

To: USD 383 Personnel
Re: Purchasing and Employee Reimbursements
Date: 2019-20 Academic Year (FY 2020)
From: Business/Accounting Department

All district employees are expected to follow the guidelines for purchasing outlined in the Business and Accounting Policies and Procedures Handbook. This handbook is posted on the district web site within the Business & Accounting section.

All purchases utilizing district funds are to have prior approval and employees are expected to use requisitions and district purchase cards for purchases to support their educational purposes and programs. If an employee makes a purchase using personal resources any request for reimbursement must be submitted within 60 calendar days of the purchase, or it will not be reimbursed. Full detailed documentation of the purchase must be submitted in support of any requisition for reimbursement. If an employee fails to follow proper procedures, they assume the risk of becoming financially liable for the expenditure.

USD 383 practices what is classified by the Internal Revenue Service (IRS) as an accountable plan for reimbursements for all employee work related expenses. **This means that all reimbursable expenses must be properly documented and submitted within 60 calendar days from the time the expense was incurred. This is an IRS regulation for having an 'accountable plan'.** The advantage as employees of the organization is that under an accountable plan documented expenses can be reimbursed without being considered as income, and thus are not subject to payroll taxes. However, for us to maintain our status as an 'accountable plan' organization we are required to follow the criteria outlined by the IRS. **The down side of this for employees is that if you fail to meet the 60 day window for submission, then the expenses are no longer eligible for reimbursement.**

A recommended practice is to request and keep track of detailed receipts for work-related expenditures and submit these to your supervisor for approval, when you return to work. It is easy to get busy and forget to submit the documentation, and then you end up not meeting the 60 day submission window. Another suggested practice is to submit any expenses at the end of each calendar month, to avoid any chance of not meeting these requirements.

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