

# DEER LAKES SCHOOL DISTRICT

SECTION: FINANCES

TITLE: TAXABLE FRINGE BENEFITS

ADOPTED: October 20, 2015

REVISED:

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> - amounts 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 Business Manager shall be responsible to ensure that employees verify the use of district 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 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 and/or Superintendent shall annually review the determinations of convenience of the district and de minimis amounts to ensure compliance with federal regulations. The review may include discussions with the district auditor.</p> <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>