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| <b>Community Mental Health Partnership of Southeast Michigan</b> |                                      | <b>Policy:</b><br><i>Business Expense Reimbursement</i> |  |
| CMHPSM Board Governance  |                                      |   |  |
| Original Approval Date:<br>6/12/2024                             | Date of Board Approval:<br>6/12/2024 | Date of Implementation:<br>7/1/2024                     |  |

**I. POLICY/PURPOSE**

The Community Mental Health Partnership of Southeast Michigan (CMHPSM) recognizes that eligible individuals associated with the CMHPSM may have business related expenses that necessitate financial reimbursement. The CMHPSM is a governmental entity entrusted with managing taxpayer funds that are used to support vital services for individuals with mental health, intellectual or developmental disabilities, and/or substance use disorders within our region. All expenses covered by this policy should reflect our stewardship of these funds. Violations of the standards within this policy may result in disciplinary action, intentional abuses of the standards within this policy may be grounds for immediate termination.

It is the policy of the CMHPSM that all pre-approved expenses incurred by eligible individuals that meet the standards identified within this policy will be eligible for appropriate reimbursement. Expenses generally fit within the following categories: general work-related mileage, pre-approved event or conference travel expenses, or pre-approved programmatic reimbursable business expenses initially covered by non-CMHPSM funds. Eligible individuals shall utilize all required processes and forms, and meet all standards outlined within this policy to be eligible for reimbursement.

**II. REVISION HISTORY**

| DATE      | MODIFICATION   |
|-----------|--|
| 6/12/2024 | Transition from Operational Procedure to Board Governance Policy |
| 6/16/2016 | CMHPSM Operational Procedure Created                             |

**III. APPLICATION**

This policy applies to the individuals or groups identified:

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|--|
| <input checked="" type="checkbox"/> CMHPSM PIHP Staff, Board Members, Interns & Volunteers         |
| <input type="checkbox"/> Regional Partner CMHSP Staff, Board Members, Interns & Volunteers         |
| Service Providers of the CMHPSM and/or Regional CMHSP Partners:                                    |
| <input type="checkbox"/> Mental Health / Intellectual DD Service Providers                         |
| <input type="checkbox"/> SUD Treatment Providers <input type="checkbox"/> SUD Prevention Providers |
| <input type="checkbox"/> Other as listed:  |

## IV. DEFINITIONS

**Community Mental Health Partnership of Southeast Michigan (CMHPSM):** The Regional Entity that serves as the PIHP for Lenawee, Livingston, Monroe and Washtenaw for mental health, intellectual/developmental disabilities, and substance use disorder services.

**Eligible Individuals:** Employees, board members, students, or volunteers eligible for travel reimbursement through the CMHPSM under this policy.

**Regional Entity:** The entity established under section 204b of the Michigan Mental Health Code to provide specialty services and supports.

**Regular Work Location:** A CMHPSM employee's assigned regular work location is typically the CMHPSM office building. Fully remote employees, co-located employees, or non-employees (board member, volunteer, student/intern) would identify their home or their other regular designated work location (such as permanent assignment to a CMHSP office space) as their regular work location.

**Temporary Work Location:** A work location that a CMHPSM employee is assigned to outside their home or the CMHPSM offices for a period of less than one (1) year. An example could be temporary co-location at a CMHSP office space within our region for work purposes on a temporary basis.

## V. STANDARDS

### A. General Personal Vehicle Mileage Expenses

#### 1. Pre-Approval

- a. Generally day-to-day personal vehicle mileage for CMHPSM business purposes does not require pre-authorization. Eligible individuals should seek clarification from their direct supervisor or the CMHPSM human resources department for more information on eligible business cases.

#### 2. General

- a. Business travel in a personal vehicle from the eligible individual's assigned regular workplace to other locations for business purposes is generally eligible for CMHPSM mileage expense reimbursement.
- b. A CMHPSM employee's assigned regular work location is usually their CMHPSM assigned office building. Fully remote employees, or non-employees (board member, volunteer, student/intern) would use their home or their regular CMHPSM designated workspace.
- c. Hybrid employees should utilize the CMHPSM office building as their assigned regular workplace unless pre-approved to use another location by their supervisor.

- d. Travel between an individual's home and regular workspace is not eligible for reimbursement, as those are commuting expenses.
- e. Travel related to temporary work assignments would generally be reimbursable but would require pre-approval from the CMHPSM CEO.
- f. Whenever general business travel begins or ends at an eligible individual's home, reimbursement will be based upon the mileage from their home to the regular work location and return home while deducting the mileage from their home to their regular work location workspace and return.
- g. All eligible business travel will be reimbursed at the annual IRS standard business mileage rate on a per mile basis. IRS "business use" travel rates can be found here: <https://www.irs.gov/tax-professionals/standard-mileage-rates>
- h. Mileage should be calculated utilizing an actual logged odometer trip basis or utilizing Google Maps, MapQuest, Apple Maps or a similar tool to track the actual mileage on the route driven.
- i. Care should be taken to drive the most efficient routes possible when traveling and non-official CMHPSM business mileage must be deducted from all reimbursement requests.
- j. Parking expenses are generally reimbursable, care should be used when incurring parking costs in relation to cost effectiveness, location, and safety. While receipts are not generally required for parking expenses, they may be required if expenses are determined to be excessive.
- k. Moving violations, parking violations or other similar fines are not eligible for reimbursement.
- l. All personal vehicle mileage should be submitted for reimbursement no later than 45 days after the date traveled. Eligible individuals should typically submit reimbursement forms on at least a monthly basis to ensure compliance with the IRS taxable income rules.

## B. Event/Meeting/Conference Expense Reimbursement

### 1. Pre-Approval

- a. All conference, training, meeting and/or event travel requires pre-authorization by a direct supervisor and/or the CMHPSM CEO to be eligible for either employee reimbursement or direct CMHPSM funding.

### 2. General

- a. All conference, training, meeting and/or event travel will be reimbursed only when all standards within this policy have been followed.
- b. Individuals seeking conference, training, meeting and/or event travel pre-approval should attempt to register for any and all early bird, member, or governmental entity rates when eligible.
- c. Individuals must estimate all projected expenses when submitting a conference pre-approval request form with the information

- available at the time of the request.
- d. The CMHPSM will utilize CMHPSM pre-payment sources (credit card, checks, ACH payments) as the primary funding option for most conference, training, meeting and/or event travel. Individuals should only utilize the employee reimbursement process when CMHPSM pre-payment for these expenses are not available.
  - e. The CMHPSM will not advance funds related to mileage or meal and incidental expenses. Those expenses must be reported after the travel has occurred.
3. Same Day Travel
    - a. All out-of-region (outside Lenawee, Livingston, Monroe and Washtenaw) conference, training, meeting and/or event travel that does not require an overnight stay will be reimbursed at 75% of the Meals and Incidental Expense rates per the GSA database.
    - b. Any in-region (Lenawee, Livingston, Monroe and Washtenaw) conference, training, meeting and/or event travel Meals and Incidental Expense reimbursement would need CEO approval of some extenuating circumstance. Reimbursement would not exceed 75% the Meals and Incidental Expense rates per the GSA database but may be reduced further.
  4. Out-of-State Travel
    - a. All travel expenses incurred outside of the State of Michigan need to be pre-authorized by the CMHPSM CEO. No reimbursement will be made for out-of-state travel that is not pre-authorized directly by the CMHPSM CEO. All requested out-of-state travel must be essential and reflect a need that cannot be met within a reasonable time frame within the State of Michigan.
  5. Lodging Reimbursement
    - a. Eligible individuals needing lodging for official business, conference, training or other events should request the most cost effective option available.
    - b. All lodging must be requested
  6. Meal and Incidentals Expense Reimbursement
    - a. The CMHPSM will utilize the U.S. General Services Administration Travel Per Diem rates for reimbursement of Meals and Incidental Expenses (M&IE). <https://www.gsa.gov/travel/plan-book/per-diem-rates>
    - b. The eligible individual will be eligible for reimbursement of meals and incidental expenses at the fiscal year rates identified for the specific city the expense was incurred, or at the standard rate, if the city is not listed in the GSA database.
    - c. Meals pre-paid through a training or conference registration must be deducted from the (M&IE) reimbursement request.
    - d. The first and last day of travel are reimbursed at 75% M&IE rate per the GSA database.

e.

| <b>FY2024 Example</b>        | <b>Standard</b> | <b>Grand Rapids</b> | <b>Traverse City</b> |
|------------------------------|-----------------|---------------------|----------------------|
| M&IE Total                   | \$59            | \$64                | \$64                 |
| First and Last Day of Travel | \$44.25         | \$48.00             | \$48.00              |
| Breakfast                    | \$13            | \$14                | \$14                 |
| Lunch                        | \$15            | \$16                | \$16                 |
| Dinner                       | \$26            | \$29                | \$29                 |
| Incidental Expenses          | \$5             | \$5                 | \$5                  |

f. *Example A: If an eligible individual travels to Traverse City on Monday, attends a conference Tuesday morning through Thursday afternoon returning home Thursday, where breakfast and lunch are provided Tuesday and Wednesday, and only breakfast provided on Thursday. Reimbursement would require deductions of breakfast and lunch on Tuesday and Wednesday, the breakfast deduction on Thursday, and Monday and Thursday would be 75% per diem as first and last day of travel no matter when travel occurs.*

*In this example, the eligible individual would request reimbursement for M& IE expenses utilizing the Traverse City rates from the GSA table for the appropriate fiscal year:*

| <b>Example A</b>           | <b>Monday<br/>(75% First)</b> | <b>Tuesday</b> | <b>Wednesday</b> | <b>Thursday<br/>(75% Last)</b> |
|----------------------------|-------------------------------|----------------|------------------|--------------------------------|
| M&IE Total                 | \$48.00                       | \$64           | \$64             | \$48.00                        |
| Breakfast Deduction        | N/A                           | Yes, -\$14     | Yes, -\$14       | Yes, -\$14                     |
| Lunch Deduction            | N/A                           | Yes, -\$16     | Yes, -\$16       | No                             |
| Dinner Deduction           | No                            | No             | No               | No                             |
| <b>Total Reimbursement</b> | <b>\$48.00</b>                | <b>\$34</b>    | <b>\$34</b>      | <b>\$34.00</b>                 |

g. *Example B: An eligible individual is conducting a single day 4 hour site audit of a provider in the Lansing area. Reimbursement for single day travel would utilize the 75% M&IE expense table, with Lansing being the standard GSA rate:*

| <b>Example B</b>           | <b>(75% First/Only Day)</b> |
|----------------------------|-----------------------------|
| M&IE Total                 | \$44.25                     |
| Breakfast Deduction        | N/A                         |
| Lunch Deduction            | N/A                         |
| Dinner Deduction           | No                          |
| <b>Total Reimbursement</b> | <b>\$44.25</b>              |

- h. Eligible individuals are not required to provide any documentation or receipts for per diem covered GSA M&IE expenses.
- i. No meal or incidental expenses above the GSA per diem rates will be considered for reimbursement.

C. Pre-Approved Personal Purchase of Goods and Services for Reimbursement by the CMHPSM

- 1. Certain business needs may arise in an emergent manner which require the utilization of personal funds to cover a CMHPSM business purchase of goods or services. All such purchases must be pre-authorized prior to any such purchase from the CMHPSM CEO or their designee.
- 2. An individual covered by this policy should attempt to purchase all CMHPSM goods and services directly with CMHPSM funds and should only request pre-approval to use personal funds as the last resort.
- 3. An individual covered by this policy that does not obtain pre-approval from the CMHPSM CEO or their designee prior to making such a purchase, **does so at the risk of not being reimbursed** by the CMHPSM.
- 4. The CMHPSM reserves the right to determine reimbursement eligibility for all personal purchases of goods and services made on behalf of the CMHPSM at all times.
- 5. The CMHPSM will require proof of purchase, proof of payment source, and proof of delivery prior to any reimbursement of a pre-approved personal purchase.
- 6. All such purchases must follow the CMHPSM procurement policy found here: <https://www.cmhpsm.org/governance-policies>

D. General Exclusions

- 1. Non-reimbursable Miscellaneous Itemized Expenses  
Eligible individuals will NOT be reimbursed for the following expenses, this list is not all inclusive and expenses may be ineligible, individuals should seek pre-approval for other miscellaneous expenses:
  - a. Airline or airport lounge or club fees
  - b. Alcoholic beverages
  - c. Any expenses related to personal or vacation days
  - d. Baby-sitting or childcare
  - e. Clothing expenses
  - f. Food delivery or room service fees
  - g. Hotel cleaning or damage fees
  - h. In-flight expenses (wi-fi, in-flight movies, etc.)
  - i. Loss of personal property
  - j. Luggage
  - k. Medical expenses
  - l. Mini-bar products
  - m. Parking or traffic tickets
  - n. Personal care expenses

- o. Personal entertainment expenses (books, golf, movies, sports or entertainment events, video rental, etc.)
  - p. Tobacco products
  - q. Travel companion expenses
  - r. TSA pre-check or other convenience fees
  - s. Political or charitable fundraisers or similar events
2. If an eligible individual has any uncertainty on the potential reimbursement of an expense they should inquire with their supervisor or the CMHPSM Human Resources department prior to incurring that expense.

#### E. Expense Reimbursement Forms

1. Regular Business Mileage
  - a. The current year business expense reimbursement form can be found on the CMHPSM employee hub forms page in Microsoft Teams.
2. Event/Meeting/Conference Expense Reimbursement
  - a. The current calendar year conference pre-approval form can be found on the CMHPSM employee hub forms page in Microsoft Teams.
  - b. The current calendar year business expense reimbursement form can be found on the CMHPSM employee hub forms page in Microsoft Teams.
  - c. A per diem calculation worksheet will also be found on the CMHPSM employee hub page in Microsoft Teams for inclusion of Meal and Incidental travel expenses.
3. Pre-Approved Personal Purchase of Goods and Services for Reimbursement by the CMHPSM
  - a. A purchase request form must be submitted utilizing the employee purchase reimbursement option and must be approved prior to the employee making any purchases to be eligible for reimbursement. The purchase request form can be found on the CMHPSM employee hub forms page in Microsoft Teams.
  - b. The current calendar year business expense reimbursement form can be found on the CMHPSM employee hub forms page in Microsoft Teams. This form will be utilized in conjunction with the pre-approved purchase form, and all supporting purchase documentation to obtain reimbursement for employee purchased goods or services.
4. Any expense reimbursements submitted more than 60 days after travel expense was incurred may be taxable as income to the individual and appropriate tax withholdings will be made by the CMHPSM.
5. Individuals must seek exemption from sales or use tax whenever possible, as the CMHPSM is tax-exempt as a governmental entity in the State of Michigan. Some hotel, local, facility, or other similar taxes or fees may not be able to be waived per our status. Please see the

CMHPSM's tax exempt form for more information or contact your supervisor, the regional coordinator or the CMHPSM CEO. Individuals may be required to seek removal of sales or use tax prior to reimbursement or to work with the CMHPSM finance department in such efforts. The CMHPSM, while not required to reimburse individuals for sales or use tax expenses, may elect to do so per the discretion of the CMHPSM CEO or their designee. Typically, these tax reimbursements would be low dollar sales or use taxes (less than \$10) which would incur an administrative expense that would exceed potential sales tax reimbursement.

6. CMHPSM Regional Board Members should seek reimbursement for eligible expenses from their home CMHSP whenever possible per Article V. Board of Directors Section M. Stipends of the CMHPSM Bylaws. Oversight Policy Board Members, including the Oversight Policy Board Member appointed to the CMHPSM Regional Board should discuss all training, event or conference requests with the CMHPSM CEO or their designee. The CMHPSM Board of Directors may establish a Board expense budget which identifies an allocation intended for such reimbursement requests.

## **VI. EXHIBITS/REFERENCES**

### **IRS Mileage Reimbursement Rates:**

<https://www.irs.gov/tax-professionals/standard-mileage-rates>

### **GSA Meal and Incidental Expense Rates:**

<https://www.gsa.gov/travel/plan-book/per-diem-rates>

All CMHPSM forms related to this policy can be found on the CMHPSM Microsoft Teams – Employee Hub – Employee Forms pages.

Non-employee eligible individuals should contact the CMHPSM Regional Coordinator for access to CMHPSM pre-approval and reimbursement forms.