

## **Business Expense Substantiation: Top Questions on Exceptions** <sup>[1]</sup>

February 8, 2023

With the revised Business Expense Substantiation & Tax Implications procedures taking effect last month, the top questions to the OUC's Financial Services & Solutions (FSS Help) team are: *how has the business expense substantiation process changed, and how can an employee request an exception to a notice of taxable expenses.*

### **Recap of process**

According to the University's accountable plan, the University must report *as taxable income* business expenses incurred by an employee if they have not been *substantiated* within 90 days of the transaction date or within 90 days of the trip end date. An expense is substantiated when it has been reconciled, documented, excess funds returned to CU if applicable, and submitted on an expense report in Concur.

- Previously, this applied to personally paid expenses incurred by an employee.
- Under revised procedures, this also applies to cash advances issued to an employee, and to commercial card expenses (Procurement Card, Travel Card, Airfare Card) incurred by an employee -- even if those expenses were incurred by the employee on behalf of another individual (employee or non-employee).

If an expense is not substantiated/submitted within the required time frame, the amount of the expense will be reported as taxable income on the employee's pay advice and on the IRS Form W-2. As applicable, Concur automatically emails a Taxable Expenses Notification to the employee, *when the expense report is fully approved and paid.*

### **Exceptions**

The procedures include information regarding an exception process.

- Employees requesting exceptions must contact their campus controller's office, which will determine whether to refer requests to the Director of Tax for final review/approval.
- When requesting an exception, *the employee must forward the Taxable Expenses Notification email (with its attached list of reported transactions)* that they received from the Concur system.
- As noted on our Campus Controller's (Finance) Offices <sup>[2]</sup> webpage, requests for exception should be directed to the designated campus contact:
  - Boulder: [fiscalcompliance@colorado.edu](mailto:fiscalcompliance@colorado.edu) <sup>[3]</sup>
  - Denver|Anschutz Medical Campus: [FS-Compliance@ucdenver.edu](mailto:FS-Compliance@ucdenver.edu) <sup>[4]</sup>
  - Colorado Springs: [acctfinc@uccs.edu](mailto:acctfinc@uccs.edu) <sup>[5]</sup>

- CU System: [robert.kuehler@cu.edu](mailto:robert.kuehler@cu.edu) [6]

We encourage all employees to review the new Finance Procedural Statement Business Expense Substantiation & Tax Implications [7] and then take the self-assessment (quiz) on that page.

**Questions?** Use the feedback form at the bottom of the procedural statement webpage [7].

---

**Source URL:**<https://www.cu.edu/controller/news/office-university-controller-news/february-8-2023-edition/business-expense>

#### **Links**

[1] <https://www.cu.edu/controller/news/office-university-controller-news/february-8-2023-edition/business-expense> [2] <https://www.cu.edu/controller/campus-controllers-finance-offices>  
[3] <mailto:fiscalcompliance@colorado.edu> [4] <mailto:FS-Compliance@ucdenver.edu>  
[5] <mailto:acctfinc@uccs.edu> [6] <mailto:robert.kuehler@cu.edu>  
[7] <https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-business-expense-0>