



## Area Expenditures Guidelines Revised 9/28/09

Centralized Area Accounting has made Area and Local expenditures more transparent. We have not denied a single payment request, but have discovered that Areas/Locals operate very differently in terms of how they spend their funds. As a nonprofit organization, using donated funds appropriately is critical to the organization's success. We all have a responsibility to be good stewards of the funds donated to Special Olympics Virginia.

Below are some guidelines for expenditures and suggestions for documentation to insure that Special Olympics Virginia funds are used appropriately.

### **Approval Process**

All expenditures must be approved by an Area or Local program. Expenditures need to be documented as approved **in writing** either through council minutes, a detailed budget or by the Area/Local's established approval process. Any time a volunteer incurs an expense without prior council approval, the volunteer risks not being reimbursed for the expense.

Volunteers must submit receipts in order to be reimbursed. All volunteer reimbursements should be paid by SOVA's Area Accounting Specialist, not cut via manual checks. Manual checks are only for vendors that must be paid at the time of service.

Volunteers who have approval authority should not approve reimbursements to themselves or to family members. Either another volunteer authorized to request payment through Centralized Area Accounting or the appropriate Region Director should approve such a request.

Areas/Locals are encouraged to develop their own written reimbursement guidelines and processes. Please contact your Region Director for examples of Area/Local travel reimbursement guidelines, expense reimbursement guidelines, and equipment purchase guidelines.

### **Items for Athletes**

Some Area/Local programs purchase clothing and equipment for their athletes at times. Such expenditures need to be documented as approved in writing and must be related to Special Olympics Virginia activities. Purchases totaling \$500 or more should go through a competitive bid process with a minimum of three price quotes from different vendors.

The items below are appropriate expenditures. Buying athletes' personal clothing or household items are examples of inappropriate expenditures. (An exception could be made for personal clothing if the athlete is on a trip and such clothing is necessary on the trip, e.g. the athlete forgot to bring socks.)

- Area/Local or team jackets
- Event shirts
- Delegation shirt for parade
- Warm-up suits
- Personal sports equipment
- Team pictures

### **Gifts for Volunteers**

Some Area/Local programs occasionally buy their volunteers gifts. However, the Area/Local should have sufficient funds to provide strong programming for the athletes prior to purchasing volunteer gifts. Volunteer gift expenditures need to be documented as approved in writing and must be related to Special Olympics Virginia activities. The items below are appropriate expenditures. Buying volunteers' personal clothing or household items are examples of inappropriate expenditures.

- Event shirts or hats
- Delegation shirt for parade
- Polo shirts with SOVA logo
- Recognition plaques

### **Volunteer Reimbursement**

Many Area/Local programs reimburse volunteers for travel expenses. It is acceptable, but not required, to reimburse volunteers for mileage driven or gas consumed while performing Special Olympics Virginia volunteer activities. Areas/Locals should determine if and when they will reimburse volunteers for travel expenses and whether they will reimburse miles driven or gas consumed. If volunteers will be reimbursed based on mileage, the Area/Local must determine the rate of reimbursement per mile. All of these decisions should be clearly reflected in council minutes or as a separate Volunteer Reimbursement Guidelines document.

**Mileage Reimbursement** – Volunteers must submit a mileage log with the date, starting odometer reading, ending odometer reading, destination and purpose of trip. A mileage log form is available for your use by contacting your Region Director. The reimbursement amount per mile may not exceed the current IRS business rate. (Go to <http://www.irs.gov/newsroom/article/0,,id=200505,00.html> to view the current rate.) Volunteers may deduct .14 cents/mile from their federal tax return if they are not reimbursed for mileage or gas or if the mileage reimbursement is at least .14 cents/mile below the current IRS rate. Areas/Locals may want to reimburse at the IRS rate minus the volunteer tax rate.

**Gas Reimbursement** – Volunteers should start each trip with a full tank of gas. At the end of each trip, volunteers should fill their gas tank and submit a receipt for reimbursement.

**Meals** – Area/Local councils should decide if the Area/Local will pay for any meals during any given trip. If the Area/Local will pay for meals, the decision should be reflected in council minutes or be approved by the Area/Local's established approval process and a maximum dollar amount per person should be set. Volunteers must submit receipts in order to be reimbursed.

### Activities

Areas and Locals may pay for activities outside of traditional Special Olympics sports training as long as the activity is open to all athletes within the Area/Local. Limiting activities to athletes involved in a certain sport or sport season is okay (e.g. end of season sport banquet). Approved activities and maximum amount to be spent for any given activity should be reflected in writing through the Area/Local's budget, the Area/Local's established approval process or in council minutes. Appropriate activities include:

- Dances
- Banquets
- Parties
- Movies

Personal activities, such as baby showers, wedding showers and birthday parties, are not appropriate expenditures of Special Olympics Virginia funds. (Note: Buying a birthday cake monthly or each sports season to recognize all athletes with a birthday in a given time period is okay.)

### Equipment

Areas and locals may purchase equipment that will benefit their Special Olympics Virginia program. It should be clearly documented in council minutes, be approved by the Area/Local's established approval process or be in the budget that the equipment purchased is approved. Purchases totaling \$500 or more should go through a competitive bid process with a minimum of three price quotes from different vendors. If a volunteer keeps the equipment in their home or on their personal property, a memo signed by the volunteer should be kept on file noting that the equipment belongs to Special Olympics Virginia and must be returned at the request of the Area/Local. Appropriate equipment purchases include:

- Computer
- Printer
- Copier
- Shed
- Sound system
- Vehicle
- Cell phone
- Sports equipment

**Any purchase of \$2,000 or more must be discussed with Kim D'Errico at 804-726-3038 as it may be a capital expense.**

### Other

Here are some expenses encountered to date that are not appropriate expenditures of Special Olympics Virginia funds.

**Paying for families to attend state events** – Area/Local programs should not pay for families to travel and stay at a state event or any other Special Olympics event as spectators. Area/Local programs should only pay for family members registered as part of the delegation as either coaches or chaperones.

It may be appropriate at times for Areas/Locals to pay for a guest to attend a state or other event at the Area/Local's request. For example, if a Local program is focusing on starting school based programs, the Local may want to invite the School Superintendent to attend Summer Games.

**Memorial cash gifts** – Funds raised in the name of Special Olympics Virginia may only be used for Special Olympics Virginia programs. Area/Locals should not give cash gifts as memorial gifts. Area/Locals may purchase flowers in memory of someone, but should not give cash gifts in lieu of flowers. Volunteers and athletes may make personal cash memorial gifts if they choose.

In lieu of memorial cash gifts or flowers, Special Olympics Virginia gives the appropriate Area a scholarship for an upcoming state championship event to honor the deceased volunteer. Contact Val Reinford at 804-726-3036 if you would like to request a scholarship in memory of a volunteer. Scholarships are given as a way to honor volunteers who have contributed to the success of Special Olympics Virginia. If an athlete has served in a volunteer role, it may be appropriate to honor a deceased athlete in a similar manner.

**Contributions to other nonprofits** – Area/Local programs should not make contributions to other nonprofit organizations, even if that organization is raising funds for something that would benefit Special Olympics Virginia athletes or volunteers. For instance, Area/Local programs should not make a financial contribution to Race for the Cure to become a sponsor of the event or to support a volunteer/athlete running in the event. Likewise, Area/Local programs should not make a financial contribution to an organization that is building a handicap accessible playground.

### **Additional Pointers**

**Cash Advances** – In general we do not recommend doing cash advances. It is better to have volunteers submit their expenses right after the event so they will be reimbursed quickly by the Area Accounting Specialist. However, there are occasional times when a cash advance is needed. In these situations, please contact the Area Accounting Specialist at 804-726-3039 in advance regarding the procedures.

**Other Situations** - This is a living document. We could not possibly cover every situation that you might encounter. Please contact your Region Director for guidance if you are unsure whether an expense is appropriate.