



STATE OF NEW YORK
UNIFIED COURT SYSTEM
OFFICE OF COURT ADMINISTRATION
DIVISION OF FINANCIAL MANAGEMENT
AGENCY BLDG. 4 - 19TH FLOOR
4 ESP, SUITE 2001
EMPIRE STATE PLAZA
ALBANY, NEW YORK 12223-1450
(518) 474-4971

JONATHAN LIPPMAN
Chief Administrative Judge

ANN T. PFAU
Deputy Chief Administrative Judge

JOSEPH M. DeCHANTS
Assistant Deputy Chief Administrator

TO: All Holders of the Financial Planning and Control Manual

NEW ACCOUNTING PROCEDURES

BULLETIN NUMBER: 265	November 12, 1999
SUBJECT: Calendar 1999 Year-End Taxable Travel Reimbursements	

Attached is a copy of OSC Accounting Bulletin A460 / P955 dated November 12, 1999. This bulletin describes the calendar 1999 year-end procedures applicable to employee travel reimbursements which are necessary to comply with IRS reporting requirements. Taxable 1999 reimbursements for UCS judges and nonjudicial personnel will generally be limited to any meal reimbursements associated with non-overnight (day) trips, although that portion of any travel reimbursement which exceeds established IRS maximums and is not supported by receipts is subject to withholding and W-2 reporting.

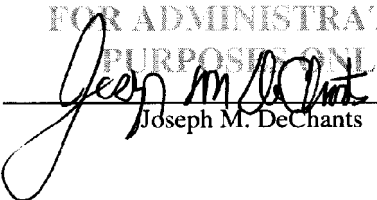
Agency-entered travel vouchers containing taxable travel reimbursements must be received by OSC no later than December 6, 1999 and should reflect payment dates no later than December 10, 1999. Quick Pay travel vouchers containing taxable reimbursements must be certified by December 9 and paid by December 10.

Taxable travel reimbursements paid between January 1, 1999 and December 10, 1999 will automatically be reflected on calendar 1999 W-2's issued via PaySr and appropriate amounts will already have been withheld therefrom. To the extent practical, taxable travel reimbursements should not be made between December 11 and December 29, 1999, as the appropriate amounts will not be included as income, nor will such amounts be taxed appropriately on the employee's W-2. Payroll agencies will be required to prepare corrected 1999 W-2 statements for any taxable travel reimbursements paid between December 11 and December 29, 1999.

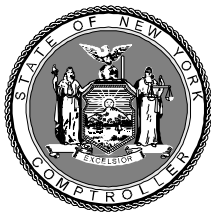
Year-End W-2 Adjustments / Corrections

UCS district/administrative offices responsible for the processing of travel reimbursements will receive a special VOU943, Listing of Taxable Travel Payments by Agency, which will include all taxable travel reimbursements made between December 1, 1999 and December 10, 1999. As provided in Part VI / Chapter 1.060.6 of the Financial Planning & Control Manual, this report must be verified to ensure the proper entry and recording of taxable reimbursement amounts for calendar 1999. Any IRS penalties levied for inaccurate or incomplete reporting will be assessed against the agency responsible.

Please ensure distribution of this bulletin to all personnel within your respective jurisdictions who may be responsible for the processing of, or the monitoring of internal controls relating to, judicial and /or nonjudicial travel reimbursements.

NYS UNIFIED COURT SYSTEM
FOR ADMINISTRATIVE
PURPOSES ONLY


Joseph M. DeChants



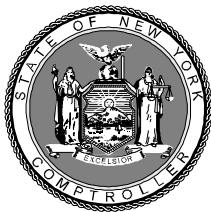
ACCOUNTING BULLETIN

Subject	Bulletin No.	Date
<i>Year-End Procedure for Taxable Travel Reimbursements</i>	<i>A460/P55</i>	<i>11/12/99</i>
<div data-bbox="172 533 305 575">Purpose</div> <div data-bbox="456 533 1453 653">Update calendar year-end procedures relating to taxable travel reimbursements in order for the State to comply with IRS reporting requirements. This bulletin replaces Bulletin A441/P1008.</div> <div data-bbox="172 688 342 821">Types of Taxable Payments</div> <div data-bbox="456 688 1333 978"> # Taxable travel reimbursements include : / Excess Taxable Personal Car Mileage (PCM) Reimbursements / Excess Per Diem Payments / Non-Overtime Meal Allowances / Payments to employees taxable under the IRS One-Year Rule </div> <div data-bbox="172 1014 375 1056">Back ground</div> <div data-bbox="456 1014 1453 1913"> # Excess PCM and Per Diem Amounts / IRS rules relating to employee business expense reimbursements require withholding and W-2 reporting on any excess amounts paid. / "Excess amount" is the portion greater than the applicable Federal rate and not substantiated by receipts. / 1999 maximum rate allowed by IRS for PCM is 32.5 cents per mile from January 1st through March 31st and 31 cents per mile from April 1st through December 31st / Current maximum Federal per diems for the continental US can be found on the Comptroller's Internet Home Page : http://www.osc.state.ny.us/agencies/ # Non-Overtime Meal Allowances / IRS requires employers to report and withhold income and employment taxes from meal allowances for non-overtime travel (day trips). # One-Year Rule / IRS requires employers to report travel reimbursements and withhold income and employment taxes if </div>		



ACCOUNTING BULLETIN

Subject	Bulletin No.	Date
<i>Year-End Procedure for Taxable Travel Reimbursements</i>	<i>A460/P55</i>	<i>11/12/99</i>
<p>Agency Requirements</p>	<p>employment away from home at a single location is realistically expected to last for more than one year.</p> <p># Explanations of rules for excess PCM, Per Diem Amounts, Non-Overtime Meal Allowances and One-Year Rule can be found in the Accounting Controls and Special Procedures Manual, Volume XI, Section 8.</p> <p># Agencies should have <u>taxable</u> travel reimbursements paid by the CAS on or before December 10, 1999.</p> <p>/ Otherwise, agencies will be required to prepare corrected W-2 statements for 1999, and initiate Social Security/Medicare deficiency deductions through PaySR in 2000.</p> <p>■ Required dates:</p> <p>/ Vouchers containing excess amounts to be entered by OSC must be received by OSC <u>NO LATER THAN 12/1/99</u>. If entered by agencies, must be received by OSC <u>NO LATER THAN 12/6/99</u>.</p> <p>/ Batches of Quick Pay Travel vouchers to be paid by 12/10/99 must be certified for payment by 12/09/99.</p> <p>/ Payment dates on vouchers must be 12/10/99 or earlier.</p>	
	<p>CAS/Payroll Processing</p> <p># Taxable travel reimbursement data is transferred from the CAS to the Payroll System at month end, January through November.</p> <p># This year, a special transfer from the CAS to PaySR will be run on December 10, 1999.</p> <p>T This transfer will include vouchers with taxable reimbursements paid from December 1 through December 10.</p>	



ACCOUNTING BULLETIN

Subject	Bulletin No.	Date
<i>Year-End Procedure for Taxable Travel Reimbursements</i>	<i>A460/P55</i>	<i>11/12/99</i>
	<ul style="list-style-type: none"> / These reimbursements will appear as "Taxable Expense" on Administration payroll checks dated 12/22/99 and Institution payroll checks dated 12/30/99. / Appropriate amounts will be withheld from these payments. 	
<i>Avoid Year-End Taxable Travel Payments</i> #	Avoid payment of taxable travel reimbursements by the CAS from 12/11 through 12/29. (CAS is down 12/30 and 12/31.) <ul style="list-style-type: none"> / If taxable travel reimbursements are paid by the CAS during 12/11 through 12/29, they will not be included as income nor taxed appropriately on the employee's W-2 issued by PaySR. / Taxable travel reimbursement payments made by the CAS during 12/11 through 12/29 will require agencies to prepare corrected W-2 statements for 1999, and initiate Social Security/Medicare deficiency deductions through PaySR in 2000. 	
<i>Corrected W-2's</i> #	A year-end Payroll bulletin will be issued instructing agencies in the preparation of corrected W-2's for 1999 and the method of initiating Social Security/Medicare deductions through PaySR in 2000.	
<i>CAS REPORTS</i> #	Agencies will receive a special VO U9 43, Listing of Taxable Employee Travel Payments by Agency, for the December 10, 1999 transfer. <ul style="list-style-type: none"> / The VO U9 43 will print at agency printers. / Agencies without printers will receive this report through the mail. 	



ACCOUNTING BULLETIN

Subject	Bulletin No.	Date
<i>Year-End Procedure for Taxable Travel Reimbursements</i>	<i>A460/P55</i>	<i>11/12/99</i>
<div data-bbox="461 531 1479 804"> <ul style="list-style-type: none"> ■ Agencies will receive the monthly VOUG 43 for December, but it will contain only the taxable expense transactions paid after December 10. ■ The VOUG 43 reports should be used to confirm taxable amounts paid during December, and to identify any payments requiring W-2 corrections and Social Security/Medicare deficiency deductions. </div> <div data-bbox="175 846 526 884">PCM CORRECTIONS</div> <div data-bbox="461 888 1479 1192"> <ul style="list-style-type: none"> # All corrections to excess amount payments on the PCM file must be made by 12/29/99, so that the amounts on the PCM010 can be reconciled with the excess amounts reported on the employee's 1999 W-2. # Other corrections that agencies choose to make to the PCM file must be made by 1/07/00 to be reflected on adjusted year-end reports. </div> <div data-bbox="175 1230 407 1268">Questions ??</div> <div data-bbox="461 1230 1479 1423"> <ul style="list-style-type: none"> ■ Direct payroll questions on this bulletin to Eileen Cooper at (518) 473-1989. ■ Direct other questions to the Accounting Information Center at (518) 473-1170 or AcctSys@osc.state.ny.us </div>		