

Knox County, Tennessee  
Policy for Payment and Reimbursement of Allowable Expenditures

1. Payments and reimbursements may be made for usual and customary expenses necessary for the operation of county offices. Exceptional and extraordinary circumstances requiring expenditures should be fully documented and any reimbursement request or payment request should include the following supporting documentation:
  - a. Foreseeable expenditures should include prior written permission from the appropriate elected official or department head.
  - b. Emergency or unforeseeable expenditures should include a detailed written explanation.
2. All departments should familiarize themselves with the County's Procurement Code and Regulations to ensure that the goods and services they utilize are obtained at the best possible cost to the taxpayers. The county is not responsible for payments to vendors or reimbursements to individuals when employees circumvent the stated purchasing procedures.
3. In the event an elected official or department head determines that an expense, while not necessary or critical to office operations, is helpful to the county's operation, the elected official or department head may authorize such a payment as long as the following guidelines are not violated:
  - a. The following items are not to be covered by county funds:
    - Alcoholic beverages and tobacco products
    - Office celebration expenses (including retirements, birthdays, holiday parties, etc.)
    - Condolence gifts (flowers, get-well cards, candy, etc.)
    - Gifts for employees (awards and prizes for specific county initiatives are allowed—for example, t-shirts for winners of health incentive contests)
    - Seasonal or party decorations, flowers, or artwork (with the exception of reasonably priced office furnishings such as framed wall hangings, clocks, lamps, etc.)
    - Entertainment expenses (meals, movies, tickets, etc. for the purpose of entertaining) (except when a separate line item for entertainment has been approved by Commission in a budget)
    - Food for general office consumption
    - Fundraising activities (Girl Scout cookies, band candy, raffle tickets, etc.)
    - Donations to Causes (except as specifically budgeted and authorized by Commission)
  - b. Food purchases are subject to IRS restrictions and should meet the following guidelines:
    - Meals must be infrequent and of reasonable cost.

--Meals provided to employees must be for the convenience or benefit of the employer, Knox County, and not the employee (examples include a jail guard who cannot leave his or her post and must eat with the inmates or providing pizza in order for work to continue past normal hours of operation).

--The county allows for snacks during work sessions or meetings provided the county employees are performing services that are exceptional rather than routine. These works session snacks must be infrequent or they become taxable. In particular, if someone is performing services not related to his/her normal job, had to travel to be at the meeting, had to arrive early or leave late to attend, or are volunteering for additional duties, then food demonstrating a reasonable show of gratitude is allowable.

--If a volunteer (non-county employee) is asked to attend a meeting at a time that would interfere with his or her ability to have a meal, then a meal may be provided.

- c. Certain programs and grants specifically allow for items not normally purchased by Knox County. These purchases are allowed ONLY if grant funding or donations are used in the payment of these items.
  - d. Advertising items, clothes with logos and uniform items must meet IRS regulations and should be for the benefit of the office and of county operations. They cannot be specific to an individual.
  - e. The county is not responsible for replacing personal items damaged during the course of normal work duties except as specifically authorized by the Risk Management Department. Employees who utilize their own equipment, vehicles or clothing during the course of the work day shall do so at their own risk.
4. In all cases, the determination as to whether or not an expense should be made shall be based on whether the expense furthers the goals and operations of Knox County Government. Expenses shall not be made for the convenience of employees or to foster good will toward officials.
  5. The method of payment is irrelevant in regard to whether or not the payment is allowable. If a payment cannot be made by check, it also cannot be made from petty cash, by procurement card, or paid for and reimbursed.
  6. This policy is not exhaustive. The county has additional policies in place for such items as Travel and Procurement Card Usage. It is the employee's responsibility to ensure that they are in compliance with all policies and procurement procedures and have approval before committing county funds.