

Accountable Plan

with this document states the terms of its accountable plan:

1. This accountable plan adopts the requirements of Treas. Reg. Section 1.62-2 and all other laws governing accountable plans and employee reimbursements. Any reimbursement or company policy that does not conform to current law is treated as though it is made through a separate, nonaccountable plan and is not a part of this company's accountable plan.
2. The President of this company retains the discretion to refuse reimbursement for any expense incurred by any employee, regardless of whether the expense meets the requirements of Treas. Reg. Section 1.62-2.
3. Employees must document and substantiate all business expenses to the full extent of the law and in a timely fashion, as required by Treas. Reg. Section 1.62-2.

President

Date

Treas. Reg. Section 1.62-2 minimum requirements regarding timeliness:

- A "reasonable period of time" for any required company or employee act depends on the facts and circumstances of the situation.
- The following safe harbors are always timely:
 - Advances made within 30 days of when an expense is paid or incurred
 - Substantiation of an expense made within 60 days after the expense is paid or incurred
 - Returns of amounts in excess of substantiated expenses made within 120 days after the expense is paid or incurred
 - Substantiation of expenses or returns of excess amounts made within 120 days after the receipt of a periodic statement (if the periodic statement is made at least quarterly)

Legally required elements of proof for some commonly reimbursed expenses:

Type of expense	Elements to prove
All expenses (the general rule)	<ol style="list-style-type: none">1. Business purpose2. Amount of expense

Out-of-town travel	<ol style="list-style-type: none"> 1. Amount of each separate expenditure 2. Dates of departure and return, and number of days spent on business 3. Destination (city name) 4. Business purpose
Business meals	<ol style="list-style-type: none"> 1. Amount of each separate expenditure 2. Date of the meal 3. Place (name and location) 4. Business reason 5. Names and business relationship of all persons at the meal
Entertainment	Not deductible—have the company pay directly
Gifts	<ol style="list-style-type: none"> 1. Cost of the gift (to you) 2. Date of the gift 3. Description of the gift 4. Business purpose 5. Name and business relationship of the recipient
Vehicles	<ol style="list-style-type: none"> 1. Amount of each separate expenditure 2. Percentages or miles for business, investment, and personal use 3. Dates of the expenditures 4. Description of business or investment uses

Tax Law Requirements for Some Common Expenses

Type of expense	Elements to prove	Practical notes for description on expense report
All expenses (the general rule)	<ol style="list-style-type: none"> 1. Business purpose 2. Amount of expense 3. Your payment 	Business purpose for the expense
Out-of-town travel	<ol style="list-style-type: none"> 1. Amount of each separate expenditure 2. Dates of departure and return, and number of days spent on business 3. Destination (city name) 4. Business purpose 5. Your payment 	Where and why?
Business meals	<ol style="list-style-type: none"> 1. Amount of each separate expenditure 2. Date of the meal 3. Place (name and location) 4. Business reason 5. Names and business relationship of all persons 6. Your payment 	Who, where, and why?
Gifts	<ol style="list-style-type: none"> 1. Cost of the gift (to you) 2. Date of the gift 3. Description of the gift 4. Business purpose 5. Name and business relationship of the recipient 6. Your payment 	Who, what, and why?
Vehicles	<ol style="list-style-type: none"> 1. Amount of each separate expenditure 2. Percentages or miles for business, investment, and personal use 3. Dates of the expenditures 4. Description of business or investment uses 5. Your payment 	If using a personal vehicle that is reimbursed by the mileage method, enter miles and purpose in description. If using a corporate vehicle or being reimbursed for actual expenses, keep a mileage log of business, investment, and personal use.