

Personnel — Certified/Non-Certified

Salary Checks/Deductions/Accountable Plans

Salary payments shall be in accordance with negotiated agreements. In the absence of a specific provision in the contract governing particular employees, they shall be paid in accordance with a schedule approved by the Superintendent of Schools to coincide with payroll dates of other groups as feasible.

Supplemental pay stipends shall be paid in two equal payments for full year positions and in one payment for fall, winter, and spring positions. Exact payment dates shall be set each year by the Superintendent of Schools in November, March, and May.

Accountable Plans

Definition

Accountable plans are those plans in which the employee is required to account to the employer, in writing, for his/her expenses. With an accountable plan, there is no requirement that the employer report expense reimbursement or stipends, and the employee is not obligated to report such payments as income on his/her Federal Income Tax Return.

Procedure

The employee is paid a periodic stipend and is then required to furnish a periodic accounting, with the appropriate documentation, to his/her employer.

There are three requirements for this plan. They are as follows:

1. There must be a business connection for the expenses;
2. The employee must document his/her expenses in accordance with the substantiation requirements of Internal Revenue Code Sec. 274; and
3. The employee must return to his/her employer any amounts paid in excess of the substantiated expenses within a reasonable period of time.

Determination of what constitutes a reasonable period of time for the return of excess payments depends on the facts and circumstances of a given case. However, there are “safe harbor” rules which permit the return of excess payments to the employer within 120 days of the employer’s statement setting forth the amount paid and the excess of such payments over substantiated expenses. Failure by the employee to return such excess reimbursements to his/her employer within a reasonable period of time, contrary to the terms of the accountable plan, will convert such excess payments to non-accountable reimbursements which must be added to W-2 income, subject to payroll taxes and withholding (per Reg. Sec. 1.62-2(c) (2) (ii)).