

Colleagues,

The purpose of this communication is to inform you that effective January 1, 2017, reimbursed expenses that do not comply with the Accountable Plan will be reported as taxable income to the recipient.

As a reminder, University Requirements for an Accountable Plan policy (Policy 201-Travel, effective date October 5, 2015) established a requirement for submission of expense reports within 90 days of the conclusion of a business trip, 90 days from the date of the expense for non-travel related expenses, and 30 days from the conclusion of a business trip if a cash advance has been issued. The policy also provides the parameters and process for Dean's Office exceptions based on extenuating circumstances and the use of the Payment to Individual Accounts Payable process for the payment of non-employee expenses that exceed the 90 day requirement. Furthermore, expense reimbursements not in compliance with the Accountable Plan policy and parameters noted above may be deemed tax reportable for the individual reimbursed.

Accordingly, the following actions are being taken:

- In keeping with the direction from UW-System Financial Administration, University Requirements for the Accountable Plan Policy 201 have been updated to reflect the application of tax consequences effective January 1, 2017.
- Exception documentation must be electronically attached to expense reports in the Guided Expense Tool (GET) or the Expense Reimbursement module of the Shared Financial System (Ere) at the time of report submission. Exception requests are submitted via a required form. See link with <http://www.bussvc.wisc.edu/acct/policy/travel/trpol.html> including new policy and approval form.
- Non-Compliant, Non-Employee reimbursements must be paid via an Accounts Payable Payment to Individual (PIR) transaction and charged to Account Code 2620 (Services-Professional).
- The Division of Business Services Accounting Services Travel and Card Team will conduct required online training for Approvers and Auditors to address the requirements of the Accountable Plan Policy and process.
- Tax reportable reimbursements as of January 1, 2017, will be integrated into current Accounting Services' tax reporting process for expenses.

Please contact me with any questions and thank you in advance for your cooperation in administering these changes.

Dan

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