



ACCOUNTABLE PLAN STRATEGY

A simple way to reimburse owner-paid business expenses **without turning them into taxable wages.**

An accountable plan lets a business reimburse eligible employee business expenses on a tax-favored basis when the arrangement has a business connection, is properly substantiated, and requires the return of excess amounts.

WHY CLIENTS CARE

- Keeps reimbursements outside payroll when structured correctly.
- Moves common owner-paid costs onto the business in a compliant way.

COMMON USES

- Home office, phone, internet, mileage, travel, supplies.
- Best for mixed personal/business costs paid personally first.

WHAT YOU MUST KEEP

- Amount, date, business purpose, and support for any allocation.
- A clear process for submitting expenses and repaying excess advances.

WHAT CAN OFTEN BE REIMBURSED

- Home office costs based on business-use allocation.
- Business-use share of cell phone and internet.
- Business mileage on a personally owned vehicle.
- Travel, lodging, rideshare, parking, and tolls.
- Ordinary and necessary supplies or software.

THE 3 IRS RULES

1

Business connection
The expense must relate directly to the company's trade or business.

2

Substantiation
Document the amount, timing, and business purpose within a reasonable period.

3

Return excess
Any advance or overpayment above the documented expense must be paid back.

1 INCUR THE EXPENSE

The owner or employee pays an ordinary and necessary business cost.

2 SUBMIT SUPPORT

Provide the amount, date, receipt or log, and business purpose.

3 RECEIVE REIMBURSEMENT

The company reimburses the approved amount and records it properly.