

April 27, 2016

To: Travel Arranger listserv

From: David Ryan, Controller

Subject: Taxability of travel reimbursements under an accountable plan as defined by the IRS

Colorado State University's travel policy has been developed to meet the IRS definition of an accountable plan. Under IRS rules for an accountable plan, travel does not have to be reported as income as long as reimbursement requests have been submitted for reimbursement within 60 days after the expense was paid or incurred. After 60 days, travel expenses are required to be included as taxable wages.

To be an accountable plan under IRS rules, travel must include all of the following:

- Travel expenses incurred must be for CSU business.
- You must submit your expense report for reimbursement within a reasonable time.
- The IRS typically defines reasonable time as being within 60 days after the date the travel expenses were incurred.

To meet these IRS regulations, beginning July 1, 2016, all travel reimbursements not approved by the employee within 60 days of the end of a business trip will be required to be included as taxable wages.

This IRS regulation impacts employees only and does not impact non-employee travel. The 60 day time starts on the last day of travel and ends when the traveler approves their travel in TEM.

Please contact David Leathers, Tax Manager (david.leathers@colostate.edu) or myself if you have questions.

David Ryan
Executive Director/Controller, Business and Financial Services
david.ryan@colostate.edu

