



BOISE STATE UNIVERSITY

University Policy 6290

Accountable Plan

Effective Date

November 2010

Last Revision Date

September 2011

Responsible Party

Tax Compliance Office, (208) 426-1235

Scope and Audience

This policy applies to any individual paid or reimbursed for a University business expense.

Additional Authority

- Internal Revenue Code § 274
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1. Policy Purpose

To establish requirements for compliance with the University's accountable plan.

2. Policy Statement

In accordance with IRS regulations, the University has an accountable plan that allows it to reimburse employees (and in certain cases non-employees) for authorized business expenses with no impact on taxable compensation. The accountable plan rules apply to all payments,

reimbursements, or advances for authorized business expenses both travel and non-travel related.

3. Accountable Plan Requirements

- a. To comply with the University's accountable plan, an employee must:
 - (i.) Have paid or incurred business-related expenses while performing services for the University. To satisfy this requirement, there must be a business connection or purpose for the expense and the expense must be both ordinary and necessary.
 - (ii.) Properly account for and substantiate the expenses within sixty (60) days after the expenses are paid or incurred.
 - To satisfy this requirement, an employee must document and request reimbursement for business expenses within sixty (60) days after the expense is paid or incurred.
 - Travel-related expenses must be accounted for within sixty (60) days after the last day of a trip.
 - Expenses are substantiated with original, itemized receipts, or when not available a printed receipt from the internet showing proof of purchase and payment.
 - Per diem reimbursements for meals may be paid without supporting documentation up to the maximum allowed by the state travel policy for all official travel requiring an overnight stay.
 - (iii.) Return any payment, reimbursement, or advance in excess of amounts substantiated within sixty (60) days after the expense is paid or incurred. To satisfy this requirement an employee must repay the University any reimbursement or advance in excess of the amounts properly substantiated within sixty (60) days after the advance or reimbursement was received.
- b. If one or more of the above three (3) requirements are not met, the payment, reimbursement, or advance to the employee will be included in the employee's wages, subject to tax withholding, and reported to the IRS and the employee on the applicable form. Reimbursements will not be processed if received more than 120 days after the transaction date, or if the employee is on travel status when the expense is incurred, more than 120 days after the last date of travel.

- c. The substantiation requirements of this policy also apply to nonemployees (e.g., independent contractors) conducting University business. If a non-employee does not properly account to the university for their expenses, the individual will not be reimbursed.
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Revision History

May 2011; September 2011