

CARLISLE AREA SCHOOL DISTRICT

SECTION: FINANCES

TITLE: TAXABLE FRINGE BENEFITS

ADOPTED: November 16, 2006

REVISED: February 17, 2022

624. TAXABLE FRINGE BENEFITS

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. [1][2]

Definitions

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.

Convenience of the district - where the personal use was in the best interest of the district.

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.

Delegation of Responsibility

The Business Manager shall be responsible to develop and implement 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.

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.

The Business Manager shall annually review the determinations of convenience of the district and de minimis amount to ensure compliance with federal regulations.

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.

Taxable fringe benefits are subject to:

1. Federal Income Tax.
2. Social Security Tax.
3. Medicare Tax.
4. Other applicable state or local taxes.

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.

Legal References:

1. SC 609
2. SC 610

Board Policy – 331, 431, 531, 815