

University of Northern Colorado

Accountable Plan for Employee Reimbursements

1. Purpose

The purpose of this Accountable Plan is to establish policies and procedures for reimbursing employees of the University of Northern Colorado (UNC) for business-related expenses in compliance with IRS regulations. This plan ensures that reimbursements and allowances are excluded from employees' taxable income and meet the requirements set forth in IRS Publication 463 and Treasury Regulation §1.62-2(c).

2. General Policy

UNC will reimburse employees for necessary and reasonable business expenses incurred in the performance of their job duties, provided that such expenses meet the following IRS criteria for an accountable plan:

- The expense must have a **business connection** and be incurred in the course of performing university-related duties.
- The employee must **adequately account** for the expense within a reasonable period.
- The employee must **return any excess reimbursements** within a reasonable timeframe.

If these criteria are not met, reimbursements may be treated as taxable income to the employee.

In alignment with IRS guidance, UNC defines a “reasonable timeframe” as **60 days or less**, consistent with the standards outlined in IRS Publication 15 (Circular E) and Treasury Regulation §1.132-6(d)(2), which emphasize timeliness in the reimbursement or substantiation of expenses for accountable plans.

3. Allowable Expenses

The following categories of expenses are generally eligible for reimbursement under this plan, provided they comply with UNC's current fiscal policies and guidelines:

- **Travel Expenses** – Airfare, lodging, meals (subject to GSA per diem rates), ground transportation, and incidentals related to official university business.
- **Mileage Reimbursement** – Personal vehicle use for university business at the IRS-approved mileage rate.
- **Business Meals & Entertainment** – Meals directly related to university business, with itemized receipts and documentation of attendees and business purpose. Alternatively, a fully completed Official Function Form may be submitted in lieu of separate documentation.
- **Supplies & Equipment** – Materials and equipment required for official university duties that are not otherwise provided by UNC.
- **Professional Development** – Registration fees, training materials, and expenses related to conferences or continuing education relevant to an employee's role.

4. Documentation Requirements

Employees must submit expense reports with the following supporting documentation:

- **Receipts** – Original itemized receipts for all expenditures.
- **Purpose & Justification** – A clear description of the business purpose and necessity of the expense.
- **Timely Submission** – Expenses must be submitted within **60 days** of incurring the expense to qualify as nontaxable. Late submissions may be treated as taxable income.

5. Reimbursement Process

1. Employees must complete and submit either a **Check Request Form** or a **Travel Reimbursement Request Form** through the designated UNC financial system.
2. Supervisors must review and approve expense reports for compliance before submission to the **AP – Request for Payments queue in Xtender**.
3. Complete and approved reimbursements are typically processed within **7 to 10 business days** from the date of submission.
4. Any excess reimbursements must be returned within **60 days** to avoid tax consequences.

6. Non-Reimbursable Expenses

Certain expenses are not eligible for reimbursement under this plan, including but not limited to:

- Personal travel or entertainment expenses.
- Commuting costs between an employee's home and regular work location.
- Fines, penalties, or late fees.
- Non-business-related expenses incurred during university-related travel.
- Membership fees for social clubs or organizations not directly related to university business.
- Sales Tax (with limited exceptions)

7. Compliance & Review

The **General Accounting / Tax Accounting Office** is responsible for ensuring compliance with this plan and applicable IRS regulations. This plan will be reviewed periodically and updated as necessary to align with current tax laws and university policies.

8. Contact Information

For questions regarding this policy, please contact:

General Accounting / Amy Sands

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