

Employee Expense Reimbursement Policy

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I. Title

Employee Expense Reimbursement Policy

II. Policy

A. Purpose

This Policy sets forth the requirements for the request and disbursement of an Employee Expense Reimbursement from Texas Wesleyan University funds to ensure compliance with the reporting obligations of the University's Expense Reimbursement/IRS Accountable Plan.

B. Requests, Disbursement & Accountability

1. Employee Expense Reimbursements may be requested, for occasional business needs, to reimburse an employee for their use of personal funds to make university purchases and for the use of their personal vehicle for university business. Employee Expense Reimbursements are governed by tax rules and internal control requirements. This Policy and its related procedures must be followed and communicated to those involved before the use of personal funds or a personal vehicle takes place. When Employee Expense Reimbursements occur, they must be disbursed in accordance with the guidelines set forth in this Policy.
2. Employee Expense Reimbursements will be disbursed via check or

ACH electronic payment by the Business Services Office. Disbursement should be no more than \$5,000 and made no more than 30 days after the actual expenditure or related event unless a special exception is approved by the VP of Finance and Administration in advance of the request (see [Section II. F](#) of this Policy).

3. Reporting and accounting of the actual expenditures being reimbursed should be made by submitting a Employee Travel & Expense Reimbursement Form to the Business Services office no later than 30 days after the expenditure or related event is complete.
4. The employee is responsible for ensuring proper documentation and approvals have been submitted according to the Employee Expense Reimbursement Procedures document.

C. Allowable Uses

Employee Expense Reimbursements must be clearly tied to a business purpose and properly documented with receipts, to be eligible for reimbursement, and may only be requested for the following purposes:

- a. Travel expenses and meal expenses, when not using a University Travel Card or Purchasing Card (See Travel Policy);
- b. Auto expenses for use of personal vehicles (See Travel Policy);
- c. Minor equipment supplies and other misc. expenses (See Expense Policy).

D. Prohibitions

Employee Expense Reimbursements may not be requested for, or disbursed to, the following - no exceptions permitted:

- a. Non-Employees of the University.
- b. To pay/compensate student employees, independent contractors, volunteers, or other individuals for services/work performed.
- c. Holiday or other gifts to students, faculty, staff or volunteers.
- d. Sales Tax on items purchased.
- e. Gift cards (see Expense Policy and Gift Card Procedures).

- f. To pay for an expenditure that is improper or unauthorized under the University's policies or practices.

E. Expense Reimbursements to Non-Employees

Expense Reimbursements cannot include payments made in exchange for vendor services. Vendor reimbursements should be submitted to Accounts Payable via invoice and require a departmental requisition and purchase order in order to be processed. The University tracks all payments made to such individuals & organizations by way of their social security number or company EIN. If a company or individual receives other awards or payments during the calendar year in excess of \$600, Business Services must report the entire amount on Form 1099-NEC or 1099-MISC.

F. Exceptions to this Policy

All requests for exceptions to this policy must be in writing and approved by the requestor's department head or appropriate supervisor and receive final approval of the Vice President of Finance and Administration, prior to the issuance of the Employee Expense Reimbursement. Each request must include a detailed justification for the exception and the benefit to the University if the exception is granted. The Vice President of Finance and Administration, will review each request on an individual basis.

III. Definitions

Employee: The faculty or staff member in the department requesting the Employee Expense Reimbursement that is responsible for the documentation and other requirements of this policy.

Expense Reimbursement: Funds paid to a faculty or staff member for university expenses personally incurred following the timely submission of supporting documentation in accordance with the universities IRS approved accountable plan.

Employee Travel & Expense Form: A form to record the actual expenditures being reimbursed. This will be completed and returned to the Business Office with receipts and supporting documentation of each expense in accordance with the Universities Employee Expense Reimbursement Form and IRS Accountable plan.

Accountable Plan: A policy established by the IRS that allows for the reimbursement of expenses incurred by employees provided the expenses are related to the business and are properly receipted and documented within a reasonable period of time. Without such "accountability" the expense remains the personal responsibility of the employee.

IV. Relevant Federal and State Statutes

[Internal Revenue Code \(I.R.C.\) Publication 463](https://www.irs.gov/pub/irs-pdf/p5137.pdf)
<https://www.irs.gov/pub/irs-pdf/p5137.pdf>
<https://www.bench.co/blog/tax-tips/irs-accountable-plan>

V. Relevant TXWES Policies, Procedures, and Forms

TXWES Employee Expense Reimbursement Procedure

TXWES Employee Travel and Expense Reimbursement Form

TXWES Missing Receipt Affidavit

TXWES Expense Policy

TXWES Travel Policy

TXWES Cash Advance Policy

TXWES Cash Advance Procedure

VI. Who Should Know

All employees requesting and receiving Expense Reimbursements.

VII. TXWES Office(s) Responsible for Policy

Responsible Officer: Vice President of Finance and Administration

Sponsoring Department: Business Services

VIII. Dates Approved or Amended

Approved by President's Cabinet on March 3, 2025.

IX. Contact Information

All questions regarding this policy should be directed to Office of Finance & Administration: oofa@txwes.edu