

From: Murphy, Jennifer

Sent: Wednesday, June 22, 2005 4:57 PM

To: Faulkner, Carolyn; Morelli, William T.

Cc: Sutherland, Nancy; GRP-APS Customer Advisory Group; Page, Beverly; Hurst, Bev; Tamez, Linda; Orsborn, M. Esther; George, Jill; Loyd, Loretta; Moore, Elaine; Floores, Maggie; Russell, Carleen; Wagner, Erica; Lands, Rhonda; George, Rita; Cantu, Esther; Cone, Blythe

Subject: RE: IRS Publication 463 - 60 day reasonable period

Carolyn & Bill –

I'm copying "others" on this e-mail because it contains information that needs to be shared involving the 60 day reasonable period of time to process travel vouchers.

I spoke with Cynthia, UT Austin travel, this afternoon about the mechanics of how they monitor the 60 day reasonable period of time for our travel vouchers. The following is what I learned:

- The key is for the employee to turn in documentation and request reimbursement within 60 days of the expense being incurred or paid.
- If the request is outside of this period, the UT Austin Travel Section looks at the voucher for the documented business reason for the exception to this time period (examples Cynthia provided were: back to back trips that would not allow a person to turn in their receipts, the traveler turned in his/her receipts within the 60 days but there was a turn over of employee that created his/her voucher and the receipts were lost and/or had to be recreated).
- Fred Friedrich, Director of Accounting, reviews the documented business reason for the exception to determine if it is a valid business reason; if he agrees, the travel voucher is processed and it is not taxed to the individual. If he does not agree that the exception is a valid business purpose, then the travel section will contact your department and instruct that a payroll voucher has to be created to pay the travel voucher; in this case the reimbursement is taxable to the employee. Put another way, the amounts will not magically appear on the traveler's W-2 at the end of the year; your department would be notified before the payment would be processed as income to the traveler.

What does this mean? From this point forward we should all handle the processing of travel vouchers with the 60 day reasonable period of time as our standard; please inform your travelers. If there are some instances from the past that are exceptions, document the business reason for the un-timeliness, and process and submit the vouchers as soon as possible. I am going to edit our travel training slide to read as follows:

- Receipts older than 60 days from ~~travel~~ the day the expense was incurred or paid ~~will~~ **could** either be denied or ~~the payment will be~~ added to the traveler's W-2 and taxed as income, according to IRS Rules (**Publication 463**).
- A justification statement must be included to explain why the request is untimely.

Thanks to all,
Jenny

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