



Rev.080120

ACCOUNTABLE PLAN

It is the policy of the NMC, Inc. (NMC) to reimburse any employee, independent contractor, volunteer, grantee, or certain other persons ("Covered Persons") for approved NMC expenses paid on NMC's behalf by such Covered Persons from their own personal funds while in pursuit of NMC business. It is the intent of this policy to satisfy requirements of the Internal Revenue Service (IRS) in regard to having an "accountable plan" in place.

To satisfy the IRS rules for an "accountable plan", the Covered Person's reimbursement arrangement must follow ALL of the rules listed below:

1. The expenses must have a business connection (NMC "business purpose").
 - a. This means the expenses must have been incurred while performing services as a Covered Person, and must benefit the NMC.
2. The expenses must be adequately accounted for within 60 days after they were paid or incurred.
3. Any excess reimbursement or allowance must be returned within 120 days after the expense was paid or incurred.

NMC has established the following expense reimbursement policy.

PART I: ACCOUNTABLE PLAN REQUIREMENTS

1. Except as otherwise noted in Part II below, Covered Persons shall be reimbursed for any ordinary and necessary business and professional expenses incurred on behalf of NMC only if the expenses are adequately substantiated as required by the NMC policy on expense reimbursements as stated in the NMC Employee Manual and NMC Travel Reimbursement Policy.
2. Under no circumstances will NMC reimburse Covered Persons for business or professional expenses incurred on behalf of the NMC that are not properly substantiated. NMC and Covered Persons understand that this requirement is necessary to prevent our expense reimbursement plan from being classified as a "non-accountable" plan. The substantiation requirements of this policy apply to all Covered Persons conducting NMC business.
3. All expenses must be substantiated within 60 days or less after the expense is paid or incurred.
4. All charges to company credit cards must be substantiated in the same manner as the above-mentioned reimbursements.
5. Any excess reimbursement is returned within 120 days after the expense was paid or incurred.

PART II: EXCEPTIONS TO ACCOUNTABLE PLAN

Occasionally, exceptions to policy will be granted by the CEO. Such exceptions will indicate the reason the transaction in question cannot be properly substantiated or does not have a valid NMC business purpose.

Any reimbursements authorized and approved, that do not have a valid NMC business purpose or cannot be substantiated in accordance with IRS requirements for a "accountable plan", will be treated as additional taxable compensation.

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