

As you all know, the University is required to comply with IRS accountable plans rules in order not to have to treat all employee reimbursements as taxable income to the employee. This information has been communicated numerous times, and is posted on the Unrestricted Accounting website: <http://ua.unm.edu/accountable-plan-requirements.html>. Part of the requirement of having an accountable plan is that “expenses must be adequately accounted for within a ‘reasonable period of time’”; defined by the IRS to be sixty (60) days after the expenses were paid or incurred. In the case of travel expenses, the sixty days is from the travel end date.

There is no flexibility in this requirement. As noted on the website, the sixty day “clock” stops when the reimbursement request is received in the Financial Services accounting office (Unrestricted Accounting or Contract and Grant Accounting). This is the only consistent way we have of measuring this. When we transition to Chrome River, the sixty days will be calculated from the date that the final departmental approval occurs. Currently, when an employee who is being reimbursed for travel or other expenses signs a DPEZ, they are acknowledging that they understand this requirement. In Chrome River, a message to inform the employee of this will be returned when applicable.

The employee being reimbursed, as well as the departmental personnel responsible for processing the request, have a responsibility to ensure that these requirements are being met. Employees in particular should be aware of whether or not they have received their reimbursement, and should follow up in a timely manner if they have not. As noted, there is no flexibility in this requirement. Reimbursement requests that are only one day late are late, and are subject to taxation. The full reimbursement amount will be paid, and the applicable taxes will be withheld on the subsequent paycheck.

Please pass this information on to your departments, and ask that they inform all employees, especially those who travel, make purchases on behalf of UNM, and new employees.