

IRS 60 Day Reimbursement Policy

AGENDA

- **Policy Review**
- **Payroll Information**
- **Exceptions**
- **Other Nuances**
- **Job Aid**
- **Payment Information**
- **FAQ**
- **Q&A**
- **Resources**

POLICY REVIEW

- > **Effective Date: July 6, 2026**
- > **Impacts Employees and Student Employees**
- > **Consistent with WA State guidance requiring compliance with IRS regulations**
 - **Rule 2 of IRS Accountable Plan; IRS Section 1.62-2(g)(2)(i)**
 - **WA State OFM SAAM 10.80.70.b**
- > **Workday Expense Report reimbursements are to be submitted within 60 days of travel end date (Travel) or date of purchase (Non-Travel) to remain as a non-taxable payment**
- > **60 days is the IRS safe-harbor definition of a reasonable period**



PAYROLL INFORMATION

- > ER submitted over 60 days without an allowable exception:
- > Recorded as *Imputed Income*, increasing total Taxable Wages
- > Subject to applicable federal and state payroll taxes:
 - > Federal: Social Security, Medicare, Federal Withholding
 - > WA State: Paid Fam & Med Leave, WA Cares Fund

If Employee is residing/working in another State, those State taxes will be applied in place of WA State Taxes



Exceptions based on facts and circumstances aligned with IRS reasonable-period flexibility

- > **Documentation required for all exceptions:**
- > **Employee - Approved extended leave of absence**
 - Department confirmation of extended leave of absence
- > **Employee - Business travel status for over 60 days**
 - Trip pre-approval, documentation substantiating continuous 60-day travel
- > **SE/Department - Delayed ER submission**
 - SE Director (or SE highest reporting authority) explanation and approval



OTHER NUANCES

> Cash Advances

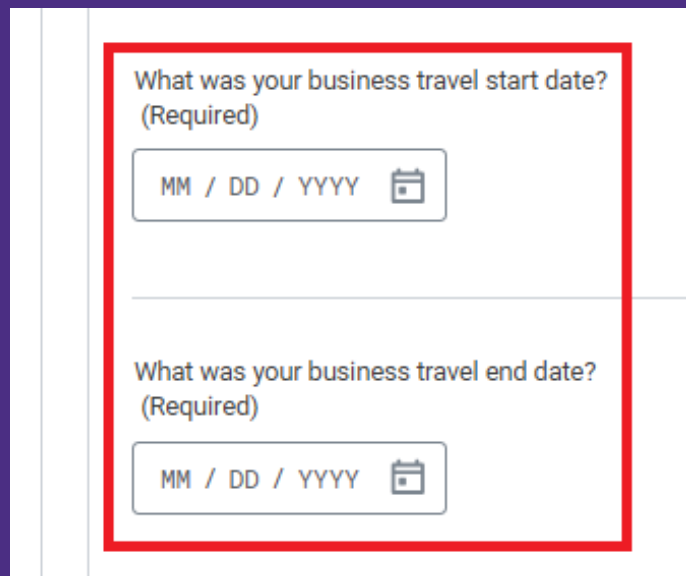
- Travel Advances (Per Diem)
 - > Reimbursement included reconciliation ER
- Field Advances
 - > Policy & Communication – TBD



JOB AID: CREATE EXPENSE REPORT

> Travel Expense Reports

- Personal Time Questionnaire
- Previous instructions: Business Travel Start & End Date Questions were flexible – allowed only business dates OR the complete trip including personal time
- Updated instructions: the complete trip including personal time



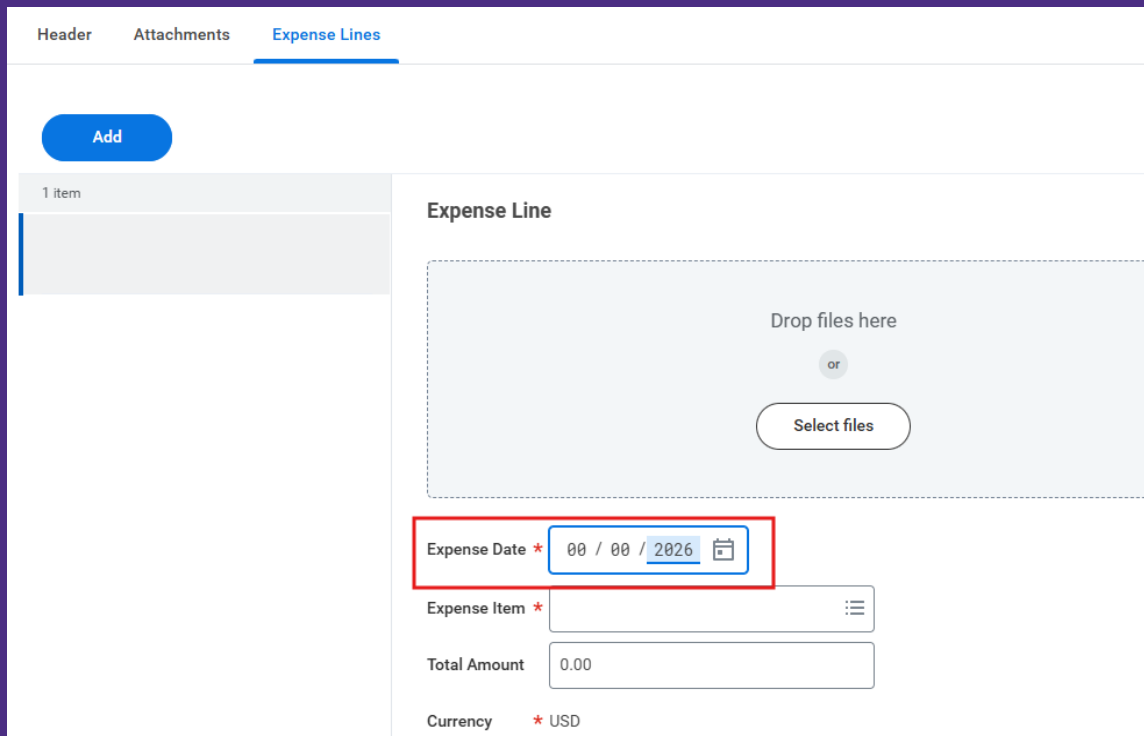
The image shows a screenshot of a web form with two date input fields. The top field is labeled "What was your business travel start date? (Required)" and the bottom field is labeled "What was your business travel end date? (Required)". Both fields have a placeholder "MM / DD / YYYY" and a calendar icon. A red rectangular box highlights the top field and its input area.



CREATE EXPENSE REPORT

> Non-travel Expense Reports

- Expense Date entered in Expense Line
- Should be Date of Purchase



Header Attachments **Expense Lines**

Add

1 item

Expense Line

Drop files here

or

Select files

Expense Date * 00 / 00 / 2026

Expense Item *

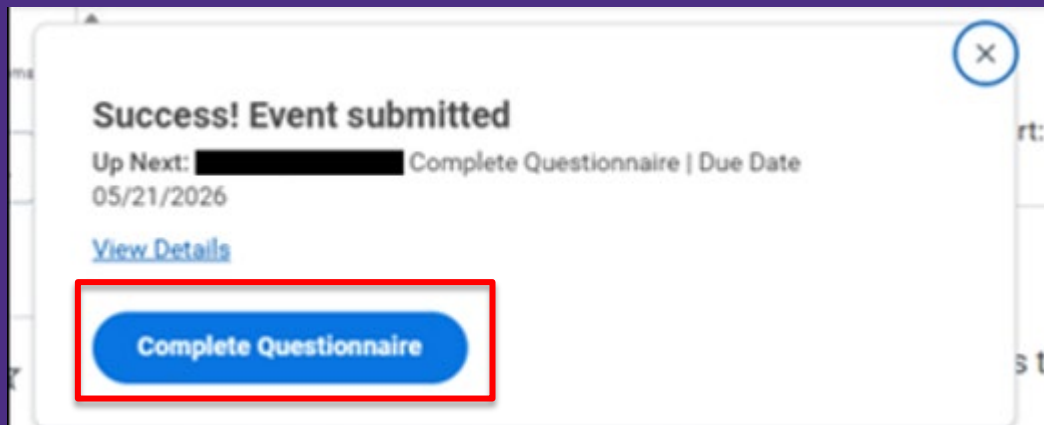
Total Amount 0.00

Currency * USD



CREATE EXPENSE REPORT

- > 60 Day Questionnaire
- > Appears after submitting personal time questionnaire (Business Travel) or Expense Report (Non-Travel)



CREATE EXPENSE REPORT

> 60 Day Questionnaire

Expense Report - 60 Day Reimbursement

This expense report was submitted with expense dates that are after 60 days either from the travel end date (Business Travel) or date of purchase (Non-Travel).
[UW 60 Day Reimbursement Policy](#)

Please select one of the options below as the reason for the delay in submission. Specified documentation is required to validate the exception type.
(Required)

- Expense payee was on an approved leave of absence
- Expense payee was on business travel status for over 60 days
- Delayed expense report submission due to Shared Environment and/or department personnel other than the payee
- None of the above are applicable. The employee understands the reimbursement will be considered as taxable income.



CREATE EXPENSE REPORT

> 60 Day Questionnaire

Expense Report - 60 Day Reimbursement

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- Delayed expense report submission due to Shared Environment and/or department personnel other than the payee
- None of the above are applicable. The employee understands the reimbursement will be considered as taxable income.

Attach documentation showing proof of an extended leave of absence below if not already attached to the Expense Report.
(Required)

Drop files here

or

Select files

Submit Save for Later Cancel



CREATE EXPENSE REPORT

> 60 Day Questionnaire will be in Workday inbox

The screenshot displays the 'Employee Reimbursements' section in Workday. On the left, a list of expense reports is shown, including one for ER-0000300412 with a due date of 05/21/2026. The main area is titled 'Complete Questionnaire' and contains a message about a 60-day delay in submission. Below the message is a required section with four radio button options for selecting the reason for the delay.

Employee Reimbursements 2 items

Search: Employee Reimburs... [Filter]

[Advanced Search](#)

Expense Report: ER-0000300412, 05/21/2026 ☆
on 05/21/2026 for \$181.00
Due: 05/21/2026
Effective: 05/21/2026
Updated: 05/21/2026

Expense Report: ER-0000291335, 05/14/2026 ☆
on 03/30/2026 for \$6,190.79
Effective: 03/30/2026

Created: 05/21/2026 | Due: 05/21/2026 | Effective: 05/21/2026 | Updated: 05/21/2026

Complete Questionnaire

'Expense Report - 60 Day Reimbursement V1.2' for Expense Report: ER-0000300412, [REDACTED] on 05/21/2026 for \$181.00

Expense Report - 60 Day Reimbursement

This expense report was submitted with expense dates that are after 60 days either from the travel end date (Business Travel) or date of purchase (Non-Travel).
[UW 60 Day Reimbursement Policy](#)

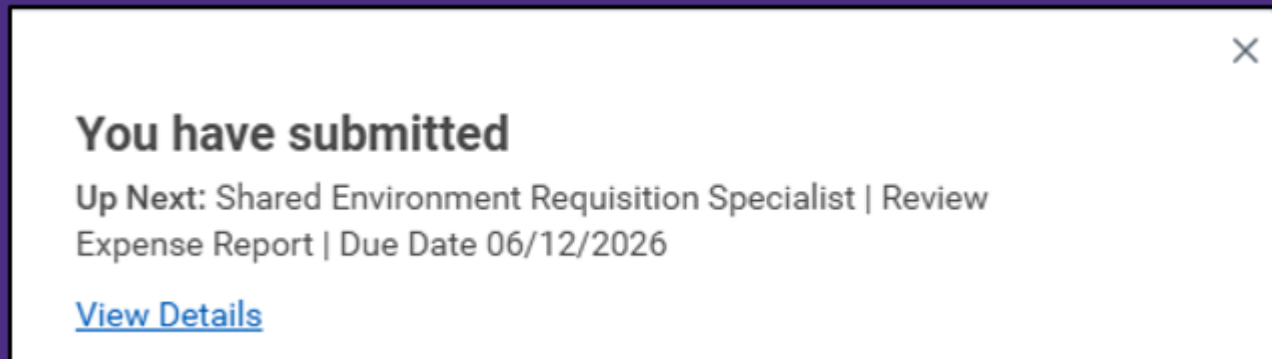
Please select one of the options below as the reason for the delay in submission. Specified documentation is required to validate the exception type. (Required)

- Expense payee was on an approved leave of absence
- Expense payee was on business travel status for over 60 days
- Delayed expense report submission due to Shared Environment and/or department personnel other than the payee
- None of the above are applicable. The employee understands the reimbursement will be considered as taxable income.

Submit Save for Later Cancel

CREATE EXPENSE REPORT

- > Select applicable exception and attach documentation
- > No exception -> "None of the above are applicable"
- > Submit



REVIEW EXPENSE REPORT

- > Shared Environment/Expense Specialist
- > Help text under the ER Header

☆ ⚙️ 🗨️ Created: 05/21/2026 | Due: 05/28/2026 | Effective: 05/21/2026

Review Expense Report [ER-0000300412 Scenario 1: Aged non-travel expense report with no justification](#)

Pay To Employee: ██████████	Status Waiting on Shared Environment Requisition Specialist	Personal 0.00 USD	Cash Advance Applied 0.00 USD	Reimbursement 181.00 USD	Total 181.00 USD
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[Header](#) [Attachments](#) [Questionnaire Responses](#) [Expense Lines](#)

Save the expense report to review any errors before you submit.

Expense Report Number	ER-0000300412
Memo	Scenario 1: Aged non-travel expense report with no justification
Company	UW1861 University of Washington
Expense Report Date	05/21/2026
Business Purpose	Non-Travel Reimbursement
Enable Tax	Yes
Reimbursement Payment Type	Direct Deposit

Instructions

[Review Expense Report for lines that are 60+ days aged.](#)
Check questionnaire for justifications and validate all documentation is provided.



REVIEW EXPENSE REPORT

- > Shared Environment/Expense Specialist
- > Business Travel – review travel end date

Header Attachments Business Process **Questionnaire Responses** Expense Lines

Questionnaire Responses 1 item

Questionnaire	Respondent
Expense Report Questionnaire 2.0	[REDACTED]
	Submission Date
	06/10/2026

4 items

Question	Answers
Where did you travel to for business?	Salt Lake City UT
What was your business travel start date?	05/27/2026
What was your business travel end date?	05/30/2026
Did you take any personal days or trips while traveling for business?	No

Business Travel: 60 day timeline determined by travel end date entered in personal time questionnaire. Review and confirm date against attached support

REVIEW EXPENSE REPORT

- > Shared Environment/Expense Specialist
- > Non-Travel – review Expense Date

Pay To Employee [redacted] Status Approved Personal 0.00 USD Cash Advance Applied 0.00 USD Reimbursement 15.96 USD Total 15.96 USD


Header Attachments Business Process **Expense Lines**

1 item

Mon, Jun 8

Software as a Service [redacted]	15.96 USD
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Expense Line

 [Reimbursement Request.pdf](#)
Uploaded by [redacted] 4 hours ago

Comment (empty) **Non-Travel: 60 day timeline is determined by Expense Date, which should be the date of purchase. Review and confirm date against attached support**

Expense Date * 06/08/2026

Expense Item * Software as a Service

Quantity * 1

Per Unit Amount * 15.96



REVIEW EXPENSE REPORT

- > Shared Environment/Expense Specialist
- > Review 60 Day Questionnaire

Header Attachments Business Process **Questionnaire Responses** Expense Lines


Questionnaire Responses 1 item

Questionnaire
Expense Report - 60 Day Reimbursement V1.2

Respondent
[REDACTED]

Submission Date
06/05/2026

2 items

Question	Answers
Please select one of the options below as the reason for the delay in submission. Specified documentation is required to validate the exception type.	Expense payee was on an approved leave of absence
Attach documentation showing proof of an extended leave of absence below if not already attached to the Expense Report.	 Attachment.docx Uploaded by Panetta, Vanessa Comment

Upload

APPROVE EXPENSE REPORT

- > If exception is chosen:**
- > Travel Expense Reports will go to Travel Services for final approval**
- > Non-Travel Expense Reports will go to Accounts Payable for final approval**



PAY EXPENSE REPORT

Pay To Employee: [REDACTED] **Status Paid** Personal 0.00 USD Cash Advance Applied 0.00 USD Reimbursement 11,952.31 USD Total 11,952.31 USD

Header Attachments Expense Payment **Business Process** Questionnaire Responses Expense Lines

Business Process 29 items

Process	Step	Status	Completed On	Due Date	Person (Up to 5)
Expense Report Event	Approval by Gift Accountant	Not Required		05/26/2026	
Expense Report Event	Approval by Project Manager	Not Required		05/26/2026	
Expense Report Event	Approval by Grant Manager	Not Required		05/26/2026	
Expense Report Event	Approval by Grant Manager	Approved	06/04/2026 02:02:41 PM		[REDACTED] Grant Manager) ()
Expense Report Event	Approval by Cost Center Manager	Not Required		05/26/2026	
Expense Report Event	Approval by Cost Center Manager	Not Required		05/26/2026	
Expense Report Event	Approval by Accounts Payable Data Entry Specialist	Not Required		05/26/2026	
Expense Report Event	Approval by Accounts Payable Data Entry Specialist	Not Required		05/26/2026	
Expense Report Event	Approval by Expense Partner	Not Required		05/26/2026	
Expense Report Event	Approval by Expense Partner	Approved	06/10/2026 06:51:44 PM		Kaser, Sydney (Expense Partner) ()

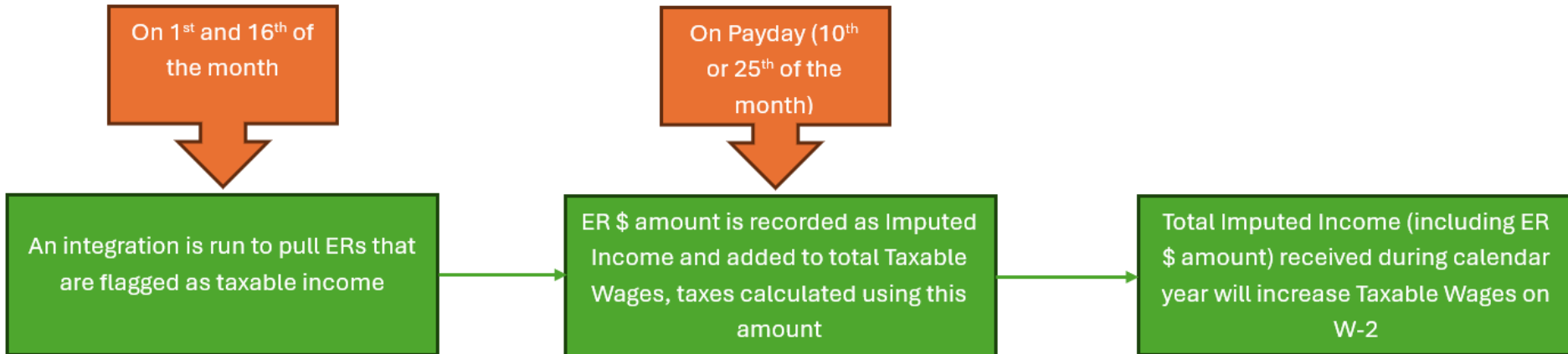


PAYMENT INFORMATION

Expense Report in Workday:



Payroll



FAQ – PAYROLL

- > Will the Cost Center used on the Expense Report be charged with the additional tax amount?**
- > How will any related employer-side taxes, deductions, or fringe costs be funded? Are there any additional cost impacts to the departments?**
- > Will the fringe benefit rate be applied to taxable reimbursements, like we do for salary or wages?**
- > What if the employee has been terminated?**



FAQ – NON-TRAVEL

- > I purchased non-travel expenses during business travel. What is the expense date for the non-travel expenses? What exception applies?**



FAQ – POLICY

- > Is there an exception to the 60-day policy if there are payment reissues?**
- > The funding source has a delay in receiving funds, and the traveler has already purchased the travel expenses. What exception is applicable?**
- > Does the travel end date include personal time?**
- > Is there a final cutoff date for any reimbursement submissions?**
- > How does this apply to aggregating expenses/multiple trips into one ER?**



FAQ – PROCEDURE

- > Is there a notification to employee when the reimbursement is marked taxable?**
- > Are there additional steps to take after submitting the expense report for processing the payment as taxable income?**
- > I prepaid for Continuing Education and/or Accreditation Fees, how do I request reimbursement?**



FAQ – PROCEDURE

- > The reimbursement request had one or more send-backs. To which submission date does the policy apply?

Business Process 25 items

Process	Step	Status	Completed On	Due Date	Person (Up to 5)
Expense Report Event	Expense Report Event	Step Completed	05/21/2026 03:58:35 PM		← ER Submitted
Expense Report Event	Complete Questionnaire	Step Completed	05/21/2026 03:59:05 PM		← Personal Time Questionnaire Submitted



Q&A



RESOURCES

- **IRS:**
 - [Rule 2 of Accountable Plan](#)
 - [Section 1.62-2\(g\)\(2\)\(i\)](#)
- [WA State Office of Financial Management – SAAM 10.80.70.b](#)
- [Procurement Services – Expense Reports](#)
- [Travel Services – Taxable Reimbursement – 60 Day Reimbursement Policy](#)
- [How to Create Travel and Non-Travel Spend Authorizations and Expense Reports](#)
- **Questions: travel@uw.edu & pcshelp@uw.edu**

Thank you!

