

Bucknell

FINANCE OFFICE

PHONE 577-3336

MEMORANDUM

TO: <Recipient>
<Department>

FROM: Peggy Troxell, Finance Office

DATE: September 27, 2000

SUBJECT: Accountable Plan Guidelines

CC: <Originating Department>

BANNER fund 826XXX has been established in the amount of \$X,XXX.XX. This is your accountable plan account for "<Account Title>". For these funds to be considered non-taxable, all expenditures must be directly related to this program or project and should be expended within the period for which funds were granted (ending xx-xx-xx). Unused funds will be returned to the granting source at that time. Should this fund be over-expended, you will be personally responsible to reimburse the University for the amount of the over-expenditure.

If your accountable plan was approved for a very specific purpose, be sure the expend the funds accordingly. Otherwise, please see the attached guidelines for additional information regarding allowable expenses.

Please follow normal University procedures when spending the funds from this account. For example, use a Bucknell Purchase Order when buying goods or services, and use a Travel Expense Report to account for travel expenses. Special note - in accordance with University guidelines you cannot reimburse yourself without the written approval of your department chair, or your Dean, or the Vice President of Academic Affairs.

All payments to individuals must follow University personnel and payroll procedures. For instance, if you hire a Bucknell student to assist you with your research that student must be paid through the Bucknell payroll system.

As with other University accounts, you will receive a monthly printout showing transactions which occurred during the month. Please review this report closely each month, and contact the Finance Office immediately if you find any errors.

If you or your departmental support person have on-line budget query access, the FOAPAL security has been updated to include this new fund. If you do not have on-line access and would like it, contact Pam Noone at X1136 or noone@bucknell.edu.

If you have any questions feel free to contact the Finance Office.

Bucknell University
Accountable Plans -- Allowable Expenses

In order for accountable plan expenses to be considered non-taxable to the holder of the plan, the expenses must meet the Internal Revenue Service (IRS) definition of accountable plan expenses. Generally, these expenses must be:

- directly related to the approved program or project;
- accounted for within a reasonable period of time (60 days maximum), and;
- documented with original receipts.

In addition to the above general requirements, the IRS has issued many specific guidelines regarding what expenses can, and cannot, be charged to accountable plans. Essentially, these guidelines assume that if an expense can be deducted as a business expense on your personal tax return, it can be charged to an accountable plan. Specific examples of allowable and not allowable expenses include:

| Allowable Expenses (Must be Directly Related to the Program or Project) | Not Allowable Expenses |
|---|--|
| <ul style="list-style-type: none"> ▪ Purchase of Supplies and Services ▪ Purchase of Research Materials ▪ Books, Periodicals, etc. ▪ Business/Professional Travel (if expended within the University Travel Guidelines) ▪ Professional Development Expenses ▪ Professional Association Dues ▪ Workshop Fees ▪ Tools & Lab Equipment (except computers) ▪ Safety Cloths and Equipment ▪ Payments to other individuals (provided they follow University personnel and payroll procedures) | <ul style="list-style-type: none"> ▪ Computers (unless approved in advance by your Dean or the Vice President of Academic Affairs) ▪ Commuting Expenses ▪ Lunches With Co-Workers ▪ Meals While Working Late ▪ Day Care Expenses ▪ Moving Expenses |

IMPORTANT NOTE: If there is any question about the allowability of an expense, please contact the Finance Office for clarification before making a financial commitment. You will be personally responsible for any expenses that are not allowable under an accountable plan