

**MONTGOMERY  
COUNTY  
INTERMEDIATE  
UNIT #23**

SECTION: FINANCES

TITLE: TAXABLE FRINGE BENEFITS

ADOPTED: MAY 26, 2010

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>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 Intermediate Unit – where the personal use was in the best interest of the Intermediate Unit.</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 Executive Director or designee shall be responsible to develop and implement administrative regulations requiring employees to verify use of Intermediate Unit equipment for business purposes and to report any use or fringe benefits that may be taxable as compensation.</p> <p>The Chief Financial Officer/Director of Management Services 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 Chief Financial Officer/Director of Management Services shall annually review the determinations of convenience of the Intermediate Unit and de minimis amount to ensure compliance with federal regulations.</p> <p>The review may include discussions with the auditor.</p>