

## Expense Reports Submitted After Taxable Time Limit

Help! I have been notified that my travel expense reimbursement will be taxable to me. Why?

### **The 120 Day Limit**

The employee tax treatment related to the timing of filing expense reports is governed by the following University policy:

The University operates under the Internal Revenue Service (IRS) accountable plan rules in regards to reimbursing employees for expenses incurred while conducting University business. This includes reimbursement for travel and non-travel expenses. Accountable plan rules dictate that reimbursement claims be filed within a reasonable period of time after the expense is incurred. The University has determined a reasonable period of time to be 120 days. To ensure compliance with IRS guidelines, all expense reimbursements must be received by Financial Services within 120 days after the date of the event (for travel expenses) or date of purchase (for non-travel expenses). Expense reimbursement requests received by Financial Services after 120 days may be accepted for processing but the reimbursement will generally be treated as taxable income to the individual receiving payment resulting in the reimbursed amounts being added to the employee's W-2 at the end of the calendar year.

As a result, Payroll and Employee Services will be notified of any expense report submitted by the employee into Concur more than 120 days after the travel end date. The number of days will be counted from the trip end date to the FINAL submission date of the expense report by the employee.