



OFFICE OF THE AUDITOR-CONTROLLER
STANDARD PRACTICE MANUAL

No.: III-B-1-2.3

Page 1 of 3 pages

Date: 4-23-87

By: *Diella Asparin*

Effective: 4-30-87

Approved by: *Anthony Belenca*

Division General Accounting

SUBJECT Travel Reimbursement - IRS Compliance

I. PURPOSE: This procedure provides guidance for the preparation of the County of Riverside Expense Reimbursement Claim (Gen. Form 14) in order to comply with the Internal Revenue Service requirement that gross wages must include automobile allowances and mileage reimbursements on W-2 forms if the County reimbursement mileage rate is in excess of IRS regulations.

II. SCOPE: This procedure applies to all County of Riverside personnel receiving automobile allowances and privately-owned automobile mileage reimbursements.

III. POLICY: The Auditor-Controller will report on the yearly Internal Revenue Service Form W-2 the amount of automobile allowance and total mileage reimbursements if the rate is in excess of IRS regulations.

IV. RESPONSIBILITIES:

A. Auditor-Controller:

1. The Auditor-Controller will maintain a record of expenditures that reflect:

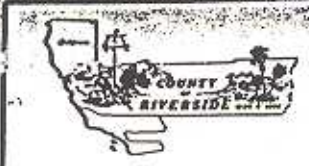
a. The total amount paid to the employee for privately-owned automobile mileage reimbursements when the rate exceeds 21¢ per mile.

b. The total amount paid for automobile allowances.

2. The Auditor-Controller will include the total amount paid for privately-owned automobile mileage reimbursements and the amount paid for automobile allowances on the Internal Revenue Service Form W-2.

B. Departments: Departmental authorities must insure that all Expense Reimbursement Claims are properly filled out before submission to the Auditor-Controller's Office. Incomplete forms will be returned to the department for completion.

C. Employees: The employee should keep an accurate record of mileage in order to substantiate deductions claimed on the Internal Revenue Service Income Tax Form.



OFFICE OF THE AUDITOR-CONTROLLER
STANDARD PRACTICE MANUAL

No.: III-B-1-2.3

Page 2 of 3 pages

Date: 4-23-87

Effective: 4-30-87

V. PROCEDURE:

A. County Employee:

1. Prepare General Form 14, Expense Reimbursement Claim, in accordance with the instructions on the reverse side of the form, except for item 19. The employee's Social Security number must be entered on line 19 of all expense reimbursement claims for mileage because of the requirement to include mileage reimbursements in the total gross wages on IRS Form W-2. This claim should reflect only mileage driven, or vehicle allowance.
2. Prepare a separate General Form 14 to reflect any other expense reimbursement.

B. Volunteers:

1. Prepare General Form 9 (Green Claim) for any non-county employee.
 - a. General Form 14 may be used for the employee to record detail -- but this must be attached to a Green Claim.
 - b. The Claim must indicate "volunteer" in the Social Security number field if the Social Security number is not present -- do not leave this field blank.
 - c. All reimburseable items can be on one claim.
 - d. A 1099 or W-2 will not be issued for volunteer travel reimbursements.
2. Note: If a volunteer receives a per diem, stipend, or salary compensation, this must be on a separate Green Claim -- include the Social Security number.

The volunteer will receive a 1099 for this reimbursement only.

C. Department:

1. Audit the claim for accuracy and completeness.
2. Complete claim in accordance with other instructions provided on the reverse side of the claim.
3. Submit the original to the Auditor-Controller's Office. Maintain a record for departmental files.



OFFICE OF THE AUDITOR-CONTROLLER
STANDARD PRACTICE MANUAL

No.: III-B-1-2.3

Page 3 of 3 pages

Date: 4-23-87

Effective: 4-30-87

D. Auditor-Controller:

1. Process claim.
2. Include mileage reimbursement and allowance amounts in Gross Wages and in Box 16 on IRS Form W-2.

163P