



SUPPLY CHAIN MANAGEMENT
260 COUSTEAU PLACE, SUITE 150
DAVIS, CALIFORNIA 95618

April 20, 2017

RE: New tax liabilities for late Travel/Entertainment expense reports

Information in this bulletin does not apply to expense reports or cash advances processed by the UC Davis Medical Center.

Late Expense Reports

Beginning July 1, any travel and entertainment claims submitted more than one year after the trip or event will be reported as income and subject to taxes (pursuant to University of California Travel and Entertainment policies G-28 and BUS-79).

Following in the footsteps of other UC campuses, UC Davis will now report travel and entertainment expenses as income if a claim has not been submitted within one year of the trip or event date. While the out-of-pocket amount will still be disbursed to the employee, the full amount of the expense report will be considered normal income and reported accordingly. This will include any expenses not directly paid to the employee, such as Travel card and CTS direct billing expenses that are approved as part of the trip or event.

Any expense reports submitted after July 1 for trips or events that ended at least one year earlier will be reported and subject to taxes. For example, a report submitted on July 10, 2017 for a trip that was completed by July 9, 2016 will be applicable for taxation.

Cash Advances

Also beginning July 1, cash advances issued to employees for travel and entertainment purposes and not reconciled within 120 days from the identified trip or event end date will be reported as income and subject to taxes (pursuant to University of California Travel and Entertainment policies G-28 and BUS-79).

Cash advances with a trip or event date older than 120 days will become taxable at that time. For example, a cash advance with a trip end date of March 5, 2017 will be considered tax reportable if not submitted for reconciliation by July 6, 2017.

Grace Period

Expense reports and cash advance reconciliations submitted prior to July 1, 2017 will be considered exempt from the tax reporting conditions outlined above.

Questions? Please contact us at travelhelp@ucdavis.edu or use our online [Help Form](#).