



UNIVERSITY of
LOUISIANA
L A F A Y E T T E

EMPLOYEE UNIFORM POLICY

Policy # AF.006.1

Responsible Executive: Vice President for
Administration

Responsible Office: Administrative
Services & Taxability

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I. Policy Statement

This Policy requires that the value of any clothing and/or Uniforms provided by the University of Louisiana at Lafayette (“University”) to Employees will be treated as taxable income to the Employee, unless certain exclusions apply. It is the intent of the University to be in compliance with current Internal Revenue Code as related to the proper reporting of clothing and/or Uniforms provided to Employees. Any taxable benefit the University provides to Employees must be reported in the Employee recipient’s W-2 income unless the law specifically excludes it.

II. Purpose of Policy

The value of benefits provided from the University to an employee must be included in the taxable income of the Employee unless there is an applicable Internal Revenue Code exclusion. The purpose of this Policy is to provide information to help identify when income exclusions may apply to clothing and/or Uniforms the University provides to its Employees versus when University provided clothing and/Uniforms or clothing/Uniforms allowances must be reported as taxable income.

A. Role of University Departments

Correct determination of the taxability of clothing and/or Uniforms provided to Employees is essential for the University to adhere to the Internal Revenue Code. To enhance coordination and to ensure consistent and proper treatment of clothing and/or Uniforms provided to Employees by the University, this Policy shall apply to all University departments.

Each procurement of clothing and/or Uniforms for an Employee will be separately evaluated by the Employee’s department. The department making the purchase of clothing and/or Uniforms for its Employee(s) shall make the determination of taxability of clothing and/or Uniforms because the departments are the only ones who know the particulars of a given purchase. The correct determination

as to taxability of clothing and/or Uniforms is sometimes complex and will require the exercise of informed judgment by the department, particularly in the cases where the qualifying factors are not immediately clear.

B. Determining Taxability

The value of clothing and/or Uniform provided by the University to an Employee must be included as taxable income of the Employee unless there is an applicable income exclusion. Per the Internal Revenue Service (“IRS”), possible income exclusions (i.e., excluded from wages) which may apply when the University provides clothing and/or Uniforms includes:

1. The clothing and/or Uniforms are specifically required as a condition of employment (in order to meet this requirement, the University must specifically require the Employee to wear the clothing or Uniform as a working condition and such requirement should be stated in said Employee’s job description);
2. The clothing and/or Uniforms are not worn or adaptable to general usage as ordinary clothing and the clothing or Uniform must not be suitable for everyday wear (in order to meet this requirement, the clothing or Uniform must not be suitable for taking the place of regular clothing); or
3. *De minimus* benefit (in order to meet this requirement, the benefit must be so small that accounting for it would be unreasonable or administratively impracticable considering its value and frequency).

The University defines *de minimus* as the aggregate value of the clothing and/or Uniforms provided to and Employee, plus the value of certain non-cash awards provided to the Employee, is less than Fifteen Dollars (\$15.00) per calendar year. This means that if the value of all articles of clothing/Uniform purchased for or distributed to a given Employee in a year can reasonably be determined to be valued at Fifteen Dollars (\$15.00) or less, the clothing/Uniform will be non-taxable under the *de minimus* rule. If an item of clothing or a Uniform is treated as taxable and the University pays to launder or provides laundering for that clothing or Uniform, the value of laundering also must be treated as taxable income to the Employee.

C. Additional Information

Additional information regarding this Policy can be directed to _Purchasing@louisiana.edu.

III. Applicability

This Policy is applicable to all University departments, offices, Employees, and student Employees who are provided with uniforms or clothing by the University.

IV. Definitions

1. **Employee:** is any employee receiving compensation from the University, including faculty, staff, administrators, and student employees, including hourly, salary, part-time, and full-time employees.
2. **Uniform:** clothing required to be worn by certain Employees of the University for the purpose of safety and/or identification.

V. Policy Procedure

A. Payment of Clothing and/or Uniform

Payment of Clothing and/or Uniforms will follow rules and regulations associated with the method of procurement.

The Office of Purchasing and Accounts Payable will report any payment for clothing and/or Uniforms to the Payroll Office which will include the amount paid, the Employee's name and ULID depending on if payment is made via a Purchase Order, Direct Pay Request, or Chrome River LaCarte transaction.

B. Request for Determination of Taxability

A request for determination of taxability is required to be completed by a University department **prior** to purchasing any clothing and/or Uniforms to be provided to Employees. The Determination of Taxability Form to request a determination of taxability and instructions is found at the Purchasing Office website at www.purchasing.louisiana.edu. The Determination of Taxability Form must be completed by the department, submitted to the Director of Administrative Services for approval, attached to the Banner requisition or Chrome River Expense Report, and maintained in the department for audit review for three (3) years from the date the Employee filed their original return or two (2) years from the date the Employee paid the tax, whichever is later (if applicable). The final determination regarding taxability will be made by the Director of Administrative Services and Taxability or the Assistant Vice President for Administration.

C. Adherence to Purchasing Rules and LaCarte Policies and Procedures

Clothing and/or Uniforms purchased by the University for an Employee must follow University Purchasing policies and procedures and Purchasing Card (LaCarte) Policies and Procedures found at <https://purchasing.louisiana.edu/department-information/lacarte> (if applicable). The department must maintain a copy of the Determination of Taxability Form and provide said Form if any purchases of clothing and/or Uniforms are paid by the University using LaCarte or by a Purchase Order.

D. Clothing and/or Uniforms Determined to be Taxable

For clothing and/or Uniforms determined to be taxable as a fringe benefit to the Employee, all invoices for said clothing and/or Uniforms must be processed through University Accounts Payable or Chrome River so the University can capture the information needed to comply with IRS guidelines. The department is responsible for identifying each article of clothing and/or Uniform distributed by Employee name and Employee ULID number. This information will be reported to University Payroll as instructed.

E. Clothing and/or Uniforms Determined to be Non-Taxable

If the department determines clothing and/or Uniforms to be non-taxable and the purchases are later ruled by the IRS to be taxable, the Employee is responsible for any individual taxes and penalties. The applicable department is responsible for any related taxes and penalties assessed against the University.

VI. Enforcement

The University's Office of Administrative Services and Taxability is responsible for enforcement of this Policy.

VII. Policy Management

Upon adoption, the Vice President of Administration and Finance shall be the Responsible Executive for this Policy. The Assistant Vice President for Administration – Purchasing and Travel shall be the Responsible Officer for this Policy. The Office of Administrative Services and Taxability is the Responsible Office for this Policy.

VIII. Exclusions

N/A

IX. Effective Date

This Policy is effective July 1, 2022.

X. Adoption

This Policy is hereby adopted on this 4/26/2022.

DocuSigned by:
Joseph Savoie
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Dr. E. Joseph Savoie
President

XI. Appendices, References and Related Materials

- ✦ Publication 15-B (2022), Employer's Tax Guide to Fringe Benefits (<https://www.irs.gov/publications/p15b>)
- ✦ Determination of Taxability Form

XII. Revision History

- ✦ Original adoption date: 4/26/2022.