Published on *University of Colorado* (https://www.cu.edu)

Business Expense Substantiation & Tax Implications [1]

December 5, 2022 by Staff [2]

The University of Colorado has developed policies related to the processing of commercial credit card transactions (Procurement Card, Travel Card, Airfare Card), cash advances, and employee reimbursements that meet the IRS definition of an accountable plan. Under CU's accountable plan, employees are required to substantiate the business purpose of the expense, provide any required receipts/other documentation, and reimburse the University (if appropriate) within specified timeframes in order to avoid having the payment/reimbursement included as part of the employee's taxable income.

The Procurement Service Center (PSC) and Office of University Controller (OUC) have recently researched and clarified aspects of the current Business Expense Reimbursement policy. The result is the revised Finance Procedural Statement Business Expense Substantiation & Tax Implications [3], which is planned to take effect on January 1, 2023.

You can link to the new procedures and a number of related resources from the Office of University Controller finance procedures page at https://www.cu.edu/controller/procedures/finance-procedural-statements. [4]

We encourage you to visit the new OUC webpage [3] and review the revised procedural statement. While there you can check out the FAQ page and the overview slide deck, and then confirm your understanding with the Test Your Knowledge quiz. If you let the OUC know you've completed the Test, you may win a coffee gift card!

Questions?

Contact the OUC's Financial Services & Solutions (FSS) team using the feedback form at the bottom of **this page** [3].
taxes [5]
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Links
[1] https://www.cu.edu/blog/psc-communicator/business-expense-substantiation-tax-implications
[2] https://www.cu.edu/blog/psc-communicator/author/69272
[3] https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-business-expense-0 [4] https://www.cu.edu/controller/procedures/finance-procedural-statements
[5] https://www.cu.edu/blog/psc-communicator/tag/taxes