

Sample Accountable Plan for Business Expense Reimbursement

Purpose: This document can be used as a guide to draft an accountable plan for expense reimbursements. However, it is merely an example, and it is not meant to be adopted or adapted without consulting appropriate legal counsel.

ACCOUNTABLE PLAN

Name of Company expense reimbursement policy pursuant to Reg. 1.62-2, upon the following terms and conditions are intended to comply with all applicable tax rules:

- 1) Any person now or hereafter employed by *Name of Company* shall be reimbursed for any ordinary and necessary business and professional expenses incurred on behalf of *Name of Company*. The expenses must be adequately substantiated as required by the Company policy on expense reimbursements. (See policy in Employee Handbook.)
- 2) Under no circumstances will *Name of Company* reimburse employees for business or professional expenses incurred on behalf of *Name of Company* that are not properly substantiated. Employees understand that this requirement is necessary to prevent our expense reimbursement plan from being classified as a “non-accountable” plan.
- 3) All expenses must be substantiated within a reasonable period of time. This must be within 60 days or less after the expense is paid or incurred. The sixty-day time period is so the company can qualify for the “fixed date” safe harbor substantiation rule.
- 4) All charges on company credit cards must be substantiated in the same manner as the above-mentioned reimbursements. This means all charges must have a receipt and comply with the company policy for expense reimbursements.
- 5) Advances that are not substantiated within a reasonable period of time must be returned (paid back) within a reasonable period of time.
- 6) Documentation will include the amount, date, place, business purpose and business relationship of any person entertained for each expense. A receipt will accompany the documentation.

By signing and dating below I hereby acknowledge and agree to the above stated Accountable Plan terms and conditions:

Employee Printed Name: _____

Employee Signature: _____

Date: _____

Company Representative: _____

Date: _____