

**TITUS COUNTY
ACCOUNTABLE PLAN
September 2023**

BACKGROUND

Titus County pays reimbursements to various employees for mileage and travel.

For mileage, monthly reports are required. A copy of that form is attached.

For travel, employees have two options. They can turn in a request for a travel advance before the travel occurs, or they can turn in a reimbursement request after the travel is completed. A copy of that form is also attached. In either case, employees are required to turn in receipts for travel upon return to work. Purchase orders are required in advance of all travel in order to determine if funds are available for the travel and to encumber the estimated costs.

OBJECTIVE

In order for these reimbursements to NOT be taxable to the employee, the IRS requires that an accountable plan is in place. Titus County leadership desires to have these items not be taxable to the employee and has developed procedures to meet the IRS requirements of an accountable plan.

County owned vehicles are not for personal use. Per IRS regulations, personal use must be reported to the Titus County Treasurer in order for it to be taxed as a fringe benefit. This reporting is required within 60 days of incurring personal use of County owned vehicles.

Effective October 1, 2023, Titus County will not pay auto allowances. Costs for mileage will be paid on a reimbursement basis and must be reported on the appropriate form within 60 days after incurred. Use of travel budgets will continue to be at the discretion of the elected official.

In the event that these requirements are not followed, the request for reimbursement will not be honored except in extenuating circumstances as determined by Commissioners' Court.

TITUS COUNTY'S ACCOUNTABLE PLAN

The following information is from IRS Publication 463. To be an accountable plan, ALL of the following rules must be followed.

- 1) Expenses must have a business connection – that is, the expense must have been paid or incurred while performing services as an employee, and
- 2) Expenses must be adequately accounted to your employer within 60 days after they were paid or incurred, and
- 3) Any excess reimbursement received must be returned to the County within 120 days after they were paid or incurred, and
- 4) Travel advances must not be paid more than 30 days before the date of the travel, and
- 5) Mileage reimbursements must be paid at not more than the standard federal IRS mileage rate.