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Subject: Please send: Future T&E Policy Changes: Expense Report Submission Deadline & University Receipt Threshold
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The following correspondence is being sent on behalf of the Procurement Department:

Future T&E Policy Changes: Expense Report Submission Deadline & University Receipt Threshold

As part of the Finance Forward's program and the Procurement Transformation initiative, Procurement Services is announcing two upcoming Procurement policy changes, effective **July 1, 2025**:

1. **Expense Report Submission Window:** The submission window for expense reports will change from 182 days to 60 days to ensure Penn is compliant with IRS guidelines. Reports submitted after 60 days, without an approved exception, will be considered taxable income.
2. **Receipt Threshold Increase:** The University required receipt threshold for expenses will rise from \$25 to \$75, better aligning with federal guidelines and peer institutions.

These policy changes are being communicated *in advance* to help Schools and Centers prepare. We ask that you please **share this announcement** with relevant stakeholders in your organization who handle expense reports, such as (but not limited to) expense submitters, Delegates and Approvers, to ensure a smooth transition.

1. Expense Report Submission Window to 60 Days

What's Changing?

- Starting **July 1, 2025**, expense reports must be submitted within **60 days**, down from 182 days which is the current University policy. This submission requirement applies to the initial submission of the expense report. Expenses submitted *after* 60 days without an approved exception will be treated as **taxable income** and potentially subject to withholding.
- Expense report submitters will be required to enter a trip begin date and an end date for all travel. For travel expenses, the trip end date will be the date from which the 60 days will be measured. For non-travel expenses, the date on which the expense is incurred will be the date from which the 60 days will be measured.
- Late submissions will require supplemental approval. Supplemental Approvers can either approve the expense report with a documented exception; approve it without an exception as taxable income; or reject the reimbursement.

Why Is This Policy Changing?

- **IRS Publication 463** on timely expense reporting outlines that expense report submission needs to occur 60 days following trip end-date or the date on which non-travel expenses were incurred. To uphold financial accountability and protect our Faculty, Staff, and the institution from unnecessary risk and penalties (particularly on grant funding), Penn must comply with the IRS policy.

Who's Impacted?

- As per Accountable Plan rules, all who travel on behalf of Penn including Faculty, Staff (including Post-Docs), Students, and Guests should adhere to the 60-day policy.
- There is currently no uniform process to impute income for guest and student reimbursements. However, it is expected that all reimbursed parties will follow Accountable Plan guidelines.

What's NOT Changing?

- Reimbursements for expenses will occur the same way as they do today.
- An expense submitter will still be reimbursed in advance for expenses incurred out-of-pocket before a trip begins, although this may change in the future. The University will not require proof of travel for these expenses at this time.

When Does This Change Occur?

- Any expense report submitted for the first time **before July 1, 2025** will still fall under the 182-day policy. Any expense report submitted for the first time **on or after July 1, 2025** will fall under the 60-day policy.

Learn More

- These [FAQs](#) contain additional details and will be updated regularly as answers are available (please log in with your @upenn.edu email address to view the FAQs).
- School and Center leadership will start receiving monthly reporting on submitters with expenses older than 60 days to help prepare them for this transition.
- Central communication to Faculty on this policy change will begin later in March.

2. Increase in University Required Receipt Threshold to \$75

What's Changing?

- The University required receipt threshold will increase from \$25 to \$75, with some specific exceptions, on **July 1, 2025**.
- Receipts will be required, regardless of amount, for the following expense categories: business meals with attendees, hotel/lodging expenses, airfare and airline fees, conference registration fees, rental car expenses, and miscellaneous expenses.

Why Is this Policy Changing?

- This change in policy best aligns Penn with the U.S. GSA requirements and those of peer institutions.
- It also supports the Finance Forward goals of reducing administrative burden for smaller expenses such as tolls, parking, rideshare etc.

What's NOT Changing?

- The receipt submission process and documentation requirements for expenses over the receipt threshold remain the same.
- Under special circumstances, a School or Center may still require receipts *below* \$75.
- In cases where receipt requirements on sponsored research are stricter than the University requirement, the sponsored research requirements should be followed.

Learn More

- [FAQs](#) detailing the receipt threshold policy change are available (please log in with your @upenn.edu email address to view the FAQs).

Please stay tuned for updates and additional resources as July 1, 2025 approaches. For any concerns or questions, please contact procure@upenn.edu.