

# Public Building Commission of Chicago

## Policies and Procedures

Title: Expenditure & Reimbursement		Document Type: Policy & Procedure	Version: 1
Number: 290	Author: Director of Risk Management		Department: Risk Management
Effective Date: 8/1/11	Review Date: 8/1/11	Approver: Executive Director	
Signature:			

Printed copies are for reference only. Please refer to the electronic copy for the latest version. The PBC reserves the right to revise this document at any time in its sole discretion.

### 1.0 Purpose

- 1.1. Establish rules related to PBC expenditures and reimbursement.

### 2.0 Definitions

- 2.1. In-Town Travel – travel within a 50-mile radius of the Richard J. Daley Center
- 2.2. Out-of-Town Travel – travel outside of the Chicago metropolitan area
- 2.3. Finance Request/Direct Voucher Form – Department of Finance form used to seek approval of an anticipated expenditure and/or reimbursement of expenditures. This form is used when an existing Procurement process is not warranted or feasible.

### 3.0 Responsibilities

- 3.1. Chief Operating Officer – Approve expenditures of Director level personnel and all expenditures in excess of \$250.
- 3.2. Director of Enterprise Risk Management – conduct annual audit of PBC expenditure reimbursements and credit card expenditures to ensure compliance with this policy.
- 3.3. Director of Finance – Review and approve all expenditure reimbursement requests and credit card expenditures. Retain all original paperwork. Post reimbursement and credit card logs to the PBC website monthly.
- 3.4. Ethics Officer – Include a review of this policy in the annual PBC Ethics Training.
- 3.5. Executive Director – Approve expenditures of Chief Operating Officer and all expenditures in excess of \$250.
- 3.6. Employee Supervisors and Directors – Review any requests for expenditure and reimbursement for compliance with this policy prior to approving and submitting for Director level approval. Reject any expenditure that is not in compliance with this policy.

### 4.0 Persons Affected

- 4.1. All PBC employees and PMO employees.

### 5.0 Policy

#### 5.1 General

- 5.1.1 The primary means of purchasing valid goods and services necessary for conducting Public Building Commission of Chicago (PBC) business is via an appropriate procurement and/or direct voucher processes.
- 5.1.2 The employee reimbursement process is appropriate when direct vouchers to vendors are not feasible.

# Public Building Commission of Chicago

## Policies and Procedures

---

- 5.1.3 Expenses incurred by PBC personnel will be reimbursed through the accounts payable process. In limited circumstances PBC credit card usage may be appropriate.
- 5.1.4 Expenses determined to be in support of the PBC mission will be reimbursed if advance approval has been received.
- 5.1.5 Expenses not approved in advance may be reimbursed only at the discretion of the Executive Director or the Chief Operating Officer. Appropriate reimbursement expenditures must be documented.
- 5.1.6 Expenses not properly supported by receipts will NOT be reimbursed.
- 5.1.7 No individual purchases allowed for over \$250 without pre-approval by the Chief Operating Officer.
- 5.1.8 All reimbursement expenses and credit card statements will be published to the PBC website monthly.
- 5.1.9 Any exception to this policy must be approved in advance by the Executive Director.
- 5.1.10 Audit
  - 5.1.10.1 The Director of Finance
    - 5.1.10.1.1 Audit expenditures as reimbursement requests and credit card expenditures are submitted.
    - 5.1.10.1.2 Twice a year review spending by type and by individuals to identify any excessive, unusual or questionable expenditure or unexpected trends.
    - 5.1.10.1.3 In the event of recurring expenditures, report will be made to the Chief Operating Officer to determine if a purchase agreement should be considered.
  - 5.1.10.2 The Director of Enterprise Risk Management will arrange for an annual audit of expenditure reimbursements and credit card expenditures to ensure that the program is working with the constraints of this policy.
- 5.2 Acknowledgement Agreement
  - 5.2.1 Current employees will sign an Acknowledgement Agreement indicating that they accept the terms of this Expenditure & Reimbursement Policy upon implementation of the policy. Current employees shall sign the Agreement at the inception of this policy.
  - 5.2.2 Future employees will be required to sign the Agreement upon hire.
  - 5.2.3 Failure to comply with this Policy and the related procedures may make the employee accountable for any questionable expenditure and subject to disciplinary action up to termination of employment.
- 5.3 Unallowable Types of Expenditures: The following expenditures are not considered appropriate when conducting PBC business. This listing is not intended to be an exhaustive listing of all unallowable expenditures. If in doubt about a potential expenditure, the employee should discuss with his/her manager, or the Director of Finance.

# Public Building Commission of Chicago

## Policies and Procedures

---

- 5.3.1.1.1.1.1 Local Business Meals (*within a 50-mile radius of the Richard J. Daley Center*)\*
- 5.3.1.1.1.1.2 Refreshments/Food (*for meetings*)\*
- 5.3.1.1.1.1.3 Food, Supplies or Other Costs (*for employee events/holiday parties/birthdays*)
- 5.3.1.1.1.1.4 Gifts/Flowers/Gift Cards
- 5.3.1.1.1.1.5 Alcoholic Beverages/Tobacco Products/Controlled Substances
- 5.3.1.1.1.1.6 Personal Items
- 5.3.1.1.1.1.7 Sponsorships/Donations \*\*
- 5.3.1.1.1.1.8 Entertainment/Recreational Activities\*\*
- 5.3.1.1.1.1.9 Appliances (*e.g., microwaves, refrigerators, coffee makers for use in personal office*)
- 5.3.1.1.1.1.10 Personal Office Decor Item
- 5.3.1.1.1.1.11 Traffic Citations/Parking Violations/ Fines and Penalties
- 5.3.1.1.1.1.12 Sporting Goods not related to PBC projects
- 5.3.1.1.1.1.13 Car Washes for personal vehicles
- 5.3.1.1.1.1.14 Cash Advances
- 5.3.1.1.1.1.15 Software and Related Licensing Agreements not approved by IT Manager
- 5.3.1.1.1.1.16 Professional or Trade Licenses *unless approved in advance by the Director of Finance.*
- 5.3.1.1.1.1.17 Any other item deemed inappropriate/unnecessary for conducting PBC business.

\* Limited expenditure on refreshments and food is allowable in special circumstances (i.e. beverages for site milestones, hosting a visiting delegation) and only with the prior approval of the Executive Director.

\*\* Expenditure are allowed that support the core values of the PBC in outreach to community organizations to promote access to PBC projects by community members (i.e. assist agency outreach, networking events) is allowed. Approval of the Chief Operating Officer is required.

### 5.4 Allowable Expenditures

5.4.1 All expenditures must be related to PBC operations.

#### 5.4.2 Travel

5.4.2.1 Employees are expected to exercise good judgment in managing travel costs and make every effort to ensure that the cost of travel arrangements is the most economical available.

# Public Building Commission of Chicago

## Policies and Procedures

---

- 5.4.2.2 Employee supervisor must approve the travel taking into consideration the total cost of the travel, registration fees, tuition, lodging, etc. as compared to the value benefit of the employee attending the event.
- 5.4.2.3 All employees are encouraged to utilize public transportation when available.
- 5.4.2.4 In-Town Travel
  - 5.4.2.4.1 Taxi, parking, toll expenses when original receipts are submitted
  - 5.4.2.4.2 Employees must use any discounted parking program provided by the PBC or City of Chicago or other similarly priced parking garage
  - 5.4.2.4.3 Any parking not at the discounted rates must be justified with the reimbursement request.
  - 5.4.2.4.4 Mileage reimbursement
    - 5.4.2.4.4.1 Mileage will be reimbursed at the Federal rate at time of travel.
    - 5.4.2.4.4.2 Reimbursement rate includes all gas, wear and tear, insurance, insurance deductibles, etc.
    - 5.4.2.4.4.3 Reimbursement is not allowed for mileage from the employee's home to an off-site/project location nor from an off-site/project location and back to the employee's home except for traveling to and from seminars, conferences or training events.
    - 5.4.2.4.5 Public transportation expenses are reimbursement at the published rate on the date of travel.
- 5.4.2.5 Out-of-Town Travel
  - 5.4.2.5.1 Out-of-Town Travel is allowed when deemed related to PBC operations and necessary by the Executive Director or his or her designee.
  - 5.4.2.5.2 PBC Employees must travel to and within an Out-of-Town Travel location in the most cost effective and practical manner.
  - 5.4.2.5.3 Expenditure or reimbursement will be provided for fares for travel by airplane, bus, train, taxicabs, and shuttles and for personal vehicles as described below.
  - 5.4.2.5.4 Airline travel to an Out-of-Town Travel location will be provided for coach class fares only. Employees should seek to obtain the lowest available tickets, or discount fares.
  - 5.4.2.5.5 An employee may use his or her personal vehicle for travel to an Out-of-Town travel location so long as the per mile reimbursement rate per Federal guidelines for the date of travel do not exceed the cost of reasonable alternative transportation options (e.g. airplane). Parking and tolls are reimbursable with submission of original receipts.
  - 5.4.2.5.6 Car rental is allowed at an out-of-town location when other modes of transportation are cost prohibitive, no other transportation is available or the ground transportation distance renders public transportation, taxi, or other mode of transportation impractical. Reimbursement will be for the economy rental rate.

# Public Building Commission of Chicago

## Policies and Procedures

---

5.4.2.5.7 Reimbursement will be provided for cab fares, shuttles, private cars or other reasonable mode of transportation, to and from the point of arrival and departure and a lodging location, and to and from the lodging location to another location for the purpose of conducting PBC business. Original, detailed receipts are required for reimbursement.

5.4.2.5.8 Employees are encouraged to use public transportation for travel in and around an out-of-town location.

### 5.4.2.5.9 Lodging

5.4.2.5.9.1 If Out-of-Town travel requires an overnight stay for the purpose of conducting PBC business costs associated with lodging will be allowed.

5.4.2.5.9.2 No lodging will be expended for Local Travel.

5.4.2.5.9.3 The maximum allowable is the daily rate for the Out-of-Town city per Federal guidelines on the date of the stay. Reimbursement will be for a standard room rate only. Any exception must be approved by the Executive Director or Chief Operating Officer upon submission of an appeal statement explaining the need for the exception.

5.4.2.5.9.4 First class accommodations are not allowed.

### 5.4.2.5.10 Meals

5.4.2.5.10.1 Allowed for Out-of -Town Travel only.

5.4.2.5.10.2 Up to the per diem allowance per federal guidelines according to the following:

5.4.2.5.10.2.1 If attending a conference and meals are included in registration fees, the per diem amount for those meals will not be reimbursed.

5.4.2.5.10.2.2 Alcoholic beverages will not be reimbursed under any circumstances.

### 5.4.3 Training

5.4.3.1 The PBC encourages employees to take advantage of opportunities that will maintain and enhance their knowledge and skills and add to the PBC's talent base, including education reimbursement.

5.4.3.2 All training must be approved by employee's immediate supervisor and the department director. If the immediate supervisor is the department director, the Executive Director must also approve.

5.4.3.3 All training events totaling \$1,500 or more must be approved by the Executive Director. Training estimated to cost \$5,000 or greater must be approved by the Executive Director.

# Public Building Commission of Chicago

## Policies and Procedures

---

5.4.3.4 Approved training opportunities will be paid either through the direct voucher process or employee reimbursement.

5.4.3.5 Refer to PBC Training Policy 167 for specifics related to training approval.

### 5.4.4 Project Events & Community Outreach

5.4.4.1 Expenditures related to events acknowledging project milestones or community outreach in which community participation is encouraged in the PBC building and planning process.

5.4.4.2 Acceptable expenditures include rentals, soft drinks, supplies, etc.

5.4.4.3 Event budget must be approved by the Executive Director prior to the event.

### 5.5 Tax-Exempt Status

5.5.1 Every effort needs to be made to ensure that expenditures do not include Sales Tax.

5.5.2 Tax exempt certificates are available through Director of Finance.

5.5.3 Tax Exempt certificates shall not be used for any expenditure not specifically related to PBC operations.

5.6 Petty Cash: No petty cash funds will be established or maintained with PBC funds.

### 5.7 Credit Cards

5.7.1 The PBC will maintain one credit card account with up to two cards issued on that account.

5.7.2 The Executive Director and Director of Finance will be the holders of the cards and must approve all expenditures on the cards prior to the cards being used.

5.7.3 All expenditures must be within the guidelines of this policy.

5.7.4 Credit cards will be used on a limited basis and when other available procurement means are not practical.

5.7.5 Only qualified PBC expenditure may be procured via the credit card. No personal items, fees, expenses, etc. may be charged to the credit card, even if it is the intent to reimburse the PBC.

5.7.6 A Cardholder Acknowledgement Agreement will be signed by any person assigned a credit card at the time the card is issued.

5.7.7 Employees who have resigned their position or been terminated must immediately return the credit card to the Director of Finance or the Executive Director.

## 6.0 Procedure

### 6.1. Expenditure Authorization

For expenditures in which the Procurement Department's RFP/RFQ, bid or under \$25,000 process is not used, a Finance Request/Direct Voucher Form must be approved prior to the expenditure commitment whenever possible.

6.1.1. Funding line must be identified and checked for available funds.

# Public Building Commission of Chicago

## Policies and Procedures

---

- 6.1.2. Employee immediate supervisor must review, verify need of expenditure and availability of funds and approve or reject expenditure.
- 6.1.3. Expenditures in excess of \$1,500 must be approved by the supervisor's manager.
- 6.2 Supporting Documentation
  - 6.2.1 Original receipts must be submitted for all expenditures. If an original receipt is not available, employee must submit a written statement explaining why an original is not available.
- 6.3 Reimbursement Process
  - 6.3.1 Employee submits previously approved Finance Request/Direct Voucher Form with supporting documentation and receipts.
  - 6.3.2 If Finance Request/Direct Voucher Form was not previously submitted, form must be submitted with all supporting documentation and receipts along with a justification for expenditure without prior authorization.
  - 6.3.3 Each expenditure shall be substantiated by the following supporting documentation:
    - 6.3.3.1 Reason and purpose of the purchase, as well as why the item was not purchased via the normal direct voucher/procurement process.
    - 6.3.3.2 Original receipts, which include vendor name, date of purchase, individual items with exact dollar amounts - no copies.
    - 6.3.3.3 Additional original supporting documentation such as packing slips and justifications for expenditures over \$250.
  - 6.3.4 Employee signature (*either hard copy or electronically*), which also acknowledges the business appropriateness of the expenditure.
  - 6.3.5 Finance Request/Direct Voucher Form must be fully complete and submitted within 30 days of expenditure.
  - 6.3.6 Supervisory Review
    - 6.3.6.1 Employee's immediate supervisor will review reimbursement request
      - 6.3.6.1.1 Proper forms/documentation and reasons for purchase;
      - 6.3.6.1.2 Mathematical accuracy
      - 6.3.6.1.3 Original receipts;
      - 6.3.6.1.4 Documentation of the pre-approval for expenditures over \$250, if applicable;
      - 6.3.6.1.5 Signed Reimbursement Form;
      - 6.3.6.1.6 Proper allocation of expense according to budget procedures and to the proper budget category; and
      - 6.3.6.1.7 Escalation to the next Approver of any expense that appear to be out of the ordinary (*i.e., abnormally large expenses, poorly documented expenses, purchases not generally required for normal City business*) for a more focused review.
      - 6.3.6.1.8 For approval of expenditures which include Out-of-Town Travel, supervisor must take in to consideration the total cost of travel, registration fees, tuition, lodging, etc. as compared to the value benefit of the employee attending the event.
    - 6.3.6.2 Director Approval

# Public Building Commission of Chicago

## Policies and Procedures

---

- 6.3.6.2.1 When the supervisor approval is complete, the Supervisor submits the reimbursement request to the department Director who will, upon approval, forward the reimbursement request to the Finance Department for payment.
- 6.3.6.2.2 If the Director is the employee seeking reimbursement, reimbursement requests will be processed through the Chief Operating Officer. Reimbursements in excess of \$1,500 will require Executive Director approval.
- 6.3.6.2.3 Director or Chief Operating Officer will submit approved reimbursement request to Director of Finance.
- 6.3.6.3 The Supervisory Review process is to be completed within one week from the time that the employee submits the Finance Request/Direct Voucher Form to the supervisor.
- 6.3.7 Approvers cannot approve own expenditures.
- 6.3.8 If an Approver is part of a combined group expenditure, the highest-ranking employee in the group will submit the expenditure for approval to his/her supervisor.
- 6.3.9 Finance Department will review for completeness, supporting documentation, expenses in accordance with policy and proper level of approvals prior to processing the reimbursement.
- 6.3.10 Finance Department will follow procedures in place for reimbursement processing (Accounts Payable Policy #119).
- 6.3.11 Director of Finance will log reimbursement expenditure to the Employee Reimbursement Log and post to the PBC website monthly.
- 6.3.12 Finance Department will retain all original documentation and receipts in the Finance Department.
- 6.4 Credit Card Process
  - 6.4.1 All credit card expenditure requests must be submitted to the Director of Finance via the Finance Request/Direct Voucher Form prior to use of the card.
    - 6.4.1.1 Appropriate budget line must be identified.
    - 6.4.1.2 Justification for use of the card must be included.
    - 6.4.1.3 Expenditure must be approved by Director of Finance and the Chief Operating Officer.
    - 6.4.1.4 Executive Director expenditure is reviewed by the Director of Finance.
  - 6.4.2 Credit card usage that was not approved prior to the charge will be reviewed by the Chief Operating Officer and Executive Director.
  - 6.4.3 Finance Request/Direct Voucher Form must be completed and filed with the Director of Finance within 30 days of any expenditure. Original receipts should be attached to the Form.
  - 6.4.4 Director of Finance logs expenditure to the PBC Credit Card Log and post to the PBC website monthly.



# Public Building Commission of Chicago

## Policies and Procedures

---

- 6.4.5 Director of Finance will ensure that payments are made to the credit card company after proper documentation is received and filed.
- 6.4.6 Disputed Charges
  - 6.4.6.1 Billing discrepancies can result from, but are not limited to, failure to receive goods or services that were charged, duplicative or altered charges, defective merchandise, errors, misuse, and fraud. The cardholder is responsible for following up with the vendor and/or bank on any disputed charges.
  - 6.4.6.2 The bank must be notified of any disputed charges within the time limit as stated in the agreement with the bank. The cardholder will be held accountable for all charges unless the charges have been properly disputed.
  - 6.4.6.3 Lost or Stolen Card -- Lost or stolen cards must be reported immediately to the Director of Finance.

### 7.0 Revision History

No.	Date	Change	Reference Section(s)

8.0