

Fiscal Agents Networking Group

February 8, 2019

Meeting Agenda:

- 1. 180 Day Rule**
- 2. Sandia Office Supply**
- 3. New Rules for Airline Travel**
- 4. Relocation Allowances**
- 5. General Reminders**



1. New 180 Day Rule for Reimbursements



What is the 180 Day Rule?

- **Expense Reimbursements will no longer be processed and paid after 180 calendar days.**
- **Effective Monday, February 11th, 2019**



What happens if I submit my Reimbursement in Chrome River after 180 days?



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How did this change come about?

- **Internal Audit mandated the 180 day Cutoff after performing separate audits of Accountable Plan and of the Chrome River System**
- **Not an official “Audit Recommendation” but came forth as a result of these audits.**



Policies That Changed:

Travel Policy 4030



Section 2: “Reimbursements and payments will not be processed if submitted **more than** one hundred and eighty (180) calendar days **after** the last day of travel.” (*Policy Updated 8/14/18*)



Policies That Changed:

Allowable/Unallowable Policy 4000

Section 4.2: “Reimbursements and payments will not be processed if submitted **more than** one hundred and eighty (180) calendar days **after** the expenses were paid or incurred.” (*Policy Updated 8/14/18*)



Policies That Changed:

Purchasing Goods Off Campus 4320

Section 5: “Reimbursements will not be processed if submitted **more than** one hundred and eighty (180) calendar days **after** the expenses were paid or incurred.” (*Policy Updated 10/29/18*)

*****Applies to Reimbursements, not to Vendor PO Payments, etc.**



How To Interpret

Travel Reimbursements



Dept may submit reimbursement in Chrome River up to, and including the 180th day after the travel end date.

- The day after Travel End Date = Day 1.
- Submitting on Day 180 is on time.
- Submitting on Day 181 is late – Will not be paid.



How To Interpret

Other Reimbursements



Dept may submit reimbursements in Chrome River up to, and including the 180th day after expense was paid/incurred (usually receipt date).

- The day after Receipt Date is Day 1.
- Submitting on Day 180 is on time.
- Submitting on Day 181 is late – Will not be paid.



Example

Ex: Expenses completed on 2/8/19:

- **Day 1 = 2/9/19**
- **Day 180 = 8/7/19 –Last day to submit**
- **Day 181 = 8/8/19 – Late – Will not be paid**



Chrome River - 180

- **Chrome River will fire a Warning Message if reimbursement is after 180 days.**
- **Please disapprove if one hits your queue.**



Questions?



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2. Purchasing Updates

Changes to Sandia Office Supply Punchout Orders in LoboMart



UNM eProcurement

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Questions?



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3. Purchasing Updates

Upcoming Policy Changes for Airline Travel



Questions?



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4. Moving Expense Update



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UNM Policy 4020

Relocation Allowance

Policy Revised 12/5/18 due to Tax Law changes



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Tax Law Changes

Tax Cuts and Jobs Act of 2017 (TCJA)

- Signed into law by President Trump on 12/22/17
- Most Changes (including Moving Expenses) went into effect on 1/1/18.



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UNM Policy 4020

Relocation Allowance

Effective January 1, 2018, ALL moving and relocation expense reimbursements, whether paid directly to an individual employee or paid indirectly on the employee's behalf to a third-party vendor, are now considered to be taxable income to the employee.



UNM Policy 4020

Relocation Allowance

Consequently, these expenses are required to be reported as income to the employee on Form W-2 in the year the payment is made and subject to applicable tax withholding.



Historically, UNM has used – 2 Options

1. Reimbursements & Expenses paid directly by UNM on PO, PCard

- **Pro: Saved Employee money**
- **Con: HUGE Administrative Burden**

2. Lump Sum Relocation Allowance



New Process – Effective Spring 2019

- **With the Tax Law Changes, there is no longer a tax savings to the employee on the reimbursement method.**
- **Many Colleges and Universities are transitioning to relocation allowances.**
- **Can no longer justify the administrative burden.**



Relocation Allowance

- **Flat amount paid via Payroll system**
 - **No More Chrome River or PCard**
- **Simple form to complete with hire packet**
- **Payroll and income tax withheld**



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Purchase Order Option

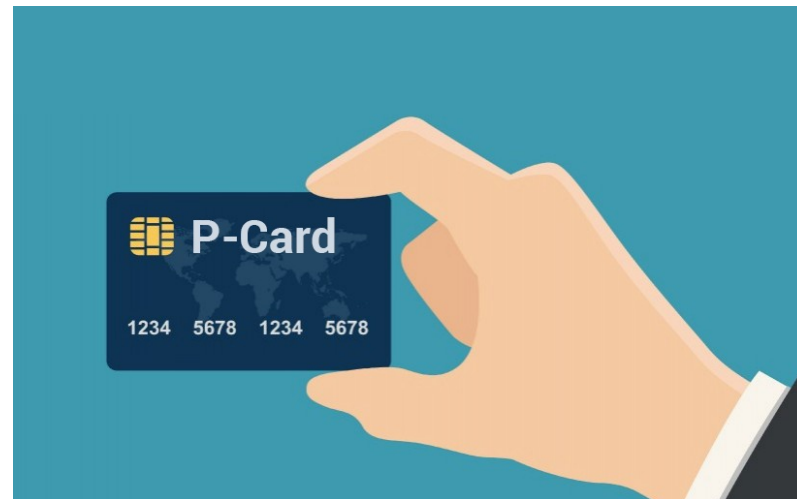
May Elect to have Moving Carrier paid by PO

- Added to Payroll via manual process
- Payroll and income tax withheld
- Department is responsible to track allowable limit



Reimbursements/Pcard Charges

**Expected to be phased out by
May 1st**



Questions?



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5. Finance Grab Bag



Accountable Plan Reimbursements

IRS Regs for Reimbursements are explained in IRS Publication 463: “Travel, Entertainment, Gift, and Car Expenses”



Accountable Plan Reimbursements

For Reimbursements, IRS Gives us 2 Options:

- 1) All Reimbursements are **TAXABLE!**
- 2) Reimburse under an **IRS Accountable Plan**



Accountable Plan Reimbursements

3 IRS Requirements of an Accountable Plan:

- 1) Expenses must have a Business Connection
- 2) Employee must return excess reimbursements within a reasonable and specific time.
- 3) Employee must adequately account to the employer within a reasonable time (60 Days).

***Any Reimbursement NOT meeting one or more of these criteria is taxable*



Written Pre-Approval for International Travel

UNM Policy 4030 Travel



Section 4.2:

Travelers on international business **must** receive **prior** **(written)** **approval** from their dean, director, department head, PI, or designate.



Written Pre-Approval for International Travel

UNM Policy 4030 Travel

If an international traveler has already made arrangements but has not yet taken the trip, they should receive written approval from their dean, director, department head, PI, or designate.



Written Pre-Approval for International Travel

UNM Policy 4030 Travel

The approval document (email in most cases) should be attached to the CR expense report.



Misc Reminders

- **Business Meals – Tips should be reasonable**
- **Outside Tuition**
- **Parties - not OK**



Examples of Recent Disapprovals

- **Furniture for employee's Home Office**
- **\$50 Cell phone case for personal phone that is occasionally used for business**
- **Reimbursement to Employee for \$105 Parking Ticket from Parking Services**



Questions?



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