

# EAST STROUDSBURG AREA SCHOOL DISTRICT

SECTION: FINANCES

TITLE: TAXABLE FRINGE BENEFITS

ADOPTED: October 15, 2007

REVISED:

624. TAXABLE FRINGE BENEFITS	
1. Authority Sc 609, 610	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>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 district – where the personal use was in the best interest of the district.</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 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.</p> <p>The Payroll Department 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	<p>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> <p>References:</p> <p>School Code – 24 P.S. Sec. 609, 610</p> <p>Internal Revenue Service (IRS) Regulations</p> <p>Board Policy – 331, 431, 531, 717, 815</p>