

AGREEMENT TO ADOPT AN ACCOUNTABLE PLAN

PART I: ACCOUNTABLE PLAN

_____ desires to establish an expense reimbursement policy pursuant to Reg. 1.62-2, upon the following terms and conditions:

1. Except as otherwise noted in Part II below, any person now or hereafter employed by _____ shall be reimbursed for any ordinary and necessary business and professional expenses incurred on behalf of _____ only if the expenses are adequately substantiated as required by the Company policy on expense reimbursements. (See policy memo.)
2. Under no circumstances will _____ reimburse employees for business or professional expenses incurred on behalf of _____ that are not properly substantiated. _____ and employees understand that this requirement is necessary to prevent our expense reimbursement plan from being classified as a “non-accountable” plan.
3. All expenses must be substantiated within a reasonable period of time.¹ See our Company policy statement of substantiation for what constitutes a reasonable period of time.
4. All charges to company credit cards must be substantiated in the same manner as the above mentioned reimbursements.
5. Advances that are not substantiated within a reasonable period of time must be returned (paid back) within a reasonable period of time.²

PART II: EXCEPTIONS TO ACCOUNTABLE PLAN

Notwithstanding any term or condition in Part I of this document, the following persons, expenses, or arrangements are not considered to be covered under this accountable plan and are subject to terms and conditions of a separate expense reimbursement policy:

1. _____
2. _____
3. _____

Company officer: _____ Date: _____

¹ Must be 60 days or less after the expense is paid or incurred if the company wants to qualify for the “fixed date” safe harbor substantiation rule.
² Must be 120 days or less after the expense is paid or incurred if the company wants to qualify for the “fixed date” safe harbor substantiation rule.