

AGREEMENT TO ADOPT AN ACCOUNTABLE PLAN

PART I: ACCOUNTABLE PLAN

(“Company Name”) 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 (“Company Name”) reimburse employees for business or professional expenses incurred on behalf of (“Company Name”) that are not properly substantiated. (“Company Name”) 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 (60 days).¹ 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 (120 days) must be returned (paid back) within a reasonable period of time.

PART II: 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: _____

PART II: COMPANY POLICY STATEMENT – REASONABLE PERIOD OF TIME

1. Must be 60 days or less after the expense is paid or incurred to qualify for the “fixed date” safe harbor substantiation rule.
2. Must be 120 days or less after the expense is paid or incurred to qualify for the “fixed date” safe harbor substantiation rule.

