

ASSOCIATION OF UNIVERSITIES FOR RESEARCH IN ASTRONOMY, INC.



Date: June 3, 2011

Suite 450
1212 New York Avenue NW
Washington, DC 20005
TEL: 202-483-2101
FAX: 202-483-2106

To: All Employees

From: AURA Corporate Office

OPERATING FOR THE
NATIONAL SCIENCE FOUNDATION

Gemini Observatory
La Serena, Chile & Hilo, Hawai'i

National Optical Astronomy Observatory
Tucson, Arizona & La Serena, Chile

National Solar Observatory
Sunspot, New Mexico & Tucson, Arizona

OPERATING FOR THE NATIONAL AERONAUTICS
AND SPACE ADMINISTRATION

Space Telescope Science Institute
Baltimore, Maryland

MEMBERS/SINCE:

Boston University 1993
California Institute of Technology 1972
Carnegie Institution of Washington 1997
Fisk University 2010
Georgia State University 2008
Harvard University 1957
Indiana University 1957
Instituto de Astrofísica de Canarias 2005
Iowa State University 1992
Johns Hopkins University 1982
Kiepenheuer-Institut für Sonnenphysik 2005
Massachusetts Institute of Technology 1981
Michigan State University 1997
Montana State University 2005
New Jersey Institute of Technology 2010
New Mexico State University 1999
Ohio State University 1957
Pennsylvania State University 1990
Pontificia Universidad Católica de Chile 1997
Princeton University 1959
Rutgers University 1999
Stony Brook University 1986
Swinburne University 2008
Tohoku University 2010
Universidad de Chile 1992
University of Arizona 1972
University of California Berkeley 2007
University of California Santa Cruz 1957
University of Chicago 1957
University of Colorado 1977
University of Florida 2002
University of Hawaii 1978
University of Illinois 1980
University of Maryland 1986
University of Michigan 1957
University of Minnesota 1995
University of North Carolina at Chapel Hill 1995
University of Texas at Austin 1972
University of Toronto 2004
University of Virginia 2003
University of Washington 1986
University of Wisconsin 1957
Vanderbilt University 2010
Yale University 1958

RE: Accountable Plan Reporting (**Effective July 1, 2011, the following policy will be strictly enforced**)

The Association of Universities for Research in Astronomy, Inc.'s (AURA, Inc.) Reimbursement for Travel Expenses Policy has been developed to meet the IRS definition of an "accountable plan." Under an accountable plan, travel and other business expense reimbursements do not have to be reported as income to the traveler. To ensure that AURA's plan will qualify under the IRS definition of an "accountable plan", AURA, Inc. has established the following guidelines for reimbursement of business expenses and/or accounting for travel advances:

- There must be a business connection and the expense must be reasonable. Advances must be made for business expenses only, and can be made no sooner than 30 days prior to when the expense is expected to be incurred, and must be reasonably related to the expenses expected to be incurred.
- There must be reasonable accounting for the expenses. Those seeking reimbursement for business expenses must submit a Travel and Expense Report to substantiate the amount, time, use, and business purpose of expenses **within a reasonable time** (see below) after the expenses are incurred. **Original receipts** must be attached to the form, where readily obtainable or as required by contract regulation.
- All excess reimbursements must be repaid in a reasonable time. In the case of an advance, employees should return any advance amounts in excess of substantiated expenses **within ten business days after completion of the trip**. If not settled timely, AURA, Inc. may garnish a traveler's wages through payroll. In addition, Travel Advance privileges for an employee may be rescinded if, in the determination of Center Directors or Center Business Managers, such privileges are being abused.

ASSOCIATION OF UNIVERSITIES FOR RESEARCH IN ASTRONOMY, INC.

AURA, Inc. has adopted the IRS Safe Harbor for a “reasonable time” to substantiate business expenses, which is 60 days or less from the date the expense was incurred. Expenses will be deemed to have been incurred on the last day of travel, in the case of multiple day travel, for purposes of calculating the safe harbor. If an employee does not substantiate their business expenses or account for their travel advance by submitting their Travel and Expense Report within a period of 60 days, the amount reimbursed must be treated as compensation, subject to tax withholding, and reported on the employee’s Form W-2.

The expense or advance is considered “substantiated” at the time the Travel Expense Report or the advance being accounted for is date stamped as received by the Business Office (office making payment). As a result, **Travel Expense Reports should be submitted well before the 60 day deadline** to allow for departmental review and the forwarding of the reimbursement request to the Business Office within that time frame.

The above policy must be adhered to by all employees to ensure tax-free reimbursements of business related travel expenses. Any exception to this policy, due to extenuating circumstances, must be approved by the AURA Corporate Office Vice President for Administration.