisor

Signature – Township Clerk

**I. POLICY & PURPOSE:**

The Dexter Township Board recognizes that officials and employees of Dexter Township may occasionally be required to travel or incur other expenses to conduct business on behalf of Dexter Township. The **PURPOSE** of this Policy is to ensure that (a) adequate cost controls are in place, (b) travel and other expenditures are appropriate, and (c) to provide a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by Dexter Township officials and employees.

It is the **POLICY** of Dexter Township that Dexter Township officials and employees are properly reimbursed for expenses that are legitimately incurred in the course of their duties for Dexter Township; that reimbursable expenses are stipulated by the Dexter Township Board; that reimbursable expenses are properly budgeted by the Dexter Township Board; that stipulated reimbursable expenses are in keeping with the provisions and restrictions of State Law and Dexter Township Policies; that reimbursable expenses are properly approved by the designated official(s); that requests for reimbursement are properly documented by the requesting official/employee; that requests for reimbursement are submitted in a timely manner that best facilitates review and verification; and that reimbursements are paid in the fiscal year in which they are incurred.

**II. APPLICATION**

This Policy and these procedures shall govern all Dexter Township elected officials, appointed officials, members of the various boards and commissions, employees and

agents of Dexter Township who travel and/or incur other expenses on behalf of Dexter Township.

### **III. PROCEDURE**

#### **A. Expenses approved and not approved**

1 Expenses approved for reimbursement – The following is a list of expenses that are approved by the Dexter Township Board:

a. Travel using employee's personal vehicle (NOTE: all travel shall be via the most direct route practicable, though longer routes that are more time-efficient are acceptable):

- (1) Travel to and from approved training;
- (2) Travel to and from meetings that have a direct bearing on Dexter Township and are approved in advance by the Board;
- (3) Travel to and from meetings of associations or organizations relating to the statutory duties of the official/employee (Chief Executive Officers Association, Treasurers Association, Clerks Association, Planners Association, etc);
- (4) Travel to and from other places of business to conduct transactions directly related to Dexter Township (the following are provided by way of example, but not limitation);
  - (a) Post office to hand-deliver bulk mail, or mail requiring expedited processing;
  - (b) Hardware store to pick up supplies that are not generally available for delivery.
- (5) Travel to and from the official's/employee's residence to the Township Hall outside business hours to respond to a building alarm, or other facility emergency;
- (6) Parking fees directly related to above travel when no free parking is readily available;
- (7) Tolls for bridges and toll roads, when alternate routes are not feasible;
- (8) Rental vehicle, including fuel.

b. Travel via public transportation or common carrier:

- (1) Taxi cabs, when necessary;
- (2) Bus, when travel by personal vehicle is not feasible;
- (3) Public air carrier, with following considerations/restrictions:
  - (a) REQUIRES PRIOR BOARD APPROVAL;
  - (b) Reimbursement only for the least expensive ticket available;
  - (c) Insofar as practicable, ticket reservations should be made at least thirty (30) days in advance of approved travel date;
- (4) Other public transportation or common carrier as may be necessary.

- c. Meals – Officials/employees traveling or attending functions on behalf of Dexter Township, when meals are otherwise not provided, are entitled to be reimbursed for meals at the lesser of the actual expense, or the approved reimbursement rate per the U.S. Government General Services Administration Per Diem table of Meals and Incidental Expenses (M&IE), appropriate for the venue in which the expenses occurred. (<http://www.gsa.gov/portal/content/110007>)
    - (1) Meal reimbursement may include sales tax, if the provider won't accept a Michigan Sales and Use Tax Certificate of Exemption;
    - (2) Meal reimbursement may include gratuity as specified elsewhere in this document;
    - (3) Exceptions to the above limits may be approved by the Dexter Township Board upon written request from an elected official, board or commission chair, or department head when necessary under extenuating circumstances.
  - d. Tips/Gratuities – Officials/employees traveling or attending functions on behalf of Dexter Township may also be reimbursed for the actual payment of tips/gratuities for meals and transportation as follows:
    - (1) When automatically added to a bill;
    - (2) When payment of a tip or gratuity is customary for the service that was provided (limited to 18% of the official's/employee's portion of the bill).
  - e. Hosting expenses – When a Dexter Township official is required to represent Dexter Township as a host and pay the expenses of a guest of Dexter Township, the expense reimbursement request shall be accompanied by a written, signed request stating the exact nature and the benefit to Dexter Township.
  - f. Election worker food and beverage, as approved by resolution by the Township Board.
  - g. Purchases:
    - (1) Purchases are to be made by ordering through approved vendors and paid directly to the vendor by the Township, insofar as practicable;
    - (2) Purchase of items directly through local merchants, when paid directly by officials/employees, shall only be made when purchase through approved vendors and direct payment from Dexter Township to the vendor is not practicable;
- 2 Expenses that are NOT approved for reimbursement – The following is a list of expenses that are NOT approved by the Dexter Township Board, and/or are not permitted by State Law:
- a. Travel to and from the official's/employee's place of residence to the Dexter Township Hall, except as noted above;
  - b. Parking tickets or traffic tickets;
  - c. Tips paid to parking or valet attendants;
  - d. Alcoholic beverages;

- e. Office refreshments that are not readily available to the general public;
- f. Gifts to officials or employees, including, but not limited to, recognition items;
- g. Any food or other expenses for traveling companions who are not required to accompany the official/employee on Dexter Township business;
- h. Damage to personal, rental or borrowed vehicles;
- i. Maintenance of personal, rental or borrowed vehicles;
- j. Entertainment;
- k. Travel insurance;
- l. Laundry, valet, or other personal services;
- m. Insurance deductibles for damage incurred to personal, rental or borrowed vehicles;
- n. Insurance charges on rental or borrowed vehicles, unless the official/employee doesn't have personal insurance that covers rental or borrowed vehicles.

**B. Reimbursable amounts**

- 1 The Township shall make the Michigan Sales and Use Tax Certificate available to officials and employees who expect to incur travel or lodging expenses and officials/employees shall present the certificate to providers of lodging and meals in order to exclude Michigan sales tax from the charges;
- 2 Mileage reimbursement for use of personal vehicle in accordance with this policy is to be established by resolution of the Dexter Township Board, but may be modified in accordance with the initial approving resolution, or by action of the Dexter Township Board from time to time;
- 3 Public or common carrier reimbursements shall only be the lowest amount for the least expensive travel available at the time;
- 4 Hotels/Motels to be reimbursed for lowest available rate, considering the following:
  - a. Government rate, or other discount rate is to be requested, when possible;
  - b. In the event two or more Township officials/employees share a room, or have meals on a single bill, one official/employee may be reimbursed for the entire expense, provided the other official/employee who shares the accommodation, or whose meal is on the same bill, does not submit for reimbursement, and the expenses are charged to the appropriate account numbers;
- 5 Other expenses only as documented by printed receipt;
- 6 Taxes (sales, hotel, etc) will be reimbursed only when there was no reasonable way to obtain the item or service without incurring the tax (NOTE: all reasonable legitimate means should be used to arrange for exclusion of any tax, such as providing appropriate tax-exempt documentation);

**C. Budget**

- 1 Expenses for the fiscal year shall be reasonably anticipated and the appropriate budget request shall be submitted in accordance with the budget preparation timetable;
- 2 Travel and transportation expense amounts approved during the budget process do not require further approval by the Board, nor does any individual travel related expense require further approval by the Board, providing the expenses are within the approved budget amount for the fiscal year and in accordance with the provisions of this policy;
- 3 Any expense amounts not approved during the budget process may require Board approval if the amount would put the cost center (department) over-budget.

**D. Request for reimbursement**

- 1 Form – Officials/employees requesting reimbursement shall submit such request on the form provided by the Township Clerk and the requesting official/employee shall sign said form;
- 2 Documentation:
  - a. Receipts shall be attached to the reimbursement/expense form;
  - b. When an employee pays by personal credit card, the credit card statement shall *not* substitute for original receipt, except as approved by the Supervisor, Clerk or Treasurer, and accompanied by proper documentation of the reason for not submitting an original receipt;
  - c. Any request for reimbursement for other than mileage or metered parking that is not accompanied by an original receipt requires a signed statement from the requesting official/employee attesting to the expense, stating the reason for not providing a receipt – said statement to be approved by the Supervisor, Clerk or Treasurer;
  - d. Minutes of meetings for which officials or employees are requesting mileage reimbursement shall be submitted to the Clerk's office within one (1) week following public availability of draft minutes, or final minutes if draft minutes are not prepared for the meeting, and shall be attached to the official's reimbursement request.
- 3 Requests for reimbursement shall be submitted to the Clerk's office no later than the seventh (7<sup>th</sup>) day of the month following the month in which the expense was incurred (reimbursement requests for expenses incurred in the last month of the Township's fiscal year shall be submitted to the Clerk's office as soon as possible before the end of the fiscal year):
  - a. Requests from an elected official, department head, or commission chair shall be submitted directly to the Clerk's office;
  - b. Requests from other than an elected official, department head, or commission chair must be submitted to the employee's supervisor, commission chair, or appropriate elected official, to be approved and signed by that supervisor, chair or official prior to being forwarded to the Clerk's office;

- c. Requests not submitted within the required time, or that are submitted without the required approvals, shall not be reimbursed without prior approval by a majority vote of the Township Board, and the Township Board shall only entertain consideration of such requests in the most extreme of documented circumstances.

**E. Verification of requested reimbursement**

- 1 Department head or commission chair is responsible for verifying the legitimacy and documentation of the reimbursement request;
- 2 The Township Executive Committee shall review and approve all reimbursement requests submitted by elected officials, department heads and commission chairs.

**F. Payment of reimbursement**

- 1 Reimbursement for approved expenses shall be made on a monthly basis along with the payment of Township bills approved at Board meetings, except as provided in III.F.2 below;
- 2 The Township Clerk may hold requests for reimbursement that are for ten dollars (\$10.00) or less, which shall then be paid on a quarterly basis;
- 3 All reimbursements for expenses incurred during one fiscal year shall be paid during that fiscal year, provided the expense report with supporting documentation is properly submitted at least one week before the end of the fiscal year.

**IV. COMPLIANCE**

- A. Employees who violate this Policy are subject to disciplinary action up to and including termination of employment, though absent egregious or repeated violation, said disciplinary action shall be progressive and thoroughly documented;
- B. Appointed members of the various boards and commissions who violate this Policy are subject to removal from office;
- C. Elected officials who violate this Policy are subject to censure by the Dexter Township Board.