Accountable Plan

Part 1 *Accountable Plan*

Company Name:

_____

_____ desires to establish an expense reimbursement policy pursuant to Reg. 1.62-2, upon the following terms and conditions:

1. Except as otherwise noted in Part 2 below, any person now or hereafter employed by _____ shall be reimbursed for any ordinary and necessary business and professional expenses incurred on behalf of the Company only if the expenses are adequately substantiated as required by the Company policy on expense reimbursements. (See policy memo.)

2. Under no circumstances will _____ reimburse employees for business or professional expenses incurred on behalf of _____ that are not properly substantiated. _____ and its employees understand that this requirement is necessary to prevent the expense reimbursement plan from being classified as a "non-accountable" plan.

3. All expenses must be substantiated within a reasonable period of time. [1] See the Company policy statement of substantiation for what constitutes a reasonable period of time.

4. All charges to company credit cards must be substantiated in the same manner as the above-mentioned reimbursements.

5. Advances that are not substantiated within a reasonable period of time must be returned (paid back) within a reasonable period of time. [2]

Part 2 *Exceptions to Accountable Plan*

Notwithstanding any term or condition in Part 1 of this document, the following persons, expenses, or arrangements are not considered to be covered under this accountable plan:

1. _____
2. _____
3. _____
4. _____
5. _____

Leave Part 2 blank if there are no exceptions.

Signature

Company Officer:

Date:

Owner / Individual:

Date:

Two signature lines may be needed where the company representative and the individual/owner are signing in different capacities.

Footnotes

[1] *Must be 60 days or less after the expense is paid or incurred if the company wants to qualify for the "fixed date" safe harbor substantiation rule.*

[2] *Must be 120 days or less after the expense is paid or incurred if the company wants to qualify for the "fixed date" safe harbor substantiation rule.*

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