Employee Expense Accountability Policy

This policy has been implemented to meet the "reasonable period of time" in the IRS accountable plan. Expenses that fall within the IRS accountable plan are not reported as taxable income to the employee.
IRS Accountable Plan

- expenses must have a business connection
- must adequately account for these expenses within a reasonable period of time
- must return any excess reimbursement or allowance within a reasonable period of time

90-Day Policy

All expenses must be adequately accounted for within 90 days or the expenses will be reported as taxable income to the employee and the travel card suspended.

120-Day Policy

Expenses will not be reimbursed to the employee if the date of the receipt, receipt of goods/services or last date of travel exceeds 120 days.

Travel

- Best practice is to submit within 30 days
- Applies to out of pocket and travel card transactions.
- If not submitted within 90 days of the travel end date:
    - Travel card immediately suspended until expense report is submitted and approved
    - Expenses become tax reportable income to the employee and a tax withholding form must be attached to the expense report (AG-517)

Unsubmitted travel card transactions assigned to an expense report within 90 days of post date:

- Assigning to an expense report documents the travel end date, which allows for correct aging/tracking of expenses
- Best practice is to assign transactions to a report within 30 days of the post date
- After 60 days, lose dispute rights with the bank
- If not assigned within 90 days of post date:
    - Travel card immediately suspended until transactions are assigned to an expense report and the travel end date can be evaluated.
    - If the travel end date is less than 90 days, the card suspension will be removed.

- If travel end date is older than 90 days, the expenses become tax reportable income to the employee and card will remain suspended until expense report and all other outstanding card transactions are submitted and approved.

Third Strike Rule – for cards suspended for a third time:

- One Card will be suspended for one year with notification of card suspension sent to traveler, department head and CFO.
- No travel advances will be made available to the employee during this time period.

Non-Travel

For any personal reimbursement request outside of travel, expenses must be submitted for reimbursement within 90 days of the date of the receipt or receipt of goods/services.

- Best practice is to submit reimbursement requests within 30 days.
- Any reimbursement request older than 90 days should include a request for tax withholding form (AG-517).

Aging Transaction Escalation Policy

Unassigned/eWallet Transactions

Based upon the **transaction posting date**, expenses should be **assigned** to an expense report within 30 days. If the transaction remains unassigned beyond 45 days it is considered out of policy. **Daily** email notifications are sent from Emburse Expense Monitoring to the cardholder and others based upon the escalation policy below:

- 30-44 days notify cardholder.
- 45-59 days notify cardholder and department delegates.
- 60-89 days notify cardholder, department delegates and department head. At 60 days card will be temporarily suspended.
- 90-119 days notify cardholder, department delegates, department head and CFO.
    - Reminder: At 90 days, expenses that are not assigned can become taxable to the cardholder. AG-517 will be required.
- 120 days if items are not cleared, the system member will mark all items as unallowed and submit and approve the expense report. Then begin a collection process from the employee and place the employee on state hold until the balance is cleared.

One Card Transactions - Non-Travel

Based upon the **transaction posting date**, expenses assigned to a non-travel expense report should be **submitted** within 30 days, but no later than 45 days. After 45 days the transaction is out of policy and **daily** email notifications are sent from Emburse Expense Monitoring to the cardholder and others based upon the escalation policy below:

- 30-44 days notify cardholder.
- 45-59 days notify cardholder and department delegates.
- 60-89 days notify cardholder, department delegates and department head. At 60 days card will be temporarily suspended.
- 90-119 days notify cardholder, department delegates, department head and CFO.
- Reminder: At 90 days, expenses that are not submitted can become taxable to the cardholder. AG-517 will be required.
- 120 days if items are not cleared, the system member will mark all items as unallowed and submit and approve the expense report. Then begin a collection process from the employee and place the employee on state hold until the balance is cleared.

One Card Transactions - Travel

Based upon the **travel end date**, expenses assigned to a travel expense report should be **submitted** within 30 days, but no later than 45 days of the travel end date. After 45 days the transaction is out of policy and **daily** email notifications are sent from Emburse Expense Monitoring to the cardholder and others based upon the escalation policy below:

- 30-44 days notify cardholder.
- 45-59 days notify cardholder and department delegates.
- 60-89 days notify cardholder, department delegates and department head. At 60 days card could be temporarily suspended.
- 90-119 days notify cardholder, department delegates, department head and CFO.
- Reminder: At 90 days, expenses that are not submitted can become taxable to the cardholder. AG-517 will be required.
- 120 days if items are not cleared, the system member will mark all items as unallowed and submit and approve the expense report. Then begin a collection process from the employee and place the employee on state hold until the balance is cleared.

Note: Expenses added to a travel expense report prior to the travel start date will be monitored. Any expenses that are not considered prepaid travel expense types will be monitored and communicated as part of the non-travel transaction monitoring policy.

Vendors on Hold

If the payment is initiated through AggieBuy or FAMIS, the payment will not be released if the vendor is on hold with the State of Texas or has been placed on hold by Texas A&M University. The vendor will receive a template notice instead of payment informing them of the hold. However, prior to making a purchase of greater than $500 on the One Card for non-travel related transactions, you must verify and document the vendor is not on hold or vendor identified as a vendor on the states GA-48 directive.

It is required that the state hold check be performed no earlier than 7 days prior to purchase, and documented in Emburse for non-travel transactions greater than $500. The search result can be printed to pdf and attached with the receipt for the transaction.

1. Open https://vvl.tamu.edu
2. Sign in using your agnet credentials
3. Check Search Audit for vendor searches completed by other users during the acceptable time period matching the same vendor. If a valid result exists, view the PDF to determine if the vendor passed the vendor check.
4. If no previous vendor check conducted, search by Vendor Name, TIN or EIN
5. Click Run Search
6. Download as PDF
7. Attach to the transaction expense line in Emburse non-travel expense report

Purchase Guidelines – Third Strike Rule

- **Repeated Violations** – Incorrect/No vendor verify documentation
    1. First Instance – complete a post-payment vendor check, reallocate to local funds and if valid purchase, out of compliance message is sent
    2. Second Instance – complete a post-payment vendor check, reallocate to local funds and if valid purchase, escalation message + warning of card suspension
    3. Third Instance – complete a post-payment vendor check, reallocate to local funds and if valid purchase, card suspended
- **Reactivation -** The department head must provide written documentation of how the cardholder will remain in compliance and the card should be opened for future travel or non-travel purchases.