

## Accountable Plan for Business Expense Reimbursement

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

### ACCOUNTABLE PLAN

The Tidewater Council, Inc., Boy Scouts of America (the Council) desires to establish an expense reimbursement policy pursuant to Treasury Reg. 1.62-2, upon the following terms and conditions:

1. Employees of the Council (and in certain cases non-employees) shall be reimbursed for any ordinary and necessary business and professional expenses incurred on behalf of the Council only if the expenses are adequately accounted for as required by the Council policy on expense reimbursements.<sup>1</sup>
2. Under no circumstances will the Council reimburse employees for business or professional expenses incurred on behalf of the Council that are not properly substantiated. The Council and employees understand that this requirement is necessary to prevent our expense reimbursement plan from being classified as a “non-accountable” plan.

The substantiation requirements of this policy also apply to nonemployees (e.g., independent contractors) conducting Council business. If a non-employee does not properly account to the Council for his or her expenses, the individual will not be reimbursed.

3. Advances for ordinary and necessary business and professional expenses shall not be issued more than 30 days prior to the anticipated expense.
4. All expenses must be substantiated within a reasonable period of time.<sup>2</sup>
5. Advances that are not substantiated within a reasonable period of time must be returned (paid back) within a reasonable period of time.<sup>3</sup>

Council officer: Bill Deany, Secretary      Date: May 26, 2016

<sup>1</sup> *Adequately account for* means providing the Council with a statement of expense, an account book, a diary, or a similar record in which you entered each expense at or near the time you had it, along with documentary evidence (such as receipts) of your travel, mileage, and other employee business expenses. IRS Publication 463 provides examples of what is needed to substantiate your business and professional expenses. See your accounting specialist for details.

<sup>2</sup> Must be 60 days or less after the expense is paid or incurred if the council wants to qualify for the “fixed date” safe harbor substantiation rule.

<sup>3</sup> Must be 120 days or less after the expense is paid or incurred if the council wants to qualify for the “fixed date” safe harbor substantiation rule.