

# ACCOUNTABLE PLAN

## PART 1

### ACCOUNTABLE PLAN

\_\_\_\_\_ desires to establish an expense reimbursement policy pursuant to Reg. 1.62-2, upon the following terms and conditions:

- 1 Except as otherwise noted in Part II below, any person now or hereafter employed by shall be reimbursed for any ordinary and necessary business and professional expenses incurred on behalf of only if the expenses are adequately substantiated as required by the Company policy on expense reimbursements. (See policy memo.)
- 2 Under no circumstances will \_\_\_\_\_ reimburse employees for business or professional expenses incurred on behalf of \_\_\_\_\_ that are not properly substantiated. \_\_\_\_\_ and employees understand that this requirement is necessary to prevent our expense reimbursement plan from being classified as a “non-accountable” plan.
- 3 All expenses must be substantiated within a reasonable period of time. <sup>1</sup> See our Company policy statement of substantiation for what constitutes a reasonable period of time.
- 4 All charges to company credit cards must be substantiated in the same manner as the above mentioned reimbursements.
- 5 Advances that are not substantiated within a reasonable period of time must be returned (paid back) within a reasonable period of time.<sup>2</sup>

## PART 2

### EXCEPTIONS TO ACCOUNTABLE PLAN

Notwithstanding any term or condition in Part I of this document, the following persons, expenses, or arrangements are not considered to be covered under this accountable plan and are subject to terms and conditions of a separate expense reimbursement policy:

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_

COMPANY OFFICER:

DATE:

<sup>1</sup> Must be 60 days or less after the expense is paid or incurred if the company wants to qualify for the “fixed date” safe harbor substantiation rule.  
<sup>2</sup> Must be 120 days or less after the expense is paid or incurred if the company wants to qualify for the “fixed date” safe harbor substantiation rule.

# ACCOUNTABLE PLAN DEDUCTION CHECKLIST

## HOME OFFICE / PROPERTY-RELATED

- BUSINESS-USE PORTION OF UTILITIES (ELECTRICITY, GAS, WATER, TRASH)
- INTERNET SERVICE (BUSINESS-USE PERCENTAGE)
- PHONE LINE (BUSINESS-ONLY PORTION; DEDICATED LINE = 100%)
- HOME OFFICE RENT OR DEPRECIATION
- PROPERTY TAXES (BUSINESS-USE PERCENTAGE)
- MORTGAGE INTEREST (BUSINESS-USE PERCENTAGE)
- HOMEOWNERS/RENTERS INSURANCE (BUSINESS-USE PERCENTAGE)
- SECURITY SYSTEM & MONITORING FEES (BUSINESS-USE PERCENTAGE)
- SNOW REMOVAL, LAWN CARE, LANDSCAPING (IF CLIENTS VISIT HOME OFFICE)
- REPAIRS & MAINTENANCE (BUSINESS-USE PORTION)

## TRAVEL & TRANSPORTATION

- MILEAGE REIMBURSEMENT AT IRS STANDARD RATE
- PARKING FEES AND TOLLS
- PUBLIC TRANSIT FOR BUSINESS TRIPS
- AIRFARE, RENTAL CARS, TAXIS, RIDESHARE (BUSINESS PURPOSES)
- LODGING FOR OVERNIGHT BUSINESS TRAVEL
- MEALS WHILE TRAVELING OVERNIGHT FOR BUSINESS (50% DEDUCTIBLE)
- CONFERENCE, SEMINAR, AND WORKSHOP COSTS

## OFFICE & EQUIPMENT

- COMPUTERS, MONITORS, TABLETS, PRINTERS USED FOR BUSINESS
- OFFICE FURNITURE (DESK, CHAIR, FILING CABINETS)
- SUPPLIES (PAPER, INK, PENS, BUSINESS CARDS, POSTAGE)
- SOFTWARE AND APPS (QUICKBOOKS, ZOOM, CRM SYSTEMS, ETC.)
- SUBSCRIPTIONS AND MEMBERSHIPS (TRADE JOURNALS, PROFESSIONAL GROUPS)

## PROFESSIONAL & COMPLIANCE

- BUSINESS INSURANCE PREMIUMS (LIABILITY, CYBER, E&O, ETC.)
- PROFESSIONAL LICENSES, CERTIFICATIONS, CONTINUING EDUCATION
- LEGAL AND ACCOUNTING FEES RELATED TO BUSINESS
- BANK FEES INCURRED FOR BUSINESS-RELATED ACCOUNTS

## HEALTHCARE & BENEFITS (WITH CAUTION)

- CERTAIN MEDICAL INSURANCE PREMIUMS (IF STRUCTURED PROPERLY)
- HSA CONTRIBUTIONS (IF REIMBURSED UNDER PLAN RULES)

## OTHER SPECIAL ITEMS

- POSTAGE AND SHIPPING FOR BUSINESS PURPOSES
- BUSINESS GIFTS (LIMITED TO \$25 PER RECIPIENT PER YEAR)
- CELL PHONE PLAN (BUSINESS-USE PERCENTAGE IF MIXED-USE)
- INTERNET HOTSPOT/WI-FI FOR BUSINESS TRAVEL
- COWORKING SPACE OR TEMPORARY OFFICE RENTAL

# ACCOUNTABLE PLAN DEDUCTION CHECKLIST

## SPECIAL ITEMS PEOPLE FORGET

- HOME SECURITY SYSTEMS & MONITORING FEES (BUSINESS-USE % OR 100% IF SEPARATE OFFICE)
- SNOW REMOVAL & LAWN CARE (IF CLIENTS VISIT THE HOME OFFICE, OR 100% FOR SEPARATE OFFICE BUILDING)
- HOME REPAIRS & MAINTENANCE TIED TO OFFICE SPACE (BUSINESS-USE %)
- CELL PHONE PLAN (BUSINESS-USE PORTION)
- HOMEOWNERS/RENTERS INSURANCE (BUSINESS-USE PORTION)
- DEDICATED HOME OFFICE UTILITIES (ELECTRICITY, HEAT, WATER, ETC., % OF BUSINESS USE)
- BUSINESS-USE PORTION OF MORTGAGE INTEREST AND PROPERTY TAXES

## HIDDEN DEDUCTIONS PEOPLE OFTEN MISS

- SECOND MONITOR, KEYBOARD, MOUSE, WEBCAM, MICROPHONE (FOR BUSINESS)
- DATA STORAGE (DROPBOX, GOOGLE DRIVE, ICLOUD, EXTERNAL DRIVES)
- VPN OR CYBERSECURITY SOFTWARE
- WEBSITE HOSTING, DOMAINS, SSL CERTIFICATES
- PEST CONTROL (BUSINESS-USE PORTION)
- CLEANING SERVICES FOR OFFICE AREA
- OFFICE DECOR (PLANTS, ARTWORK, WHITEBOARDS)
- SMALL APPLIANCES FOR OFFICE (COFFEE MAKER, MINI FRIDGE)
- INDUSTRY ASSOCIATION DUES
- NETWORKING EVENTS, CHAMBER OF COMMERCE FEES
- ONLINE COURSES, WEBINARS, TRAINING PLATFORMS
- BOOKS AND E-BOOKS RELATED TO YOUR INDUSTRY
- CREDIT CARD ANNUAL FEES (IF CARD USED FOR BUSINESS)
- IDENTITY THEFT PROTECTION (IF TIED TO BUSINESS FINANCES)
- BOOKKEEPING/PROJECT MANAGEMENT/SCHEDULING SOFTWARE
- BAGGAGE FEES ON BUSINESS FLIGHTS
- TSA PRECHECK OR GLOBAL ENTRY (FOR FREQUENT BUSINESS TRAVEL)
- PARKING PASSES OR PERMITS FOR BUSINESS MEETINGS
- COFFEE, SNACKS, OR BOTTLED WATER PROVIDED TO CLIENTS
- ERGONOMIC CHAIR, STANDING DESK, OR DESK TREADMILL (BUSINESS USE)
- BLUE-LIGHT GLASSES FOR COMPUTER WORK
- DOCTOR-PRESCRIBED MASSAGE OR CHIROPRACTIC (IF WORK-RELATED STRAIN)