

Compensation Reporting

Definitions

The following terms are used in this guideline.

| Term | Definition |
|--|---|
| Tax indemnification and gross-up payment | The organization's payment or reimbursement of any tax obligations of a listed person |

Guideline

Schedule J on the 990 titled Compensation Information requires that the Research Foundation (RF) provide information regarding compensation for Officers, Directors, Trustees, Key Employees and Highest Compensated Employees. Part I, questions 1a, 1b and 2 require reporting of "information regarding certain benefits (if any) provided to persons listed on Form 990, Part VII, section A, line 1A." Schedule J on the 990 titled Compensation Information requires that the Research Foundation (RF) provide information regarding compensation for Officers, Directors, Trustees, Key Employees and Highest Compensated Employees. Part I, questions 1a, 1b and 2 require reporting of "information regarding certain benefits (if any) provided to persons listed on Form 990, Part VII, section A, line 1A."

The following addresses the category of benefits listed in questions 1a

| Benefit Type | Allowable Status/Approval |
|---|--|
| First class or charter travel | Travelers are expected to use the lowest-priced available, appropriate, coach-class airfare. First class or other premium airfare may be used when no reasonable alternative is available. |
| Travel for companions | Not allowed |
| Tax indemnification and gross-up payments | Not allowed |
| Discretionary Spending Accounts | Not allowed. All expenses must be paid for and reimbursed based on already established RF procedures or paid for by a corporate credit card and reconciled. |
| Housing Allowance or residence for personal use | In general, not provided by the RF for housing allowances or payment to employees for using their personal residences. Housing allowances do not include providing for housing to an employee when it is part of their job (i.e. caretaker or camp counselor must live on the grounds available 24/7). In rare instances, housing allowances may be allowed by the sponsor or the campus operations manager. Written evidence documenting sponsor approval must accompany the requests for payment in all cases when such costs are claimed. |
| Payments for business use of personal residence | Allowed in rare cases and could be provided with the campus operations manager or officer approval. |
| Other benefits such as health or social club initiation fees or dues | Allowed in rare cases and could be provided with the campus operations manager or officer approval. |
| Other benefits such as personal services (maid services, chauffeur, chef, etc.) | Allowed in rare cases and could be provided with the campus operations manager or officer approval. |

Basis for Guideline

The RF is required to file Internal Revenue Service (IRS) form 990 Report of Organization Exempt from Income Tax. Form 990 is an annual information return used by tax-exempt organizations to provide the IRS with financial information such as gross income, receipts, and disbursements. It helps the IRS enforce the laws that govern nonprofits.

Taxable Benefits

The Research Foundation is responsible for reporting taxable benefits in accordance with IRS guidelines. Examples of taxable benefits include but are not limited to certain moving expenses, non-overnight meal payments, use of health or social clubs and personal use of a residence.

Refer to the following RF procedure and guideline documents for RF processes and guidelines associated with taxable benefits:

- Taxation and Reporting for Compensation other than Salary and Wages Guidelines
- Taxation and Reporting for Compensation other than Salary and Wages (Procedure)

Responsibilities

This guideline identifies the following responsibilities as assigned to those cited below.

| Role | Department/Unit | Contact Information |
|----------------------------|--|---------------------|
| Comply with guideline | All RF staff, beneficiary of taxable benefit | n/a |
| Monitor for compliance | Operations manager or delegate | |
| Reporting taxable benefits | Office that identifies the taxable benefit | |
| Policy Executor | Finance Office | 518-434-7050 |

Related Resources

Below are related resources to carry out the guideline or that provides other relevant information or instructions.

| Resources |
|---|
| Miscellaneous Expense Policy |
| Moving Expense Reimbursement Policy |
| Taxation and Reporting for Moving Expenses Support Procedure |
| Publication 521 (2008), Moving Expenses (IRS Publication 521) |
| Nonovernight Meal Payments |
| Nonovernight Meal Payments Policy |
| IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits |
| IRS Taxable Benefit Guide |
| Taxation and Reporting Compensation other than Salary and Wages |
| Taxation and Reporting Compensation other than Salary and Wages Guidelines |
| Educational Assistance Plan for Graduate Student Employees |
| IRS Form 1040, Schedule J Instructions |

Change History

| Date | Change History |
|-------------------|--|
| October 18, 2013 | Edit section on "Taxable Benefits" and refer reader to new procedure and guidelines with more comprehensive information on taxable benefits to RF employees or independent contractors |
| December 8, 2010 | Added section on responsibilities for reporting 'Taxable Benefits' in accordance with IRS guidelines. |
| December 31, 2009 | New Document |

Effective Date: 31-December-2009

Responsible Party: Finance Office

Contact Information: 518-434-7050