



FRINGE BENEFITS POLICY

LISLE-WOODRIDGE FIRE PROTECTION DISTRICT

1. **Policy:** The purpose of this policy is to provide guidelines for a basic understanding of the tax issues related to employee fringe benefits and the reporting of such benefits; to act as a mechanism for determining the taxability, withholding, and reporting requirements regarding employee fringe benefits under the Internal Revenue Code (IRC) and Internal Revenue Service (IRS).

It is further the policy of the District that its books, records and accounts be kept and managed in a manner that fully complies with proper governmental accounting practices and all applicable state and federal laws, including tax regulations. The fringe benefits authorized under this Policy shall be classified, when legally required, as taxable employee fringe benefits and shall be managed in accordance with federal and state law.

2. **Scope:** This policy relates to all current or potential employee fringe benefits relating to business activities which may also be used for personal benefit. This includes, but is not limited to vehicles, cell phones and pagers, wireless/internet services, gift cards and workout/gym/tennis shoes.

This policy relates to such activities that involve pay for the performance of services (including property, services, cash or cash equivalent) whether as an employee or independent contractor.

3. **Objectives:** The primary objectives of this policy shall be to define, establish and monitor all aspects of the District's employee fringe benefits relating to business activities which may also be used for personal benefit in accordance with the IRC and IRS.
4. **Delegation of Authority:** The District's employee fringe benefits policy and procedures are the responsibility of the District's Board of Trustees, Fire Chief/Administrator and Finance Director. This policy should not be perceived as a substitute for management's responsibility in its daily activities.
 - 4.1. *Procedures:* The Finance Director shall establish written procedures consistent with this policy. The procedures should include reference to: the definition of a fringe benefit, its taxability and the reporting to be followed as established by the IRC and IRS.
5. **Duties and Responsibilities:**
 - 5.1. Fire Chief: Charged with responsibility for implementation of and conformance to the policies and procedures approved by the Board of Trustees for employee fringe benefits.
 - 5.2. Finance Director: Charged with responsibility of implementing procedures for all employee fringe benefits under the control of the District, and for reviewing and implementing the internal controls of the District in accordance with the applicable laws, ordinances and policies adopted by the District.
 - 5.3. Board of Trustees: Charged with oversight responsibility. The Board shall also approve any changes to the Fringe Benefits Policy at a public meeting.
6. **Internal Controls:** The Finance Director shall develop procedures in order to assure that employee fringe benefits are properly classified, reviewed and treated within the legal framework as defined by the IRC and IRS. The internal controls and procedures shall be reviewed by the Board.
7. **Fringe Benefits Policy Adoption/Amendment:** The District's Fringe Benefits policy shall be adopted by resolution of the Board of Trustees. The Board of Trustees shall review the policy periodically and approve any modifications made in accordance with changes to the IRC and IRS.