

## REIMBURSEMENT POLICY

### SOUTH LYON AREA AMATEUR RADIO CLUB

As a Section 501(c)(7) Tax-Exempt Organization, the club has the ability to collect funds tax-free for “pleasure, recreation, and other non-profitable purposes.” Section 501(c)(7) permits social clubs to organize “for pleasure, recreation, and other non-profitable purposes.” “[S]ubstantially all of the activities” of social clubs must be for their exempt purposes. Additionally, “no part of the net earnings of” a social club may “inure[] to the benefit of any private shareholder.” To ensure these precepts are followed, the following structure for spending and reimbursement is required.

#### General Spending Approval:

- Any purchases for the club under \$100.00 must be approved in advance by the Treasurer.
- For purchases over \$100.00, a formal written request must be submitted to the Board of Directors in advance. The request must include:
  - The asset or expense being purchased,
  - Any previous purchase information,
  - How this purchase benefits the club,
  - Any asset being replaced or disposed of as a result.

#### Recurring Expenses:

- Listed Recurring Expenses: Expenses such as web hosting, club licensing fees, insurance needs, video conferencing, and repeater expenses, along with recurring events like Field Day, do not require additional Board approval unless the expense exceeds 10% more than the previous year’s amount.
- Threshold Exceedance: If the expense exceeds the 10% threshold, it must be approved in advance by the Board of Directors.

#### Reimbursement Process:

- If approval is granted, the spender may request the Treasurer to pay directly for the approved items or use personal funds to pay and request reimbursement (with a receipt).
- Unapproved Spending: If any unapproved spending exceeds the 10% threshold, a written explanation is required. The Board may deny reimbursement or revoke spending privileges for repeat offenses.
- Treasurer’s Exception: The Treasurer must request approval from the President in writing and receive approval in writing prior to reimbursement from club funds.

#### Record Keeping:

- The Treasurer is responsible for maintaining accurate records of all spending and reimbursements in either paper or electronic form.

#### Annual Policy Review:

- This policy will be reviewed annually at the Annual Board of Directors Meeting to assess its effectiveness. Amendments will be made as needed.

#### Budgeting vs. Approval Process:

- Budgeting ensures the club’s solvency but should not replace the detailed discussion and approval of specific expenditures. Each expenditure must still go through the appropriate approval process, even if included in the budget.

#### END OF POLICY

APPROVED

10-13-2024