

**“Reasonable time” requirement for documentation of business expenses has been changed from 120 to 60 days from the date the expense was incurred or paid (whichever is later) to fully comply with IRS requirements.**

Notre Dame’s Travel, Entertainment and Business Expense Policy meets the Internal Revenue Service definition of an “accountable plan.” Expense reimbursements that meet the “accountable plan” rules do not have to be reported as income to the traveler. Under Internal Revenue Service accountable plan rules, travel advances and reimbursement of expenses must meet three requirements:

- Expenses reimbursed must be business-related. Advances must be reasonably related to the cash business expenses expected to be incurred.
- Employees must provide a statement (*Travel and Expense Report*) substantiating the amount, time, use, and business purpose of expenses within a reasonable time (within 60 days) after the expenses are incurred. *Travel and Expense Reports* received in Accounts Payable after this 60-day time frame will not qualify for accountable plan treatment and must be treated as income to the recipient.
- Employees must return any advances in excess of substantiated expenses no later than by when the related *Travel and Expense Report* is submitted (60 days).

The 60-day requirement is from the latter of the date paid or incurred. Prepaid business trip expenses will be considered incurred during the trip and thus the 60 days is calculated from the last day of the trip.