

SECTION: FINANCES

TITLE: TAXABLE FRINGE BENEFITS

ADOPTED: August 23, 2012

REVISED:

NORTHERN TIER CAREER CENTER

624. TAXABLE FRINGE BENEFITS	
1. Authority 26 U.S.C. Sec. 1 et seq	It shall be the policy of the Joint Operating Committee to comply with regulations of the Internal Revenue Service (IRS) regarding taxability of employee fringe benefits.
2. Definitions	<p>Taxable fringe benefit - a form of pay, in addition to salary, for the performance of duties; taxable wages unless excluded by the Internal Revenue Code.</p> <p>Convenience of the center - where the personal use was in the best interest of the center.</p> <p>De minimis - an amount where either the cost of determining specific value exceeds the value of the use, or the actual cost of the use was negligible at the organizational level.</p>
3. Delegation of Responsibility	<p>The Administrative Director or designee shall be responsible to ensure that employees verify the use of school equipment for business purposes and report any use or fringe benefits that may be taxable as compensation.</p> <p>The employee verification process shall occur monthly prior to payment of bills.</p> <p>The Business Administrator shall report the value of taxable fringe benefits with the regular payroll for the payroll immediately following the determination of taxable fringe benefits.</p> <p>The Business Administrator shall annually review the determinations of convenience of the center and de minimis amount to ensure compliance with federal regulations. The review may include discussions with the center's auditor.</p>
4. Guidelines	To the extent that a taxable fringe benefit value is provided as either convenience of the center or the amounts are classified as de minimis, the values may be excluded from taxation.

	<p>Taxable fringe benefits are subject to:</p> <ol style="list-style-type: none">1. Federal Income Tax.2. Social Security Tax.3. Medicare Tax.4. Other applicable state or local taxes. <p>An employee has the option to reimburse the center for the value of services received. Where no reimbursement is received, the value of the services shall be treated as taxable compensation.</p> <p>Taxable fringe benefits include but are not limited to the following:</p> <ol style="list-style-type: none">1. Cellular telephone provided by center.2. Center telephone.3. Vehicle provided by center.4. Expense reimbursement provided by center.5. Internet access provided by center.6. Gift certificates.7. Group life insurance in excess of \$50,000.8. Laptop/Notebook computers.9. Personal use of vehicle owned or leased by the center.10. Meal reimbursements for local travel. <p>References:</p> <p>Internal Revenue Code – 26 U.S.C. Sec. 1 et seq.</p> <p>Joint Operating Committee Policy – 000, 331, 717, 815</p>
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