

Adoption of Accountable Plan for Business Expense Reimbursement

Abo and Company, LLC (“Company”) desires to establish an expense reimbursement policy under Reg. 1.62-2, upon these terms and conditions:

1. Except as otherwise noted in Part II below, any person now or hereafter employed by the “Company” shall be reimbursed for any ordinary and necessary business and professional expenses incurred on behalf of the “Company” only if the expenses are adequately substantiated as required by the “Company” policy on expense reimbursements as provided in the Firm Manual or specifically authorized by the “Company’s” Managing Member.
2. Under no circumstances will the “Company” reimburse employees for business or professional expenses incurred on behalf of the “Company” that are not properly substantiated. The “Company” and employees understand this requirement is necessary to prevent the Company’s expense reimbursement plan from being classified as a “nonaccountable” plan.
3. All expenses must be substantiated within a reasonable period of time (i.e. defined as 60 days or less after the expense is paid or incurred as the “Company” wants to qualify for the “fixed date” safe harbor substantiation rule).
4. All charges to the “Company” credit cards must be substantiated like the above-mentioned reimbursements.
5. Advances not substantiated within a reasonable period of time must be returned (paid back) to the “Company” within a reasonable period of time defined as 120 days or less after the expense is paid or incurred so the “Company” is ensured it qualifies for the “fixed date” safe harbor.

The Company’s business reasons for so establishing this accountable reimbursement plan are many fold but include the Company’s ability, as employer, to set standards for the quality and propriety of professional expenses incurred and to compete with other employers offering similar arrangements.

Managing Member: _____ Date: _____