

# Accountable Plan Expense Reimbursement Form



## Accountable Plan

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We encourage businesses to implement an Accountable Plan which allows employee owners to turn in expense reports for home office use, mileage, cell phone, internet, meals and travel. Some of these expenses are mixed used (personal and business), such as home office, cell phone and internet. The days of deducting these un-reimbursed employee business expenses on Form 2106 are gone after the Tax Cuts and Jobs Act of 2017. An Accountable Plan is easy to do, is a great way to pull money out of the business and actually reduces the amount of taxes paid. A win-win scenario.

[Accountable Plan Benefits](#)

## Accountable Plan Worksheet

We have designed a fancy MS Excel spreadsheet where you can enter your mixed use expenses. We suggest detailing your expenses and being reimbursed through your Accountable Plan once every quarter- it is good accounting to stay on top of this, and memories seem to fade. Like any spreadsheet, it is only meaningful to the spreadsheet designer. So, we've created directions on using our Accountable Plan Worksheet and Reimbursement template- if you hate it, please kindly let us know. If you like it, simply send donuts and we'll receive the message. Pictures of donuts don't count.

[Accountable Plan Sample](#)

[Accountable Plan Template 2018](#)

**The Accountable Plan template spreadsheet is now combined with our Income Statement template which is used primarily for gathering up your year-end tax information. Please click on the Tab labeled Accountable Plan once you download the template spreadsheet.**

Shared use expenses should always be paid personally, and then reimbursed by the company on a pro-rated or business-use percentage. Think of yourself working for Google, and they ask you to be on call during the weekends and drive your car to pick up pencils; Google would not pay for your cell phone or car directly, but they would reimburse you.

Conversely, anything that is 100% business use should be paid directly by the business.

Therefore, only business expenses that you paid for personally should be listed on the Accountable Plan Worksheet and Reimbursement form. This distinction has proven to be problematic in the past. Contact us with questions!

## **Accountable Plan Reimbursements**

The most elegant way, and the way we and the [IRS prefer](#), is that you write a check or do a transfer from your business checking account to your personal checking account in the amount of the reimbursement. Think of you and your business as separate entities, since they truly are. And if you worked for another business that you did not own, the business would write you a check for the amount of expenses you paid personally. Same thing here.

Another less elegant way is to re-classify owner or shareholder distributions as employee reimbursements. For example, let's say you took out \$20,000 over the quarter as distributions. But after completing the Accountable Plan Worksheet and Reimbursement form, the company owed you \$5,000. We would make an entry to reflect the reimbursement, and your shareholder distributions would be re-classified as a \$15,000 distribution and a \$5,000 reimbursement. The reimbursement becomes a business expense and deduction, and is non-taxable to you.

Our KB article has a great example including journal entries of how this works and our Accountable Plan instructions do as well.

[Reversing Journal Entries](#)

[Accountable Plan Instructions](#)

## **Recordkeeping**

Accountable Plan Reimbursement forms must be retained along with the proper recordkeeping such as receipts, invoices, credit card statements, etc. Once this online submit form is completed, we will create a reimbursement voucher and a copy will be placed in your client portal for you to download.

If you do not have an Accountable Plan and associated Corporate Meeting Minutes / Adoption, please let us know. We can draft the documents and provide consultation to answer questions for \$250.