UWEC 331, Employee Taxable Benefits

Practice Directive # | UWEC 331
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Division | Finance and Administration
Department | University Accounting
Contact | Controller & Director of University Accounting | actpay50@uwec.edu
Effective Date | July 1, 2023
Revision Date | n/a

Authority

Federal | IRS Publication 5137, Fringe Benefit Guide; IRS Publication 5138, Quick Reference Guide for Public Employees

UW System | SYS306, Accounting and Budget Control; SYS1277, Compensation; SYS240, Relocation (Household Moves) and Temporary or Indefinite Work Assignments

Objective

The purpose of this practice directive is to provide guidance on the use of employee taxable benefits and identify tax implications for employees on taxable income.

Statement

UW-Eau Claire strives to be a responsible steward of public and student money by implementing robust financial management practices and adhering to compliance regulations. The university employs transparent budgeting processes and diligent monitoring of expenditures to ensure fiscal accountability. By prioritizing efficiency, cost-effectiveness, and compliance with legal and ethical standards, UW-Eau Claire maintains the trust and confidence of the public, students and other stakeholders while maximizing the value and impact of the resources entrusted to them.

Federal, State, UW System and UW-Eau Claire statutes and policies require additional reporting for certain benefits provided to employees. No fringe benefit should be paid on behalf of an employee by a department or the UW-Eau Claire Foundation without approval from Human Resources and/or University Accounting. Fringe benefits include, but are not limited to:

- Parking permits
- Meal Plan and/or meal plan dollars
- Housing
- Relocation Stipend
- Entertainment/Recreation Memberships
- Tuition Reimbursement

Items paid for on behalf of an employee are typically deemed fringe benefits and considered taxable income to the employee. These amounts must be reported to University Accounting and will be added monthly to the employee’s W-2 wages. Questions regarding a possible fringe benefit not covered explicitly in this directive should be directed to Human Resources and University Accounting for further discussion.

All food and beverage purchased with University funds that is not covered by this practice directive and related procedure should be in compliance with Practice Directive UWEC 310, Food Purchasing and Procedure 310.A, Purchasing Food.

### Procedure

UWEC 331.A, Reporting for Employee Taxable Benefits