

Taxable Fringe Benefits

This course provides an overview of how to identify and properly report taxable fringe benefits in compliance with IRS regulations. Participants will learn how to determine which benefits are taxable, understand required reporting and withholding procedures, and how to submit documentation in the Fringe Benefits Application for Payroll review. Topics include common fringe benefits such as travel, gifts, reimbursements, club memberships, vehicle use, and others.

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Course Navigation

How this course works

To navigate this online course, utilize it like you would a webpage by starting at the top of the page and working your way down. You will navigate through the course by using a series of continue buttons, as shown below. Go ahead and select the continue button by selecting or pressing enter.

CONTINUE

Interactive Elements

Throughout the course, there will be interactive elements. Instructions for each activity will be provided beforehand. Below are descriptions of some of these interactive features. Select the plus sign (+) to read more about each

item or use **Tab** or **Shift+Tab** to navigate to an item in the accordion, then press **Enter** or the **spacebar** to expand or collapse it.

Buttons to External Links

These buttons contain links to external webpages that provide additional information. Press **Enter** or the **spacebar** to activate the selected buttons and links.

Knowledge Check Questions

These questions require you to read the question and then select the response you think best answers the question. This may be by selecting the best response(s) from the list of choices (multiple-choice) or matching by selecting and connecting one response to its match. After selecting a response, choose **Submit**. You will be provided with immediate feedback. If you get it incorrect, you can try it again. If it is correct, you can continue.

Keyboard Navigation

If you would like more information on available keyboard features, visit the [Articulate Navigation Support Webpage](#).

CONTINUE

Fringe Benefits Overview

The taxable fringe benefits procedure establishes Virginia Tech's framework for identifying, valuing, and reporting taxable fringe benefits in accordance with IRS regulations. It provides clear guidance to departments, employees, and Payroll staff on how to properly classify benefits, supply required documentation and determine taxability. By outlining consistent steps and responsibilities, the procedure helps ensure that all benefits provided beyond standard wages are handled accurately and transparently, supporting both institutional accountability and federal compliance.

[Procedure 23850 on Taxable Fringe Benefits](#) can be reviewed from the Controller's Office website under Payroll Procedures.

CONTINUE

What are Fringe Benefits?

Fringe benefits are forms of compensation provided to employees or related parties in addition to regular wages. These benefits can take many forms—such as event tickets, travel, club memberships, or reimbursements for certain expenses—and are considered part of the overall value an individual receives from the university. Unless a specific exclusion applies under IRS rules, fringe benefits are treated as taxable income and must be reported on the employee's Form W-2 or on Form 1099-MISC for individuals who are not employees.

Understanding which benefits are taxable helps ensure accurate reporting and supports compliance with federal regulations.



Who is Responsible for Reporting Fringe Benefits?

Responsibility for reporting fringe benefits is shared among departments, employees, and Payroll, with each group playing a distinct role in ensuring accuracy and compliance. Because fringe benefits can take many forms and carry different tax implications, consistent coordination is essential. By working together to identify, document, confirm, and properly report these benefits, the university maintains accurate records and meets federal tax requirements.

DEPARTMENTS

EMPLOYEES

PAYROLL

Departments play the first key role by identifying fringe benefits at the time they are provided and documenting the necessary details. This includes reporting the fair market value (FMV), the recipient of the benefit, and the business purpose.

Providing this information promptly to Payroll ensures accurate evaluation and timely reporting of taxable benefits.



DEPARTMENTS

EMPLOYEES

PAYROLL

Employees are responsible for confirming receipt of fringe benefits and understanding that these benefits may be taxable—even when provided to a spouse, dependent, or survivor.

Timely acknowledgment by the employee supports accurate processing and ensures proper tax reporting.



DEPARTMENTS	EMPLOYEES	PAYROLL
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Payroll evaluates the information provided to determine whether a fringe benefit is taxable, applies the appropriate earnings codes, and calculates any required tax withholdings. Payroll also ensures that all taxable benefits are reported accurately in accordance with IRS requirements, supporting institutional compliance.



**Next, let's discuss common types of taxable
fringe benefits.**

CONTINUE

Common Types of Taxable Fringe Benefits

Taxable fringe benefits appear in higher education more often than many realize, making it important to know how to identify and manage them for accurate reporting and compliance. This section introduces the most common taxable fringe benefits encountered on campus and explains the purpose and nature of each one. A summary table follows to help learners compare benefit types, understand when taxation applies, and navigate the practical details that arise in daily university operations.

How to Identify a Fringe Benefit

Identifying a taxable fringe benefit starts with recognizing when an employee, or someone connected to them, receives something of value beyond their regular wages. This could be a service, a reimbursement, a perk, or access to something the university normally provides at a cost. Once a benefit is offered, the next step is to determine whether it qualifies any IRS exclusions. If it does not—or if the value exceeds what the exclusion allows—the benefit becomes taxable and must be reported.

Fiscal employees play a key role in this process. When a benefit is provided, they should document what was given, who received it, the fair market value, and the business purpose. This information helps Payroll make the final taxability determination and ensures the university meets its reporting obligations. Understanding this workflow allows departments to spot taxable situations early, avoid compliance issues, and maintain accurate records across the university.

Common Fringe Benefit Types

Fringe Benefit	Description
Tickets	Taxable unless for documented business purposes or qualifying exclusions.
Club Memberships	Generally taxable unless for professional organizations.
Expense Reimbursements	Nontaxable only under an accountable plan (business-related, documented timely).
Spouse/ Companion Travel	Taxable unless bona fide business purpose is proven.
Lodging and Meals	Excludable only when required for business or employer convenience.
Vehicles	Personal use of university-owned vehicles is taxable; business-only use is excluded.
Clothing	Taxable unless required, job specific uniforms not worn outside work.
Immigration Fees	Employment-based petitions are nontaxable; green card expenses are taxable.

Gifts and Awards	Cash/cash-equivalent always taxable; non-cash awards may be excluded if within limits.
Educational Assistance	Tax-free up to the IRS annual limit; taxable beyond unless job required.
Aircraft Use	Personal flights are taxable unless covered by the "seating capacity rule".
Dependent Care	Excludable within IRS limits; excess amounts are taxable.

Let's answer a question to test our understanding.

Please select all of the items below that represent a potentially taxable fringe benefit.

- Season tickets to a Virginia Tech athletic event
- Lawful permanent resident fees paid on behalf of employee
- Business use of a personal vehicle
- Gift cards given to an employee as a reward

SUBMIT

**Next, let's review the methods of
taxation.**

CONTINUE

Methods of Taxation

When a taxable fringe benefit is provided, the way taxes are applied can vary depending on the method used. In higher education, two primary approaches determine how the tax impact flows to the employee and the department. Under the **gross method**, the necessary taxes are withheld directly from the employee's paycheck, reducing their net pay.

Under the **net, or "gross-up," method**, the university pays the taxes on the employee's behalf, which increases the employee's taxable income and leaves the department responsible for the additional gross-up cost. Understanding these methods sets the foundation for accurate processing and budgeting across campus units.

1

Gross Method: Taxes are deducted directly from the employee's paycheck.

2

Net Method: The university pays the taxes on the employee's behalf, which increases the employee's taxable income.



Virginia Tech generally uses the gross method unless Payroll has approved an exception. If a department elects to cover the associated taxes, the payment must come from an allowable funding source, such as university Private funds.

**Next, let's examine IRS Recognized Exclusions
that would prevent a fringe benefit from being
taxable to an employee.**

CONTINUE

IRS Recognized Exclusions

The taxability of fringe benefits isn't always straightforward—some benefits qualify for IRS-recognized exclusions that remove them from taxable income when specific criteria are met.

This section highlights the exclusions most commonly seen in higher education: **working condition fringes** that directly support job duties, **no-additional-cost services** that rely on unused capacity, **qualified employee discounts** that mirror what is offered to the public, and **de minimis fringes** that are so small and infrequent that tracking them would be unreasonable. Understanding these categories helps ensure appropriate and consistent application of exclusions across campus.

Working Condition Fringe

Working condition fringe benefits refer to job-related expenses that would be tax-deductible if the employee had paid them directly. These benefits support the employee's ability to perform their duties and are necessary for their role. Examples include items such as safety uniforms, specialized equipment, or other tools required to fulfill job responsibilities. Because these expenses are directly tied to the employee's work and not personal in nature, they may qualify as non-taxable when provided by the employer.

No-Additional-Cost Services

No-additional-cost services are benefits the university can offer to employees without incurring any extra expense. These services are typically resources or opportunities already available but not fully utilized, such as unused event tickets or open seats in university programs. Because providing them doesn't increase the university's costs, they can often be treated as non-taxable benefits when offered to employees.

Qualified Employee Discounts

Qualified employee discounts allow employees to receive reduced prices on certain goods or services offered by the university. These discounts can apply up to 20% off services or goods that the university provides at cost. Because the discount is limited and tied to items the university already sells, it may be treated as a non-taxable fringe benefit when it stays within allowable thresholds.

De Minimis Fringe

De minimis fringe benefits are low-value, infrequent items provided to employees—typically under \$100 in value. These small perks are not intended as compensation and occur only occasionally, such as small gifts, snacks, or tokens of appreciation. Cash or gift cards do not qualify, even in small amounts. Because these benefits are minimal and irregular, they can often be treated as non-taxable.

Let's test our understanding of these concepts.

Match the IRS recognized exclusion to the matching example.

::: Working Condition Fringe

A biology professor needs specialized lab goggles that meet strict safety standards. The university purchases the goggles because they're required for the professor to safely conduct research and teach lab courses.

::: Qualified Employee Discount

The Moss Arts Center has several unsold seats for a student matinee. Offering those unused seats to faculty or staff does not reduce revenue or increase costs.

::: De Minimis Fringe

The campus recreation center offers fitness classes to the public at cost. Employees are allowed to enroll with a 20% discount off that cost-based rate.

 No Additional Cost Service

During finals week, the student affairs division provides staff with occasional snack bags—granola bars, fruit, and a university-branded pen—valued under \$100.

SUBMIT

CONTINUE

Compliance

Compliance is the backbone of administering taxable fringe benefits, ensuring that departments follow IRS rules, university policies, and proper documentation standards. This section highlights the essential practices that keep processes consistent, accurate, and audit-ready across campus.

The following points outline the key responsibilities and safeguards every unit should keep in mind when providing or processing fringe benefits.

- Timely submission of benefit details by departments ensures accurate withholding and reporting and helps prevent penalties
- Employees should promptly confirm receipt of any benefits
- Taxable fringe benefits are reviewed and processed by Payroll
- All responsible parties should consult relevant IRS publications, Treasury Regulations, and university policy and procedure to ensure consistency and audit readiness

Now that we understand and can identify taxable fringe benefits and the compliance requirements, let's look at the Fringe Benefit App that allows users to submit information to Payroll.

CONTINUE

Getting Started with the Fringe Benefit App

Before a taxable fringe benefit can be properly recorded, it must be submitted through the fringe benefit application, which guides departments through each required detail.

This section of the training walks through the process from start to finish, using screenshots and clear, sequential instructions to make each step easy to follow. By understanding how to navigate the application, departments can ensure accurate entries, timely processing, and consistent compliance across campus.

Locating the App

The [fringe benefit application](#) can be located on the Controller's Office website.

Department Information

Department *
Type or scroll to find Organization

Department Contact First Name * **Department Contact Last Name ***

Contact Phone Number *
Format: (xxx) XXX-XXXX

Employee Information

Employee First Name * **Employee Last Name ***

Employee Designation * Wage Salary

Employee Email * **Employee VT ID ***
9-digit ID

Benefit Details

Benefit Type *
-- Select --

In the next section, you will walk through each section of the fringe benefits application and learn how a department initiates a new form in the application.

CONTINUE

Department Information

The department is responsible for submitting the fringe benefit form for any employees in their area who receive potentially taxable fringe benefits.

In the Department Information section, they will select the appropriate organization number from the **Department** drop-down menu. The department contact will also provide their **first and last name, phone number, and email address**. The email address will be used for routing notifications.

Department Information

Department *

Type or scroll to find Organization

Department Contact First Name *

Department Contact Last Name *

Contact Phone Number *

Format: (xxx) xxx-xxxx

Contact Email *

CONTINUE

Employee Information

The Employee Information section collects information about the employee receiving the fringe benefit, including **employee's first and last name**, if they are **wage or salary, email address**, and **employee ID**. After the form is submitted, the employee will receive an email asking them to certify receipt of the benefit.

The employee must complete this certification within 14 calendar days.

If they do not take action, the request will automatically route to Payroll for review.

 Employee Information

Employee First Name *	Employee Last Name *
<input type="text"/>	<input type="text"/>
Employee Designation *	<input type="radio"/> Wage <input checked="" type="radio"/> Salary
Employee Email *	Employee VT ID *
<input type="text"/>	<input type="text"/> 9-digit ID

The contact information for both the department and the employee has been entered, and now it is time to enter the details for the fringe benefit provided to the employee.

CONTINUE

Fringe Benefit Categories

The **Benefit Details** section of the form focuses on selecting the appropriate benefit type. Users will choose from a list of available options using a drop-down field to identify the specific fringe benefit type being reported.

A screenshot of a user interface for a form. The title bar is dark red with the text "Benefit Details". Below it is a white input field with a grey border. The label "Benefit Type *" is at the top left of the field. Inside the field, the text "-- Select --" is centered. A small downward arrow icon is located at the bottom right corner of the input field.

Available Benefit Types

The selections below outline all eligible benefit types.

- Aircraft Personal Travel
- Clothing Allowance and Reimbursements (University Private Funds)
- Club Memberships and Dues (University Private Funds)
- Companion Travel Direct Bill (University Private Funds)
- Gifts, Prizes, or Awards Non-Cash

- Immigration Fees
- Leased Vehicles (Personal Use - University Private Funds)
- Tickets
- University Lodging
- University Provided Meals (Direct Billed)
- Other

Each benefit type prompts a tailored set of questions designed to capture the details Payroll needs to review the request and determine taxability. The following sections walk through each benefit type category and the associated questions that will appear once that option is selected by the user.

CONTINUE

Aircraft Personal Travel

The aircraft personal travel fringe benefit applies when an employee or their guest uses a university-owned or leased aircraft for personal, non-business travel. The value of this personal use is considered taxable income and must be calculated using IRS-established valuation methods.

Departments are responsible for providing complete aircraft details and the appropriate travel information, so Payroll can determine the taxable amount and ensure proper reporting. This benefit type helps distinguish legitimate business travel from personal use, supporting both compliance and accurate tax treatment.

A screenshot of a web-based application interface titled "Aircraft - Personal Travel". The title bar is dark red with white text. Below it, there are two input fields. The first field is labeled "Aircraft Details *" and the second is labeled "Amount (\$) *". Both fields have a light gray background and a thin black border. The overall layout is clean and modern.

Aircraft – Personal Travel section of the Fringe Benefit application shows the fields for aircraft details and the associated benefit amount.

CONTINUE

Clothing Allowance and Reimbursements (University Private Funds)

Clothing allowances and reimbursements become a taxable fringe benefit when the items provided are suitable for everyday wear or not required as a condition of employment. While specialized uniforms or protective gear may qualify for exclusion, general clothing—such as business attire or branded apparel—typically does not.

When a department provides or reimburses these costs, the value must be reported, so Payroll can determine the taxable amount and include it in the employee's income. Accurate

classification helps ensure consistent treatment across campus and compliance with IRS rules.

 Clothing Allowance and Reimbursements (University Private Funds)

Is the clothing something that would be suitable outside of work? *	Is the clothing required for the employee's job? *
-- Select --	-- Select --
Does the employee only wear the item for work? *	Banner Invoice Number or HokieMart Purchase Order
-- Select --	
Amount (\$)*	Description *

The Clothing Allowance and Reimbursement (University Private Funds) section displays questions pertaining to if the clothing is suitable out of work, if it is required for the employee's job, if it is only an item for work, the Banner Invoice Number or HokieMart Purchase order, the amount, and a description.

CONTINUE

Club Memberships and Dues (University Private Funds)

Club memberships and dues provided or reimbursed by the university are generally considered taxable fringe benefits when they offer personal or recreational value to the employee. This includes memberships to social clubs, athletic clubs, country clubs, or other organizations not directly required for the employee's job duties. Even when a membership has some professional benefit, the IRS typically treats it as taxable unless it is used exclusively for business purposes and meets strict substantiation requirements. Departments must report the full value of these payments, so Payroll can determine taxability and ensure proper reporting.



Club Memberships and Dues (University Private Funds)

Business, social, or recreational *

-- Select --



Enter supplier for review: *

Description

Value of Membership: *

Amount (\$)

Frequency of Membership: *

e.g.; annual, monthly, bi-anr

 Club Memberships and Dues (University Private Funds)

Business, social, or recreational *	Enter supplier for review: *
-- Select --	Description
Value of Membership: *	Frequency of Membership: *
Amount (\$)	e.g.; annual, monthly, bi-ann

Business, Social, or Recreational

The user will be prompted to select business, social, or recreational. The business option will display an additional series of options as shown below.

If a user selects the business option, they will be prompted to select a checkbox that indicates if the membership or dues were for a professional association, trade group, chamber of commerce, civic or public service, or other.

Please select one or more of the checkboxes below. If you select "Other", please provide a description.

- Professional association
- Trade group
- Chamber of commerce
- Civic or public service
- Other

Other Details

CONTINUE

Companion Travel Direct Bill (University Private Funds)

Companion travel becomes a taxable fringe benefit when a spouse, partner, or other guest accompanies an employee on university-related travel, and their presence does not serve a bona fide business purpose. In these cases, the value of the companion's transportation, lodging, and other covered travel expenses must be treated as taxable income to the employee.

Departments are responsible for identifying when companion travel occurs and reporting the associated costs, so Payroll can determine the taxable amount and ensure accurate reporting. This distinction helps maintain compliance with IRS rules and supports consistent treatment across campus.

Companion Travel Direct Billed (University Private Funds)

Companion Details:

Add all necessary rows first by clicking Add New Row for each companion. Then enter the details in each row and submit. Data entered before adding rows may be lost. *

Companion First Name	Companion Last Name	Companion Relation	Action
			<input type="button" value="Add New Row"/> <input type="button" value="Delete"/>

Meals, Lodging, and Transportation Details:

Please select a checkbox to unlock amount and invoice fields!

Meals Lodging Transportation

Enter multiple Banner Invoice Numbers as comma-separated values (if applicable):
example: 123, 456, 789

The Companion Travel section allows for input of companion first name, last name, and relation. It also prompts the user to select a checkbox to unlock amount and invoice fields for meals, lodging, and transportation.



Pro Tip: When entering data in the companion travel, enter the number of rows needed prior to entering data.

CONTINUE

Gifts, Prizes, or Awards Non-Cash

Gifts, prizes, or awards provided to employees can create a taxable fringe benefit when their value exceeds IRS limits or when they do not meet a specific exclusion. Cash and cash-equivalent items—such as gift cards—are always taxable, regardless of amount. Non-cash items may qualify for exclusion only when they are small in value, given infrequently, and meet the IRS definition of de minimis. Departments must report the value of any taxable gifts, prizes, or awards so Payroll can include the amount in the employee's income. Proper classification helps ensure consistent application of IRS rules and avoids unintended tax consequences.



Gifts, Prizes, or Awards Non-Cash

Achievement or Length of Service Awards (Non-Cash)*

See Policy 4335 Employee Awards and Recognition Programs,
<http://www.policies.vt.edu/4335.pdf> for details.

-- Select --



Gifts, Prizes, or Awards Non-Cash

Achievement or Length of Service Awards (Non-Cash)*
See Policy 4335 Employee Awards and Recognition Programs,
<http://www.policies.vt.edu/4335.pdf> for details.

-- Select --



Gifts, Prizes, or Awards Non-Cash

The drop down will prompt the user for a Yes or No response. An additional series of data points will be displayed as shown in the next image.

Achievement Awards or Length of Service Awards

If yes is selected from the initial drop-down section, the user will be prompted to input Award Details. Achievement Awards and Length of Service Awards may qualify for partial or full exclusion from taxable income when they meet specific IRS criteria. To qualify, the award must be tangible personal property—never cash or gift cards—and must be given as part of a meaningful presentation. Length of service awards require a minimum of five years of service and cannot be given too frequently, while achievement awards must fall under a qualified award plan to receive favorable tax treatment.

Gifts, Prizes, or Awards Non-Cash

Achievement or Length of Service Awards (Non-Cash)*
See Policy 4335 Employee Awards and Recognition Programs,
<http://www.policies.vt.edu/4335.pdf> for details.

Yes

▼

Award Details

Name of Award *

Value *

Is the award given to a manager, administrator, clerical employee or other professional employee? *

-- Select --



The Awards Details section allows the user to input the name of the award, the value, and if the award is given to a manager, administrator, clerical employee, or other professional employee if the user selects yes in the first drop-down field.

CONTINUE

Other Taxable Awards

When an award does not meet the requirements for achievement or length of service, or when its value exceeds allowable limits, the taxable portion must be reported, so Payroll can include it in the employee's income. Clear documentation helps ensure consistent and compliant application across campus.

 **Gifts, Prizes, or Awards Non-Cash**

Achievement or Length of Service Awards (Non-Cash)*
See Policy 4335 Employee Awards and Recognition Programs,
<http://www.policies.vt.edu/4335.pdf> for details.

No

Gift, Prize, or Cash/Cash Equivalent Details

Please select one or more of the checkboxes below. If you select "Other", please provide a description.*

Gift Cards
 Gift Certificates
 Raffle Tickets

Other

Value / Amount of Gift (\$)*
Non-Cash Item: Sports tickets or amount in excess of \$400 is taxable.

Description:*

The Awards Details section allows the user to select gift cards, gift certificates, raffle tickets, the value, and provide a description if the user selects no in the first drop-down field.

CONTINUE

Immigration Fees

Immigration fees paid or reimbursed by the university may result in a taxable fringe benefit depending on the type of fee and the purpose of the payment. Certain employer-required expenses—such as fees necessary for the university to petition for work authorization—are typically non-taxable. However, fees related to an employee's personal immigration benefits, including those for dependents or optional status changes, are generally considered taxable income. Departments must report any taxable portions, so Payroll can ensure proper withholding and compliance with IRS regulations. Careful documentation helps distinguish employer-required costs from personal immigration expenses.

The screenshot shows a user interface for entering immigration fees. At the top, there is a red header bar with a small orange icon and the text "Immigration Fees". Below this is a question: "Are the immigration fees related to allowing an individual to work in the US for Virginia Tech or towards Lawful Permanent Resident (LPR) status? *". A dropdown menu is open, showing the placeholder "-- Select --". To the right of the question are two input fields: "Banner Invoice Number (if applicable)" and "Amount of Immigration Fees (\$)*". Both fields have a light gray background and are empty.

The Immigration Fees section asks the user if the immigration fees are related to allowing an individual to work in the US for Virginia Tech or towards Lawful Permanent Resident (LPR) status, the Banner Invoice Number, and the amount of immigration fees.

Documentation for Work in the US

If Work in US is selected from the drop-down field, the visa type will need to be indicated. An individual may be granted permission to work in the U.S. through a temporary visa or employment authorization, allowing them to work for a specific employer, in a specific role, or for a limited period of time.

 Immigration Fees

Are the immigration fees related to allowing an individual to work in the US for Virginia Tech or towards Lawful Permanent Resident (LPR) status? *

Work in US

Work in United States

Select Visa Type: *

J Visa Type
 E Visa Type
 O Visa Type
 TN Visa Type
 H-1B Visa Type
 Other

Other Details or Visa Type

Banner Invoice Number (if applicable)

Amount of Immigration Fees (\$)*

Documentation for Lawful Permanent Resident

Lawful permanent residency—often referred to as having a “green card”—provides ongoing authorization to live and work in the U.S. without the time or employer restrictions tied to temporary status. Understanding this distinction is important when evaluating immigration fees, sponsorship requirements, and potential tax implications related to employment.

If Lawful Permanent Resident is chosen from the drop-down field, the LPR type will need to be indicated on the form.

 Immigration Fees

Are the immigration fees related to allowing an individual to work in the US for Virginia Tech or towards Lawful Permanent Resident (LPR) status? *

Lawful Permanent Resident

Lawful Permanent Resident

Select LPR Type: *

Form I-485
 Form I-907
 Attorney fees for green cards
 Medical exams or personal documents
 Expenses for family members
 Other

Banner Invoice Number (if applicable)

Amount of Immigration Fees (\$)*

CONTINUE

Leased Vehicles (Personal Use - University Private Funds)

Leased vehicles provided to an employee can create a taxable fringe benefit when the vehicle is used for personal purposes. Personal use includes commuting, incidental stops, and any travel not directly related to university business. The taxable value is typically calculated using IRS-approved valuation methods, such as the annual lease value method, and must reflect the portion of use attributable to personal driving.

Departments are responsible for tracking usage, identifying personal miles, and reporting the necessary information so Payroll can determine the taxable amount and ensure proper compliance. Accurate reporting supports consistent treatment across campus.

A Leased Vehicles (Personal Travel-University Private Funds)

Number of Vehicles: *

-- Select --



A Leased Vehicles (Personal Travel-University Private Funds)

Number of Vehicles: *

-- Select -- 

Single or Multiple Vehicles

The user is able to select a single or multiple vehicle option.

Questions for Single Vehicle

If single vehicle is selected, the detailed mileage log, start date, end date, vehicle make, vehicle model, vehicle value, personal miles, and additional details should be added.

A Leased Vehicles (Personal Travel-University Private Funds)

Number of Vehicles: *

Single Vehicle 

Detailed Mileage Log (Excel)*

No file chosen

Start Date * 

End Date * 

Vehicle Make *

Vehicle Model *

Vehicle Value *

Personal Miles *

Additional Details (if any):

Questions for Multiple Vehicles

If multiple vehicles is selected, an option to edit and upload a template for multiple vehicle details is provided.

A Leased Vehicles (Personal Travel–University Private Funds)

Number of Vehicles: *
Multiple Vehicles

If you wish to upload details for more than 1 vehicle, please edit and upload [this template \(click here\)](#) for multiple vehicle details:
Bulk Upload for multiple vehicles (Excel): *
Choose File No file chosen

CONTINUE

Other

The “Other” category captures fringe benefits that do not fall neatly into a specific defined type but may still create taxable income for an employee. These benefits can vary widely—ranging from one-time reimbursements to unique situations not covered by standard policy—and must be reviewed for potential tax implications. When a benefit provides personal value and does not qualify for an IRS exclusion, its taxable amount must be reported, so Payroll can ensure proper withholding and accurate reporting.

Departments should provide clear explanations and supporting documentation to help determine taxability and maintain consistent, compliant treatment across campus.

+ Other

Description: *

Amount (\$): *

The Other benefit type field requires a description and a dollar amount.

CONTINUE

Tickets

Tickets provided to employees—such as athletic events, performances, or other university-sponsored activities—may create a taxable fringe benefit when they offer personal value and do not meet an IRS exclusion. Complimentary or discounted tickets are generally taxable unless they qualify as a no-additional-cost service or fall under another specific exclusion. Cash-equivalent vouchers or prepaid passes are always taxable.

Departments must report the value of any taxable tickets, so Payroll can determine the appropriate taxable amount and ensure compliant reporting. Proper classification helps maintain consistency across campus and avoids unintended tax issues.

The screenshot shows a web-based form for entering ticket information. At the top, there's a header bar with a yellow icon and the word "Tickets". Below this, there are three input fields: "Individual or Season Ticket *", "Quantity of Tickets Provided (#) *", and "Face Value per Ticket (\$) *". To the right of these is a placeholder "Total Ticket Value (Auto-calculated in \$)". Below these fields is a section titled "Ticket Type:" with a note: "Please select one or more of the checkboxes below. If you select 'Other', please provide a description. *". It contains checkboxes for "Arts and Entertainment", "Basketball", "Football", "Baseball", "Softball", and "Other", along with a text input field for "If Other, please specify".

The tickets section requires the type, quantity, and face value per ticket to be input. The ticket type is also required to be indicated.

Individual Ticket

If individual ticket is chosen from the initial drop-down field, additional fields will populate asking if the tickets are normally sold to the public, offered to employees under a fair, nondiscriminatory policy, if the seat would have gone unused if not given to an employee, and if the employee's attendance at the event was required as part of the employee's job duties.

Additionally, event details such as name, date, location, reason for ticket issuance, and if the employee has received additional tickets during the calendar year will need to be added to the event details section.

Tickets

Individual or Season Ticket *
Individual Ticket

Individual Ticket Details:

Are the tickets normally sold to the public? *
-- Select --

Were tickets offered to employees under a fair, nondiscriminatory policy? *
-- Select --

Would the seat have gone unused if not given to the employee? *
-- Select --

Was employee attendance at the event required as a part of the employee's job duties? *
-- Select --

Event Details

Event Name *
[Text Input Field]

Event Date(s) *
-- Select --

Location *
[Text Input Field]

Is the ticket given as an achievement award (length of service or safety)? *
-- Select --

Has the employee received additional tickets during the calendar year?
-- Select --

Quantity of Tickets Provided (#) *
[Text Input Field]

Face Value per Ticket (\$) *
[Text Input Field]

Total Ticket Value (Auto-calculated in \$)
[Text Input Field]

Ticket Type:

Please select one or more of the checkboxes below. If you select "Other", please provide a description. *

Arts and Entertainment
 Basketball
 Football
 Baseball
 Softball
 Other

If Other, please specify:
[Text Input Field]

Season Ticket

If season ticket is chosen from the initial drop-down field, additional fields will populate asking if a donation was required.

The screenshot shows a web-based form for ticketing. At the top, there's a header bar with the title "Tickets". Below it, a dropdown menu is set to "Season Ticket". A section titled "Season Ticket Details:" contains a dropdown labeled "Was a donation required? *". Further down, there are three input fields: "Quantity of Tickets Provided (#) *", "Face Value per Ticket (\$) *", and "Total Ticket Value (Auto-calculated in \$)". Another section titled "Ticket Type:" includes a note about selecting checkboxes and a list of options: Arts and Entertainment, Basketball, Football, Baseball, Softball, and Other. It also has a field for specifying "If Other, please specify".

Individual or Season Ticket *

Season Ticket

Season Ticket Details:

Was a donation required? *

-- Select --

Quantity of Tickets Provided (#) *

Face Value per Ticket (\$) *

Total Ticket Value (Auto-calculated in \$)

Ticket Type:

Please select one or more of the checkboxes below. If you select "Other", please provide a description. *

Arts and Entertainment

Basketball

Football

Baseball

Softball

Other

If Other, please specify:

If yes is indicated, the user will need to add the Fair Market Value of the donation, a donation description and indicate to apply gross up.

Tickets

Individual or Season Ticket *

Season Ticket

Season Ticket Details:

Was a donation required? *

Yes

FMV (Fair Market Value) of Donation (excluding value of ticket) *

Description of Donation Required *

Apply Gross Up? *

-- Select --

Quantity of Tickets Provided (#) *

Face Value per Ticket (\$) *

Total Ticket Value (Auto-calculated in \$)

Ticket Type:

Please select one or more of the checkboxes below. If you select "Other", please provide a description. *

Arts and Entertainment
 Basketball
 Football
 Baseball
 Softball
 Other

If Other, please specify:

CONTINUE

University Lodging

University lodging provided to an employee may become a taxable fringe benefit when it is offered for personal convenience rather than for a required business purpose. Lodging is generally excluded from taxable income only when it is furnished on university premises, is necessary for the employee to properly perform their job duties, and is accepted as a condition of employment. When these criteria are not met—such as housing provided primarily for recruitment, retention, or personal convenience—the value of the lodging must be treated as taxable income.

Departments should report the applicable value so Payroll can determine taxability and ensure accurate reporting in accordance with IRS rules.

 University Lodging

Furnished on employer's business premises *

-- Select --

Provided for the convenience of the employer *

-- Select --

Lodging required as a condition of employment *

-- Select --

Comments

[Large text area for comments]

The university lodging section requires information on if the lodging was furnished on employer's business premises, provided for the convenience of the employer, and required as a condition of employment.



Pro Tip: Each drop down box requests a Yes or No response. An additional field will appear for each Yes response.

CONTINUE

University Provided Meals (Direct Billed)

University-provided meals may create a taxable fringe benefit when they are given for personal convenience rather than for a qualifying business reason. Meals can be excluded from taxable income when they are furnished on university premises and meet IRS criteria, such as being provided for the employer's convenience or during meetings where the employee must stay on duty. However, meals offered as a perk, for social events, or for general employee morale are typically taxable. Departments must report the value of any taxable meals, so Payroll can determine the appropriate amount and ensure accurate

reporting. Proper documentation supports consistent application of IRS rules across campus.

 University Provided Meals - Direct Billed

Are meals provided on a regular basis? *

-- Select -- + ▾

Other Comments

 University Provided Meals - Direct Billed

Are meals provided on a regular basis? *

-- Select -- 



Other Comments

Meals Provided on a Regular Basis

The drop down will prompt the user for a Yes or No response. Additional questions will be shown for each option.

Meals Provided on a Regular Basis

If it is indicated that meals are provided on a regular basis additional fields will populate.

Regular meals are those provided on a recurring basis, such as daily meals, frequent catered lunches, or ongoing departmental food offerings—are generally considered taxable unless they meet specific IRS criteria tied to business necessity.

 University Provided Meals - Direct Billed

Are meals provided on a regular basis? *

Yes 

Regular Meals Details

Provided on employer's business premises? * 

-- Select --

Furnished for employer's convenience? * 

-- Select --

Other Comments

The university provided regular meals details section requires the user to input if the meals are provided on a regular basis, the employer's business premises, and if it is furnished for employer's convenience.

Meals Not Provided on a Regular Basis

If it is indicated that meals are provided on a one time basis additional fields will populate.

One-time meals, such as a meal provided during an occasional meeting, a special event, or

an infrequent training session, may qualify for exclusion when they are incidental, infrequent, and tied directly to a business purpose.

 University Provided Meals - Direct Billed

Are meals provided on a regular basis? *

No

Non-Regular Meals

Directly related to the active conduct of business not lavish or extravagant under the circumstances *

-- Select --

Is this an overtime meal? *

-- Select --

Meal Amount (\$): *

Other Comments

The university provided non- regular meals details section requires the user to input if the meal is directly related to the active conduct of business not lavish or extravagant under the circumstances, if it was an overtime meal, and the meal amount.

Now that we understand the data that will be needed to complete a fringe benefits form, let's move to the next section of the Fringe Benefits Application.

CONTINUE

Other Details and Form Submission

No matter which fringe benefit is selected, the final section of the form always includes an "Other Details" section. Users can add any information that may help Payroll determine taxability and attach supporting documentation as needed. After entering the data, the user will select the Save button.

The screenshot shows a user interface for entering additional details. At the top, there is a header bar with a yellow plus sign icon and the text "Other Details". Below this, there are two main input fields. The first field is labeled "Comments" and contains a large, empty text area for users to type their comments. The second field is labeled "Additional Documentation (if necessary)" and contains a file upload input field with the placeholder text "Choose File No file chosen".

The other details section allows the user to add comments and upload additional files if needed.

Submitting the Form

Request Submitted!

Your request has been successfully submitted.

[Create Another Request](#)

[View Request Details](#)

View Request Details

Once the user selects Save, a dialog box will appear that allows the user to either Create Another Request or View Request Details.

Typically, the user will select View Request Details to review the form submission and will be provided with a summary of the information the input on the form.

Request Information

Taxability:	Status: Employee Review	Request Submitted on: 12/16/2025 3:41:03 PM	Request Resubmitted on:
Grantor Department:	Department Contact: Brianna Saville-Reynolds	Department Contact Phone: 5402317989	Department Contact Email: breynolds15@vt.edu
Recipient Name: Brianna Saville-Reynolds	Recipient PID: breynolds15@vt.edu	Recipient VT ID:	Recipient Designation: Salary
Pending actions: The following actions are pending: Payroll Action, Employee Review		Taxable Amount:	

Other

Description: This is a test for the Articulate Course.
Amount (\$): 20.00

Documents Attached:

No files uploaded!

No file chosen

Employee Certification

I certify that my attendance at the event listed above is for official university business purposes.
I understand that the value of any tickets or related expenses may be subject to tax reporting if not properly documented, and I agree to comply with all applicable university policies regarding travel, gifts, and fringe benefits.

Name of Employee:	Date of Certification:
<input type="button" value="Certify Request"/>	

Fringe benefit summary form contains the details provided by the user.

The form has been successfully submitted and will route to the employee for certification. In the next section, we will review the certification process.

CONTINUE

Employee Certification

The employee will receive an email notification that indicates they should acknowledge receipt of the submission within **14 calendar days**.

Confirmation of Fringe Benefit Submission



DoNotReply <DoNotReply@mail.vpfin.vt.edu>

To



Thu 12/4/2025 1:06 PM

You don't often get email from donotreply@mail.vpfin.vt.edu. [Learn why this is important](#)

Hello ,

You have submitted a fringe benefit request for an employee. To view the request or check its status, [click here](#) or log in to the [Fringe Benefits application](#).

The employee will receive an email requesting that they acknowledge receipt within 14 calendar days.
If the benefit is considered taxable, it will be reported on their Form W-2 for the applicable tax year.

For any questions, please contact payroll@vt.edu.

The certifying employee will enter their name and select the Certify Request button. The certification date is saved, and the form is marked as **Request Certified**.

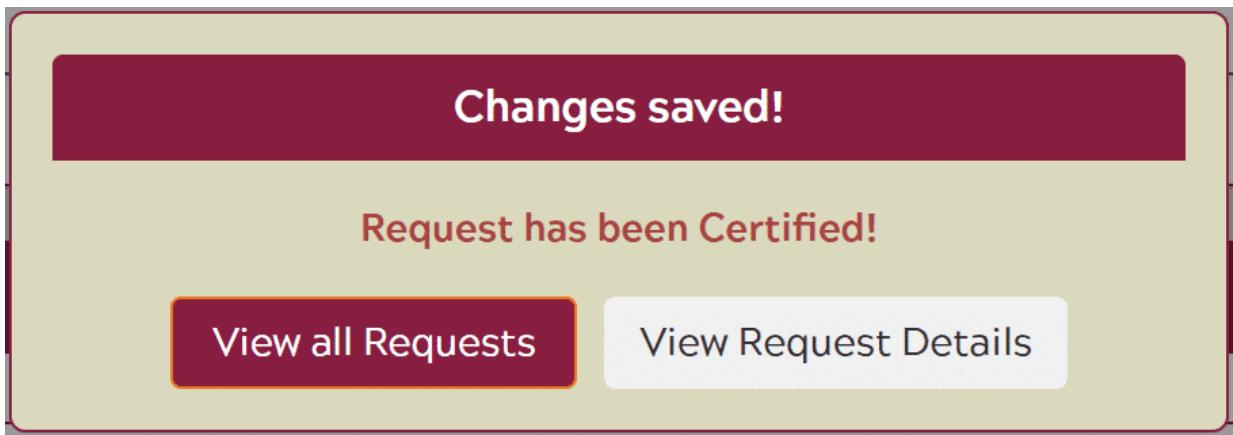
 Employee Certification

I certify that my attendance at the event listed above is for official university business purposes.
I understand that the value of any tickets or related expenses may be subject to tax reporting if not properly documented, and I agree to comply with all applicable university policies regarding travel, gifts, and fringe benefits.

Name of Employee: _____ Date of Certification: _____

Certify Request

The employee certification section states that the employee certifies that their attendance at the event listed above is for official university business purposes, and that they understand the value of any tickets or related expenses may be subject to tax reporting if not properly documented, and agree to comply with all applicable university policies regarding travel, gifts, and fringe benefits.



Once certified, a dialogue box will appear stating that the request has been certified and giving the option to view all requests or view request details.

TESTING- Fringe Benefits Request #295 has been certified!



DoNotReply <DoNotReply@mail.vpfin.vt.edu>

To :

Thu 12/4/2025 1:13 PM

Hello

Your fringe benefit request has been certified and is being processed.

To view the request or check its status, [click here](#) or log in to the [Fringe Benefits application](#).

For information regarding the benefit received, please contact the department that provided the benefit. For questions related to the taxable status or payroll reporting, please contact Payroll at payroll@vt.edu.

Certifying employees will receive an email stating that their fringe benefit request has been certified and is being processed.

**The form has been successfully submitted and
will route to Payroll. Let's review this process
next.**

CONTINUE

Payroll Review

After the request moves to the **Payroll queue**, Payroll will review it and designate it as either taxable or non-taxable.

Payroll will then choose the appropriate earn code and taxable amount, followed by selecting **Mark as Completed**. The request will display a status of **Completed**, and the department can review the details of the request.

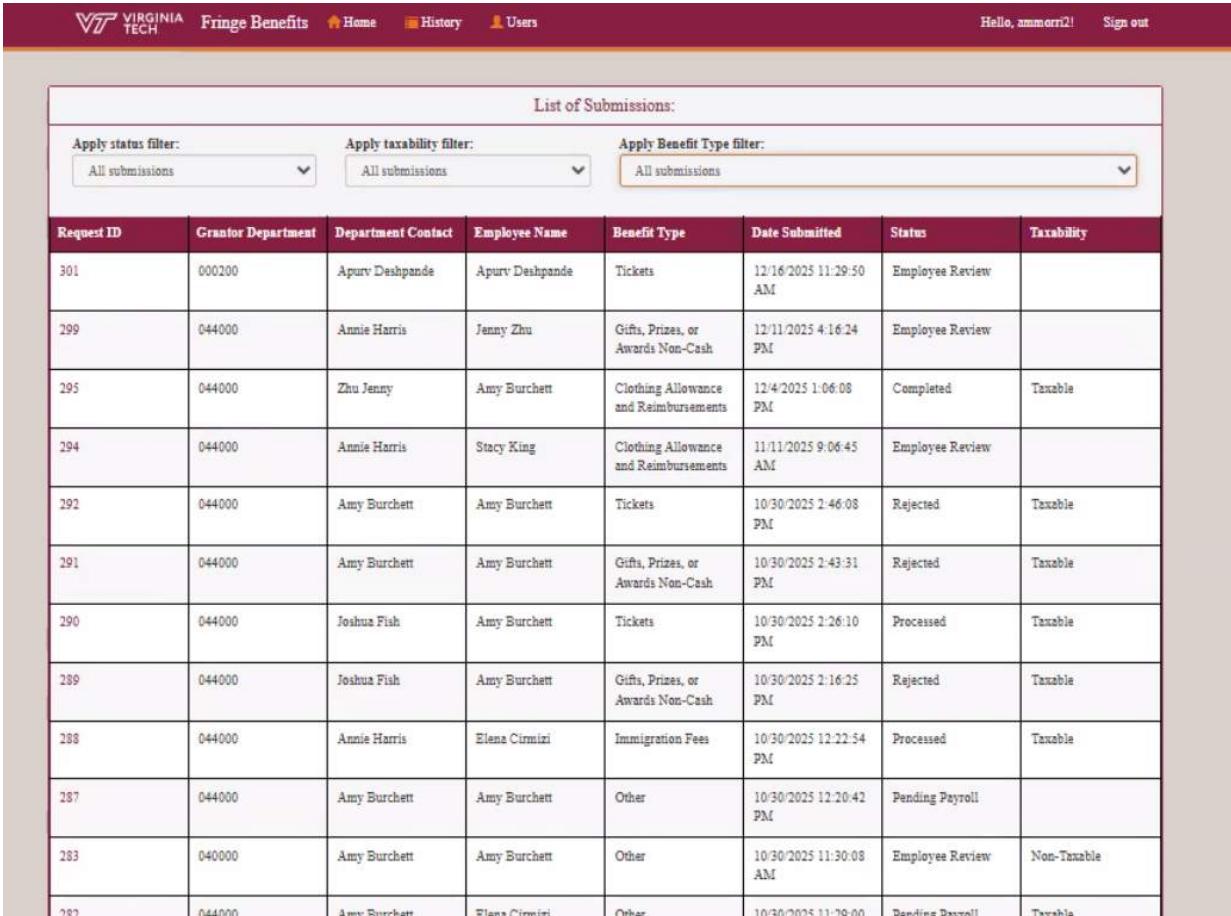


The Payroll division is located in the North End Center.

CONTINUE

Form History

The History tab at the top of the screen lets departmental users view all form submissions within their fund-org security access. It is a helpful place to check the status of each form and see the taxability determination for each fringe benefit.



The screenshot shows the 'List of Submissions' page for the Fringe Benefits system. At the top, there are three filter dropdowns: 'Apply status filter' (set to 'All submissions'), 'Apply taxability filter' (set to 'All submissions'), and 'Apply Benefit Type filter' (set to 'All submissions'). Below these filters is a table with the following columns: Request ID, Grantor Department, Department Contact, Employee Name, Benefit Type, Date Submitted, Status, and Taxability. The table contains 12 rows of data, each representing a submitted form. The data is as follows:

Request ID	Grantor Department	Department Contact	Employee Name	Benefit Type	Date Submitted	Status	Taxability
301	000200	Apurv Deshpande	Apurv Deshpande	Tickets	12/16/2025 11:29:50 AM	Employee Review	
299	044000	Annie Harris	Jenny Zhu	Gifts, Prizes, or Awards Non-Cash	12/11/2025 4:16:24 PM	Employee Review	
295	044000	Zhu Jenny	Amy Burchett	Clothing Allowance and Reimbursements	12/4/2025 1:06:08 PM	Completed	Taxable
294	044000	Annie Harris	Stacy King	Clothing Allowance and Reimbursements	11/11/2025 9:06:45 AM	Employee Review	
292	044000	Amy Burchett	Amy Burchett	Tickets	10/30/2025 2:46:08 PM	Rejected	Taxable
291	044000	Amy Burchett	Amy Burchett	Gifts, Prizes, or Awards Non-Cash	10/30/2025 2:43:31 PM	Rejected	Taxable
290	044000	Joshua Fish	Amy Burchett	Tickets	10/30/2025 2:26:10 PM	Processed	Taxable
289	044000	Joshua Fish	Amy Burchett	Gifts, Prizes, or Awards Non-Cash	10/30/2025 2:16:25 PM	Rejected	Taxable
288	044000	Annie Harris	Elena Cirmizi	Immigration Fees	10/30/2025 12:22:54 PM	Processed	Taxable
287	044000	Amy Burchett	Amy Burchett	Other	10/30/2025 12:20:42 PM	Pending Payroll	
283	040000	Amy Burchett	Amy Burchett	Other	10/30/2025 11:30:08 AM	Employee Review	Non-Taxable
282	044000	Amy Burchett	Elena Cirmizi	Other	10/30/2025 11:29:00	Pending Payroll	Taxable

The Fringe Benefits form History screen shows request id, grantor department, department contact, employee name, benefit type, date submitted, status, and taxability. It also allows

the user to filter the list of submissions.

Select the accordions below to learn more about the status options of a form and taxability options.

Status —

Employee Review: the request is waiting for employee to certify

Pending Payroll: the request is waiting for Payroll to review

Processed: Payroll has marked the request as Taxable or Non-Taxable, selected the related Earn Code and entered the amount, but has not Mark as Completed yet

Cancelled: the request is cancelled

Rejected: the request is rejected by Payroll

Completed: the request is completed by Payroll

Taxability —

Taxable: Must be reported on your tax return and is subject to federal, state, or local taxes

Non-Taxable: Not liable to taxation because it is excluded by law

CONTINUE

Conclusion

The taxable fringe benefits procedure provides a clear framework for identifying, valuing, and reporting fringe benefits in line with IRS requirements. By outlining the responsibilities of departments, employees, and Payroll, it helps ensure that all benefits beyond standard wages are properly documented, reviewed, and taxed when necessary. Together, these steps support accurate reporting and maintain the university's compliance obligations.

Thank you

Thank you for completing this on-demand training. Your attention to these details helps ensure accurate processing, consistent application of policy, and strong compliance across the university. We appreciate your commitment to understanding taxable fringe benefits and supporting smooth operations campus-wide.