POLICY TITLE	Employee Fringe Benefits	**Policy Number**	203
Section	Financial Affairs and Development	**Approval Date**	October 29, 2026
Subsection	General Financial Policies	**Effective Date**	October 29, 2026
Responsible Office	Office of the Vice President of Finance and Auxiliary Services	**Last Review**	October 29, 2026

1.0 PURPOSE

1.1 This policy aims to ensure the University complies with federal tax laws when providing taxable fringe benefits to university employees.

2.0 REFERENCES

2.1 IRS Publication 15-B *Employer's Tax Guide to Fringe Benefits*

2.2 IRS Publication 15 *Employer's Tax Guide*

2.3 UVU Policy 211 *Employee Appreciation and Recognition (Gifts and Rewards)*

2.4 UVU Policy 251 *Traveling on University Business*

2.5 UVU Policy 330 *Uniform Policy*

2.6 UVU Policy 332 *Remote Work*

2.7 UVU Policy 357 *Employee Tuition Remission*

3.0 DEFINITIONS

3.1 Courtesy vehicle: A vehicle supplied by entities other than the University for the business and personal use of a university employee.

3.2 De minimis: In general, a de minimis benefit is one that, considering its value and the frequency with which it is provided, is so small as to make accounting for it unreasonable or impractical. It is occasional or unusual in frequency. It also must not be a form of disguised compensation.

3.3 Disguised compensation: Payments that are structured to look like something other than wages or salary but are compensation for services.

3.4 Fringe benefit: A form of compensation offered to employees in addition to their regular salary.

4.0 POLICY

4.1 Fringe benefits provided by the University to employees are taxable and must be included in the recipient's taxable income unless the law specifically excludes it.

4.2 All taxable fringe benefits must be reported to the UVU Payroll Office so proper withholding and tax reporting may occur.

4.3 All benefits, including fringe benefits, and compensation must be reviewed and approved by the Director of Tax Compliance to maintain strict compliance with applicable section of the Internal Revenue Code and university policies and procedures.

5.0 PROCEDURES

5.1 The University provides various fringe benefits to employees. Some benefits are provided university-wide, while others are provided to specific employees by their department. UVU employees are required to comply with the following fringe benefit policies and procedures.

5.2 Cell phone stipend. When a supervisor and an employee determine that the employee requires the use of a cell phone to perform their job duties, they must follow the technology allowance procedure set forth in applicable University policies and guidelines. Supervisors are responsible for determining the appropriate stipend amount while considering the budget impact.

5.3 Internet service stipend. When a supervisor and an employee determine that an employee stipend is appropriate to pay the costs associated with off-campus internet services necessary for an employee to perform their job-related duties, they must follow the technology allowance procedure set forth in applicable University policies and guidelines.

5.4 Employee use of a courtesy vehicle. Employees provided with a courtesy vehicle by an external party shall follow the courtesy vehicle procedure to ensure proper tracking and reporting. The appropriate vice presidents must approve the use of a courtesy vehicle, and the Office of General Counsel must review and approve a courtesy car agreement. The personal use value of a courtesy vehicle will be calculated per IRS rules and treated as taxable wages.

5.5 Educational assistance. UVU Policy 357 *Employee Tuition Remission* should be followed by all eligible employees, spouses, and dependent children who enroll in UVU courses, and the Staff Education Fund procedures should be followed for full-time staff pursuing education beyond a bachelor's degree. For educational assistance that falls outside of Policy 357 or the Staff Education Fund procedures, section 5.6 of this policy will govern.

5.6 Job-related education, licenses, and certificates. Job-related educational expenses are allowable to the extent that they are required for the employee to maintain or improve skills required for their current position.

5.6.1 Payment for licenses, certification fees, specialized training, or other similar expenses may be authorized for an employee when the University requires the license, certification, or training as a condition of employment.

5.6.2 The following requirements must be met for the expenses described in 5.6.1 to be considered non-taxable:

5.6.2.1 The employee is considered full-time during the period in which the license or certification is active for or during the time of training.

5.6.2.2 The license, certification, or training is directly related to the employee's present position and is required by the University.

5.6.2.3 The University will benefit from the specialized training the employee receives.

5.7 Retirement planning. Retirement planning and advice provided by UVU retirement plan providers are not a taxable wage.

5.8 Meals and entertainment. UVU Policy 251 *Traveling on University Business* governs the treatment of employee compensation for meals and entertainment related to university travel. The treatment of all other employee compensation for non-travel-related meals and entertainment shall be governed by the appropriate expenditure procedures.

5.9 Gifts and awards. The applicable appropriate expenditure procedures should be followed for all employee-related gifts and awards.

5.10 Transportation. Transportation passes provided to UVU employees, their spouses, and dependents, and UVU students as part of the overall agreement between the University and Utah Transit Authority (UTA) are considered de minimis and are excluded from wages.

5.11 Employee discounts. Price reductions on goods and services provided by the University to employees, their spouses, and dependents can generally be excluded from employee wages if the

discount does not exceed 20%. Before offering discounts greater than 20%, departments should consult with Finance and Business Services and Payroll to determine potential taxability of the discount.

5.12 Employee Uniforms. Policy 330 *Uniform Policy* should be followed for all employee-related uniforms.

POLICY HISTORY		
Date of Last Formal Review: October 29, 2026		
Due Date of Next Review: October 29, 2031		
Date of Last Action	**Action Taken**	**Authorizing Entity**
October 29, 2026	New policy approved through regular process.	UVU Board of Trustees