

SECTION: FINANCES

TITLE: TAXABLE FRINGE BENEFITS

ADOPTED: November 8, 2010

REVISED:

# ST. MARYS AREA SCHOOL DISTRICT

624. TAXABLE FRINGE BENEFITS	
1. Authority	It shall be the policy of the Board to comply with regulations of the Internal Revenue Service (IRS) regarding taxability of employee fringe benefits.
2. Definitions	<p><b>Taxable fringe benefit</b> - a form of pay, in addition to salary, for the performance of duties; taxable wages unless excluded by the Internal Revenue Code.</p> <p><b>Convenience of the district</b> - where the personal use was in the best interest of the district.</p> <p><b>De minimis</b> - 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 Superintendent or designee shall be responsible to develop administrative regulations requiring employees to verify use of district equipment for business purposes and to report any use or fringe benefits that may be taxable as compensation.</p> <p>The Business Manager 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 Manager shall annually review the determinations of convenience of the district and de minimis amount to ensure compliance with federal regulations.</p> <p>The review may include discussions with the district auditor.</p>
4. Guidelines	To the extent that a taxable fringe benefit value is provided as either convenience of the district 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"><li>1. Federal Income Tax.</li><li>2. Social Security Tax.</li><li>3. Medicare Tax.</li><li>4. Other applicable state or local taxes.</li></ol> <p>An employee has the option to reimburse the district 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"><li>1. Cellular telephone provided by district.</li><li>2. District telephone.</li><li>3. Vehicle provided by district.</li><li>4. Expense reimbursement provided by district.</li><li>5. Internet access provided by district.</li><li>6. Gift certificates.</li><li>7. Group life insurance in excess of \$50,000.</li><li>8. Laptop/Notebook computers.</li><li>9. Personal use of district vehicle.</li><li>10. Meal reimbursements for local travel.</li></ol> <p>References:</p> <p>Internal Revenue Code – 26 U.S.C. Sec. 1 et seq.</p> <p>Board Policy – 000, 331, 717, 813, 815</p>
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