



Policy: 5.07

SUBJECT: **REIMBURSEMENT OF EXPENSES**

Supersedes:

Effective: September 8, 2008

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Approved by: Detroit Board of Education

1.0 Policy

The professional associations of school boards, National School Board Association (NSBA) and Michigan Association of School Boards (MASB), encourages Board members to actively support public education by participating in activities that heighten their awareness and increase their knowledge and understanding of critical education issues.

NSBA and MASB recognize that the effectiveness and efficiency of educational programs are directly related to the level of competence of individual Board members.

The associations urge its members to actively support and attend continuing education programs and conferences designed to keep local Board members abreast of current developments in governance and education policy initiatives.

The Detroit Board of Education fully supports the NSBA and MASB goals and objectives. In order to participate, individual Board members must commit time and expenses. Such expenses, pursuant to the School Code, meet the legal requirements for reimbursement. However, the Board recognizes and accepts its responsibility to regulate the practices of its members. Accordingly, the Board has formulated the following revisions and updates as it relates to the Michigan School Code and previous Board policies.

I. Pertinent State Laws

Michigan School Code 380.1254: Expenses of Board members and employees; expenditures as public record.

Sec. 1254. Except as provided in section 1217a, the board of a school district may pay the actual and necessary expenses incurred by its members and employees in the discharge of official duties or in the performance of functions authorized by the board. The expenditures shall be a public record and shall be made available to a person upon request.

Michigan School Code 380.417a: Board; interest of a member in contract; compensation; per diem allowance; reimbursement; maximum payments.

Sec. 417a. (1) A member of the first class school district board shall not be directly or indirectly interested in a contact with the Board. Except for the per diem allowance provided in subsection two, a member of the first class school district board shall not receive compensation for services rendered by to the board.

(2) Each first class school district board member shall be paid a per diem allowance of \$30 for each board meeting and subcommittee meeting attended and each authorized duty performed. To be reimbursed for an authorized day, the duty shall be related directly to the member's responsibility as a board member and shall be authorized in advance by resolution of the board. Compensation shall be provided to a board member for an authorized duty only if that duty and the authority of the board member to perform that duty is specifically enumerated in the resolution authorizing compensation...

II. Policy on Travel and Expenses

On December 14, 1993 the Board adopted a resolution to limit to five the number of trips taken by Board members outside of the State of Michigan.

Members of the Detroit Board of Education may be reimbursed for the actual and necessary expenses incurred in the discharge of their official duties or in the performance of functions authorized by the Detroit Board of Education, provided that receipts or other documentation adequately disclose the date and purpose. Reimbursable expenses that meet the preceding requirements may include:

1. travel expenses (including amounts expended for meals, lodging and other expense incident to travel except amounts which are lavish or extravagant under the circumstances) while outside the City of Detroit.
2. education expenses that maintain or improve skills required by the Board members in the function of their duties or meet the express requirements of the Board, and
3. the cost of supplies used by Board members.

The following travel and expense guidelines shall be in effect:

- A. Board members shall not take more than five district-financed trips outside of the State of Michigan during any fiscal year from July 1 – June 30.
- B. Board members may travel unrestricted to perform “authorized duties” within the State of Michigan, trips taken within the State of Michigan shall not be included in the member’s allowable five trips.
- C. Trips requiring voting or legal Board representation by the President or his/her designee(s) shall not be included as one of the member’s allowable five trips.

Board members shall observe the following procedures:

- 1. Upon returning from conferences and meetings supported by the district, Board members will share oral or written summaries of their learning experiences with the community.
- 2. Board members will submit original receipts for every expenditure to the Board Secretary within ten working days of each trip.
- 3. The Board Secretary will monitor the number of trips and alert the President of the Board when members are approaching the limit.
- 4. Board members exceeding five trip limits shall be required to have prior approval of the Board’s Committee of the Whole.
- 5. The following sanctions shall be applied when Board members violate the agreements set forth in the Travel and Expense Policy guidelines.
 - a. Board members who do not receive prior approval of exceeding the five trip limit must repay any expenses incurred and no stipends will be paid until the district has been fully reimbursed.
 - b. Members who exceed the five trip limit, without approval, will lose American Express Corporate

Card privileges for the balance of the fiscal year of the travel policy violation.

III. Policy on Use of Credit Cards

Use of credit cards issued to Board members is restricted to payment of expenses made in accordance with the policies stated above.

On March 14, 1995, the Board adopted the following additional policy language which will be in effect for all American Express Card holders under the American Express Company Middle Management Account, (an agreement between individual Detroit Board members and the American Express Card Company in which the individual agrees to pay all non-reimbursable charges directly to American Express.)

1. The account will be issued in the individual Board member's name. This means each account is virtually a personal account which has been issued through the specialized American Express Corporate Card program, the Middle Marketing Account.
2. The individual Board member will be responsible for the payment of all expenditures charged against this account. The Board is responsible for the payment of all Board-related expenditures charged against the account.
3. The individual Board member, as well as the Board, will receive a monthly statement which itemizes all charges.
4. The Board will receive the individual Board members' monthly statement and pay all bills that are related to Board expenses and travel. The individual Board member will then be held accountable for the balance.
- 5.(a). Board members are required to retain all original receipts of all Board-related card activity.
 - (b). Members are required by the IRS to add the name and nature of the business on all receipts for business meetings with meals. These and all other original receipts must be submitted to the Office of the Secretary of the Board within ten (10) days of the expenditure.
6. Any expenses not paid by the Board must be paid by the Board member directly to American Express within 60 days. Delinquent individual accounts will be automatically suspended by American Express until all expenses are paid. Transactions at this point are

between American Express Card Company and the individual Board member, not the Board of Education.

Attachments to Policy 5.07: None

See also: None

Legal References: MCLA § 380.1254
MCLA § 380.417a
MCLA § 129.243

Labor Contract References: None