

Kennedy, Dee

From: Inform-c07 <inform-c07-bounces@lists.oregonstate.edu> on behalf of Sann, Heidi <heidi.sann@oregonstate.edu>
Sent: Friday, January 17, 2020 2:46 PM
To: Inform-C06 (Classified); Inform-C07 (Professional Faculty); Inform-C08 (Instructors, Research Associates/Assistants); Inform-C09 (Professors, Associate/Assistant Professors); Inform-c12 (Academic Wage & Other Misc)
Subject: [Inform-c07] Annual Reminder of OSU's Expense Reimbursement Responsibility

Dear Colleagues,

I want to ensure that you are provided with appropriate guidance and clarity regarding your role and responsibility in seeking reimbursements for travel or other business expenses. To that end, I am sharing this annual reminder so you can avoid unnecessary taxable income.

OSU follows accountable plan rules under IRS regulations. An accountable plan allows organizations to reimburse workers for business expenses without treating those reimbursements as taxable income to the employee. IRS regulations [IRS Reg 1.62-2(g)(2)(i)] require that an employee file reimbursement requests within a reasonable period of time to avoid the reimbursement being subject to withholding taxes and W-2 reporting. In alignment with guidance provided by the IRS, OSU policy defines a reasonable period of time as 60 days from the purchase date or from the date of return from travel.

OSU's reimbursement policy allows for a one-time educational opportunity for an employee when guidelines are not followed. Because there are administrative costs associated with reporting taxable income to the employee, OSU may also deny reimbursement to employees who regularly turn in reimbursements past the 60-day window.

OSU's applicable policy

[03-140-202 Personal Reimbursements](#)

[03-140-407 Travel Reimbursements](#)

OSU employees are responsible for:

- Requesting reimbursement in a timely manner (within 60 days of incurring the expense)

OSU department heads/unit leaders (or designee) are responsible for:

- Timely approvals of reimbursement requests, and submission to the business center, once the reimbursement request is received from the employee

Business Center Staff are responsible for:

- Monitoring reimbursement requests for compliance with IRS regulations.
- Providing one-time education to employees as needed
- Identifying taxable transactions per IRS requirements

Accounts Payable/Payroll Staff are responsible for:

- Reporting taxable transactions per IRS requirements

If you have questions or concerns please do not hesitate to contact me.

Warmly,
Heidi Sann, CPA | AVP for Finance & Controller
Oregon State University | Office of the Controller
B100 Kerr Admin Bldg | Corvallis, OR 97331 | Phone: 541-737-7423
 Heidi.Sann@oregonstate.edu