

MEMORANDUM

DATE: May 27, 2009

TO: All Departments

Re: Gettysburg College Expense Reimbursement Memo

The College reimburses employees for ordinary and necessary business expenses incurred while acting on behalf of the College. Under the College's accountable plan, reimbursement is made for actual expenses. In an effort to maximize College resources, per diem allowances are not utilized.

Expense reimbursements made under an accountable plan are excludable from gross income when a business connection exists (if expense is not reimbursed by the College, the expense would be tax deductible on employee's tax return), substantiated (receipt is provided and date, time, place and business purpose of expense is noted), and reimbursement request is submitted within reasonable period of time (generally within 60 days of when the expense is incurred). Incomplete or unsubstantiated expense reimbursement request may not be eligible for reimbursement and/or may be considered taxable income to the recipient.

Because the Accounts Payable Office receives many inquiries regarding College reimbursement and IRS documentation requirements, we have noted several items below to assist individuals in completing expense reimbursement requests.

In order to facilitate timely, accurate, and compliant expense reimbursement requests:

- Attach original itemized receipts to the check request or expense report (i.e. itemized hotel bills, airline passenger receipt coupons, automobile rental invoices, parking receipts, taxi receipts, telephone bills, restaurant receipts).
 - Photocopies of receipts, credit card statements or cancelled checks do not meet IRS substantiation requirements, therefore cannot be accepted.
- Please ensure receipts include the following:
 - Identity of the vendor or supplier
 - Business purpose for the expenditure
 - Identity and business relationship of others participating in the event (e.g. entertainment, business meals, etc.)
- Receipts are not required for mileage. Alternatively, please provide mileage calculation on reimbursement request, including start and destination locations, number of miles and College's reimbursement rate (same as IRS mileage rate) and the business purpose for the travel.

Please keep in mind that the IRS regulations state that your daily commute mileage from home to work is to be subtracted from any mileage reimbursement.

Please also note, in some circumstances the employee may not be eligible for mileage reimbursement after the calculation is done. Documentation for reimbursed mileage amounts must include the mileage calculation.

5/27/09

○ Examples:

An employee lives in Littlestown and travels from Littlestown to Harrisburg for a conference

Total miles	93.20
Less daily commute miles	<u>-20.38</u>
Mileage for Reimbursement	72.82

An employee lives in Camp Hill and travels from Camp Hill to Harrisburg for a conference

Total miles	7.94
Less daily commute miles	<u>-69.26</u>
Not eligible for reimbursement	

- As a best practice, we recommend that cash payments be made only when other forms of payment are not accepted (i.e. check, credit card). When cash payments are made, please request a receipt.

Thank you for your assistance in ensuring the College's compliance with an accountable expense reimbursement plan. If you have any questions, please feel free to contact the Accounts Payable Office at x6290.