

## **Candlewood Yacht Club - Expense Policy – July 21, 2021, revised April 19, 2025**

### **I –Purpose and Guidelines**

Under Article V of the Club's By-Laws, the Treasurer "shall maintain an accurate record of all receipts and disbursements." This Expense Policy furthers that mission. Since the Club does not provide members a Club debit/credit card, members temporarily use their funds to purchase on behalf of the Club. This policy outlines what is expected of a member when making purchases and requesting reimbursement and what a member can expect from the Treasurer when making that reimbursement. Upon request of a member, however, the Treasurer may pay vendor invoices directly to a vendor, avoiding the need for reimbursement.

Below is the list of some of the applicable IRS/CT guidelines:

- Any expenses being reimbursed must be for the sole benefit of the Club
- Members must request reimbursement within 60 days after the expense was incurred
- As a social and recreational 501(c)(7) non-profit entity, the Club is not exempt from paying sales tax unless it resells what is purchased. That type of resale is not within the purview of the Club.
- Members must return any reimbursement amounts received in excess of the actual expenses within 120 days after receipt of the excess money.

**II - Expense Submission Process:** each member seeking reimbursement must::

- Submit expense reimbursement requests to [treasurer@candlewoodyachtclub.org](mailto:treasurer@candlewoodyachtclub.org) which redundantly goes to multiple Treasurer/Finance members thereby reducing the risk of documentation misplacement/loss/delay. Below methods will not likely result in a timely reimbursement:
  - Emailing or texting expense reimbursement requests to one club member (i.e. only to the Treasurer's personal email) does not ensure redundancy
  - Physically handing expense reimbursement requests directly to one club member does not ensure redundancy and risks documentation misplacement/loss/delay.
- Attach a completed club expense form which is available on the club's website
  - If there are expenses that cannot be adequately described within the form, use a separate sheet to complete the description. If the number of expenses is greater than the number of lines in one form, then use another. Note that:
    - An adequate description includes: 1) the budget item covering the submitted expense, and 2) indicating if: the expense is for a) a new item that the Club never had before, b) an improvement of an item,

or c) maintenance or supplies. This info is especially needed for IRS depreciation of capital items.

- Attach all relevant receipts
  - If the receipts include non-Club transactions - circle only the relevant ones
- The vendor must have printed on all submitted receipts the list of items purchased. That is, a credit card receipt, for example, with just a total and the member writing in the items, cannot be accepted.

**III - Expense Reimbursement Process** Treasury/Finance performs the following:

- Confirms the request was received as soon as possible
- Reviews the expense reimbursement request for completeness and conformity to relevant policies.
- Asks follow up questions where applicable
- Within ten(10) calendar days after **all documentation** as outlined in the previous **Expense Submission Process** section is received and the Treasurer determines the request is complete and conforms to policy, enters the expense and payment information into the club's accounting system which tells the bank to send the reimbursement payment to the requester. This system also determines the minimum time for delivery of the payment which is usually five (5) business days from when the bank is to send the reimbursement, i.e. usually fifteen (15) days from when all the submission documentation is received.
- Note:
  - While all reasonable efforts will be made by Treasury/Finance to process these requests as soon as possible, if follow-up is required in order to obtain all the documentation from the member, the reimbursement payment may be delayed by the number of days needed to obtain that documentation.
  - The credit card grace period is the period between the end of the billing cycle and the payment due date and is usually 21 days. Purchases made on the last day of the billing cycle would have the shortest time, 21 days, until the credit card payment is due. Therefore, receiving an expense reimbursement payment 15 calendar days after submitting a complete reimbursement request should allow ample time to use those funds toward repaying any affected credit card balance.