



RESOLUTION 2006-068

A RESOLUTION ESTABLISHING POLICY REGARDING TAXABLE FRINGE BENEFITS

WHEREAS, the City of Sherwood must comply with employment regulations established by the Internal Revenue Code; and

WHEREAS, the City of Sherwood may from time to time make reimbursements to employees that may be considered taxable income to the employee; and

NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:

Section 1. The City of Sherwood establishes the following policy:

"It is the policy of the City of Sherwood to comply with all Internal Revenue Code regulations regarding taxable fringe benefits, including reimbursements for travel, meals, and training. While the IRC shall be the final authority, the City shall comply with the following guidelines:

- Meals while on overnight travel: The City shall reimburse for meals and expenses while on overnight travel in accordance with the Employee Manual and any bargaining unit or other contract language (if applicable).
- Meals while not on overnight travel: The City may reimburse for meals when the employee is not on overnight travel, in accordance with the Employee Manual and any bargaining unit or other contract language (if applicable), but such reimbursement will be included in taxable income for the employee receiving reimbursement.
- Cell phone allowances, if paid, shall be included in taxable income.
- Employee Recognition Gifts: Any recognition gifts given to employees by the City shall be authorized by the City Manager or Assistant City Manager, not greater than \$50 in value, infrequent in occurrence, and shall not be cash or cash equivalents".

Section 2: This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 5th day of December 2006.



Keith Mays, Mayor

ATTEST:



Sylvia Murphy, City Recorder