

Slide 1



Revision to APS Code:  
DKC and DKC-R  
Employee Expense  
Authorization/Reimbursement  
August 16, 2012

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In the past, we've had 2 policies, plus several other sources, on how to handle employee expenses and reimbursements.

In order to simplify, we've combined the 2 policies into one and rolled all the other guidance, into one policy DKC and its regulation DKC-R.

I'll cover the highlights of each section.

We'll also mention the various forms that are required for travel, conferences and other employee purchases.

I can provide electronic copies of this presentation. It will be posted on the Finance website.



## Policy Overview



- All travel expenses related to attendance at conferences requires prior approval.
  - All school staff must have approval from their principal and the appropriate director of student achievement (DOSA).
  - Support site employees must have the approval of their department supervisor.

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Prior approval has always been required for conference attendance. This part is not new. However, the new part is now the DOSAs must approve conference attendance. As always, Support site employees must obtain approval from department supervisor.



## Policy Overview



- By signing documentation, the budget authority assumes responsibility for all expenses.
  - District accountability standards and all financial requirements have been met.

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I'd like to emphasize this point. When signing the documentation for employee expenses, whether it's a check register or a P-card register or a conference form, the budget authority acknowledges that all district accountability requirements have been met. Please be aware of what you are signing.

Also, the requirements that I'll cover today are the minimum requirements. Directors or Principals can set more stringent guidelines. It's up to you.



## Employee Expense Authorization



- DCD-R, Page 1 of 8
- All employee expenses require written approval by the appropriate budget authority prior to purchase.
  - Electronic approval is acceptable.

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Each school is different when it comes to authorizing employee expenses. Some principals require each purchase to be approved. Some principals provide a list of approved purchases or budget amounts. If you would like to hear about some low-impact ways of setting up a system for prior approval, we can arrange to meet with you or your bookkeeper or secretary.



## District Travel and Mileage Expenses



- Section A, Page 1 of 8
- Attendance at meetings in the metro area which do not include registration fees, overnight lodging or other major expenses, are considered district travel.
- Travel between district locations is considered district travel.
  - Use District Travel and Mileage Report Form 1107.

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We're on section A on page 1 of 8.

We're making a distinction between district travel and conference travel.

If there is no overnight stay and no substitute is required, use district form 1107.

About meal expenses, since in this case, there is no overnight travel, employees will be expected to pay for their own meals.

**INSERT COPY OF THE FORM.**



## Conference/Workshop Expenses



- Section B Page 3 of 8
- Approval for attendance at all conferences and workshops must be obtained at least two weeks in advance of the event.
  - Use APS – Conference/Travel Request/Advance/ Reimbursement, District Form 1069A.

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The conference form part A is very helpful in setting limits to conference expenses.

Refer to the paper form.

You can have a paper trail of what and how much you have authorized someone to spend at a conference.



## Conference/Workshop Expenses



- **How will this conference expense benefit student achievement?**
- Supervisors will have the responsibility of determining if the trip is necessary to enhance job performance and positively impact student achievement.
- Use the “reasonable taxpayer” rule – would a tax payer consider this expense a reasonable use of tax payer dollars?

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Whether your travel is in state or out of state, consider how your conference will positively impact student achievement.

Ask the question, **How will this conference expense benefit student achievement?**

It’s up to the supervisor to determine if the cost of the conference is justified.

Please note that we aren’t using per diem amounts or expense limits. Be sure to use the reasonable taxpayer rule.



## Conference/Workshop Expenses



- Section B, Pages 4 and 5
- Reimbursement for any travel expenditures will only be for actual incurred expenses.
  - Must provide original, dated, itemized receipts to substantiate reimbursement.
    - Tipping is a reimbursable expense, but should never exceed 20 percent and must be documented with original, dated, itemized receipts.
    - Purchases of alcohol should never appear on receipts submitted to the district for reimbursement.

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Tips will be reimbursed, if they are included on the receipt. Don't exceed 20 percent. If a receipt has an alcohol purchase on it, don't turn it in. The district will not reimburse for alcohol.



## Conference/Workshop Expenses



- Section B, Page 5 of 8
- Employees must submit forms to the appropriate budget authority for review and processing within five days of return from conference.
  - Use APS – Conference/Travel Request/Advance/ Reimbursement Form 1069B.

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We are giving you a timeline here. Employees must turn forms into you or your secretary within 5 days after the trip.



## Conference/Workshop Expenses



- Employees must complete both Conference Forms A and B, if they received money for a conference advance.
- Turn in forms to Accounts Payable within 10 days after conference.
- Failure to submit form 1069B and original, dated, itemized receipts for district-funded advances could result in that amount being added to the employee's W-2 as taxable income.

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When an employee receives advance money for a conference, it is important that the employee turn in the report on how that money was spent on a timely basis.

Use Conference Form B for this purpose.

Technically, conference advances held for longer than 120 days should be reported as income to the employee on the W-2. We don't want that to happen.



## Meal/Food Expenses



(non-conference or district travel related)

- Section C, Pages 6, 7 and 8
- General Fund monies cannot be used to regularly purchase staff meals as part of the routine business operation of the district.
- Use discretion when selecting restaurants and meal items.

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We've provided the same guidance on pages 6 and 7 that used to be included in the Accountability Memo, otherwise known as Rod's memo.

Don't use General Fund money to purchase staff meals on a regular basis.

Again, this is minimum guidance. You can set more stringent rules.

Don't go to a place called Joe's Bar and Grill. The appearance is not good.



## Meal/Food Expenses



- Documentation for meals related to district travel and conferences must include:
  - 1) Purpose of meeting and topics discussed
  - 2) Location
  - 3) Names of participants
  - 4) Original, dated, itemized receipts

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Documentation for meals has not changed.



## Meal/Food Expenses



- **Appropriate Expenditures**
  - 1) During an all-day conference/workshop/in-service
  - 2) Monthly, or less frequent meetings, when at least 50 percent of participants are non-employees
  - 3) Committees that meet after the duty day
  - 4) Business meeting with key community member
  - 5) Business meeting with a board of education member
  - 6) Back-to-School night
- **Inappropriate Expenditures**
  - 1) Daily by employee
  - 2) Daily with a colleague
  - 3) Weekly with a colleague
  - 4) Weekly recurring group
  - 5) Daily when working after the duty day
  - 6) Daily, weekly or monthly staff meetings

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Guidance for meal expenses has not changed.



## Supplies and Other Miscellaneous Expenses



- Section C, page 8 of 8
- Gift cards and gift certificates for employees are strictly prohibited.
  - No district funds from any source may be used to purchase gift cards or gift certificates.
  - Gifts of this nature are considered taxable income by the IRS.
  - Gifts to public employees over \$50 are prohibited by state constitution.

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We used to allow the student groups to collect money and purchase gift cards for their coaches or sponsors.

We've since learned that gifts to public employees over \$50 in value are prohibited by the state constitution.

So we are making the requirement that gift card purchases are prohibited.

Please note that the provision is an absolute ban on cash or gifts for public employees unless the gift meets one of the stated exceptions. The more relevant exemptions include unsolicited items (not cash) under \$50, gifts given by a relative or personal friend on a special occasion, and if the item is a component of the public employee's normal compensation.

There is no limit on the amount the District may receive as a gift. Therefore, if a donor is looking to honor a teacher by providing school supplies or cash for school supplies, direct them to make the donation to the school in the name of the teacher. The District can then utilize that gift for the teacher's classroom, but the items will remain District property.

CONSTITUTION OF THE STATE OF COLORADO  
ARTICLE XXIX ETHICS IN GOVERNMENT

Colo. Const. Art. XXIX, Section 3 (2011)

### Section 3. Gift ban

(1) No public officer, member of the general assembly, local government official, or government employee shall accept or receive any money, forbearance, or forgiveness of indebtedness from any person, without such person receiving lawful consideration of equal or greater value in return from the public officer, member of the general assembly, local government official, or government employee who accepted or received the money, forbearance or forgiveness of indebtedness.

(2) No public officer, member of the general assembly, local government official, or government employee, either directly or indirectly as the beneficiary of a gift or thing of value given to such person's spouse or dependent child, shall solicit, accept or receive any gift or other thing of value having either a fair market value or aggregate actual cost greater than fifty dollars (\$ 50) in any calendar year, including but not limited to, gifts, loans, rewards, promises or negotiations of future employment, favors or services, honoraria, travel, entertainment, or special discounts, from a person, without the person receiving lawful consideration of equal or greater value in return from the public officer, member of the general assembly, local government official, or government employee who solicited, accepted or received the gift or other thing of value.

(3) The prohibitions in subsections (1) and (2) of this section do not apply if the gift or thing of value is:

(a) A campaign contribution as defined by law;

(b) An unsolicited item of trivial value less than fifty dollars (\$ 50), such as a pen, calendar, plant, book, note pad or other similar item;

(c) An unsolicited token or award of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item;

(d) Unsolicited informational material, publications, or subscriptions related to the recipient's performance of official duties;

(e) Admission to, and the cost of food or beverages consumed at, a reception, meal or meeting by an organization before whom the recipient appears to speak or to answer questions as part of a scheduled program;

(f) Reasonable expenses paid by a nonprofit organization or other state or local government for attendance at a convention, fact-finding mission or trip, or other meeting if the person is scheduled to deliver a speech, make a presentation, participate on a panel, or represent the state or local government, provided that the non-profit organization receives less than five

percent (5%) of its funding from for-profit organizations or entities;

(g) Given by an individual who is a relative or personal friend of the recipient on a special occasion.

(h) A component of the compensation paid or other incentive given to the recipient in the normal course of employment.

(4) Notwithstanding any provisions of this section to the contrary, and excepting campaign contributions as defined by law, no professional lobbyist, personally or on behalf of any other person or entity, shall knowingly offer, give, or arrange to give, to any public officer, member of the general assembly, local government official, or government employee, or to a member of such person's immediate family, any gift or thing of value, of any kind or nature, nor knowingly pay for any meal, beverage, or other item to be consumed by such public officer, member of the general assembly, local government official or government employee, whether or not such gift or meal, beverage or other item to be consumed is offered, given or paid for in the course of such lobbyist's business or in connection with a personal or social event; provided, however, that a professional lobbyist shall not be prohibited from offering or giving to a public officer, member of the general assembly, local government official or government employee who is a member of his or her immediate family any such gift, thing of value, meal, beverage or other item.

(5) The general assembly shall make any conforming amendments to the reporting and disclosure requirements for public officers, members of the general assembly and professional lobbyists, as provided by law, to comply with the requirements set forth in this section.

(6) The fifty-dollar (\$ 50) limit set forth in subsection (2) of this section shall be adjusted by an amount based upon the percentage change over a four-year period in the United States bureau of labor statistics consumer price index for Denver- Boulder-Greeley, all items, all consumers, or its successor index, rounded to the nearest lowest dollar. The first adjustment shall be done in the first quarter of 2011 and then every four years thereafter.

**HISTORY:** Source: Initiated 2006: Entire article added, effective upon proclamation of the Governor, L. 2007, p. 2956, December 31, 2006.

Editor's note: In Position Statement 11-01, released April 8, 2011, the Independent Ethics Commission increased the fifty-dollar gift-ban limit set forth in § 3 (2) to fifty-three dollars, effective until the first quarter of 2015.

As personification of state, governor proper party defendant in suit contesting constitutionality of this article at time of its filing. The evaluation of whether a person or entity is a proper party in a lawsuit must be determined in light of relevant facts and circumstances. Here, there was no

alternative entity for plaintiffs to sue in order to challenge this article. Colorado has long recognized the practice of naming the governor, in his role as state's chief executive, as proper defendant in cases where a party seeks to "enjoin or mandate enforcement of a statute, regulation, ordinance, or policy". The only appropriate state agent for litigation purposes was the governor. Prior to creation of the independent ethics commission (commission), the governor was appropriate party defendant in a constitutional challenge. *Developmental Pathways v. Ritter*, 178 P.3d 524 (Colo. 2008).

Because preliminary injunction issued before commission came into existence and before it had opportunity to act in furtherance of this article, plaintiffs failed to present a ripe as-applied constitutional challenge. Relief plaintiffs seek is only available in a successful facial challenge, not in an as-applied challenge. In order for plaintiffs to obtain a declaration that article is unconstitutional as applied, there must be an actual application or at least a reasonable possibility of enforcement or threat of enforcement. As of the time of suit, the commission was not yet in existence, and it had not yet acted to enforce the gift bans. No enforcement or threat of enforcement of the gift bans had occurred. Therefore, concerns expressed by plaintiffs were merely speculative interpretations of what might occur once commission is operative. As such, district court did not have jurisdiction to grant preliminary injunction. *Developmental Pathways v. Ritter*, 178 P.3d 524 (Colo. 2008).



## Questions?



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There are a lot of details in the employee expense and reimbursement process. We've covered the material at a high level today.

We are scheduling training sessions for secretaries and bookkeepers. Donna Garcia and Krista Swanson are available to come to your school for additional assistance.