

Accountable Plan Instructions

All employees, officers and directors must comply with the provisions set forth in the Accountable Plan.

All employees must complete an expense report for any business reimbursements and attach receipts to the report if applicable.

All undocumented expenses will be taxable as compensation to the employee and included as compensation on their W2.

Please keep the originals with your company documents, and use them to make copies for your employees' signatures. Keep a signed copy in each employee file.

If you have any questions, please give us a call at 614-771-7700.

Accountable Plan Automobile and Business Expense Reimbursements

Our company policy for automobile and business expense reimbursements is as follows:

- (1) Any employee now or hereafter employed by the Company shall be reimbursed for any ordinary and necessary business expense incurred on behalf of the Company, if the following conditions are satisfied:
 - (a) The expenses are reasonable in amount.
 - (b) The employee documents the amount, date, place, and business purpose of each expense with the same kinds of documentary evidence as would be required to support a deduction on the employee's federal income tax return.
 - (c) The employee documents such expenses by providing the Company accountant with a monthly accounting of expenses. In no event will an expense be reimbursed if substantiated more than 60 days after the expense is paid or incurred by the employee.
- (2) Reimbursable business and professional expenses include, but are not limited to, local business mileage, overnight travel (including mileage, lodging & meals), business meals, books and subscriptions, continuing education, professional dues, long-distance calls, office supplies, repairs/maintenance expenses and other expenses approved by the Company accountant and owners.
- (3) The employee's business use of his/her automobile will be reimbursed at the standard mileage rate allowed by the IRS. (For 2019, the standard mileage rate is 58 cents per mile.)
- (4) Any Company advance reimbursement that exceeds the amount of business or professional expenses properly accounted for by an employee pursuant to this policy must be returned to the Company within 120 days after the associated expenses are paid or incurred by the employee and shall not be retained by the employee. Additionally, the company will not pay out an advance more than 30 days before the employee is expected to incur the qualifying expenses.
- (5) Reimbursements shall be paid out of company funds; and not by adjusting paychecks by the amount of business expense reimbursements.
- (6) The Company shall not include in an employee's box 1 of Form W-2 the amount of any business or professional expense properly substantiated and reimbursed (or advanced) according to this policy, and the employee should not report the amount of any such reimbursement as income on the employee's individual income tax return.
- (7) The company shall retain receipts and other documentary evidence used by an employee to substantiate business and professional expenses reimbursed under this policy. Under no circumstances will the Company reimburse an employee for expenses that are not properly substantiated according to this policy.

You will be considered to have adequately accounted to us if you provide documentary evidence of your mileage and other expenses. Your local office supply store will have forms available for this purpose. Please attach all receipts for other expenses to the back of the form.

By signing below, you, as our employee, agree to abide by the provisions of the foregoing policy.

Employee Signature

Date