

**Exhibit B**

**Taxable Payments or Reimbursements to Employees**

**Instructions for processing Exhibit B**

- Each university will complete Exhibit B, ‘Taxable Payments or Reimbursements to Employees’, when an employee is to receive a taxable fringe benefit (refer to page 3 for a list of taxable fringe benefits) is reported on the employee’s Form W-2, (except for excludible fringe benefits identified in Section 2.2 of [SAM 03.D.06](#)).
- Exhibit B indicates the payment methods through Accounts Payable or Payroll, for each type of fringe benefit.
- Responsibilities:
  - **Employee:** Must submit actual receipts of all payments or reimbursement to the department. Employee has an option to request their taxable fringe benefits be applied/reported as one-time or four consecutive monthly installments if the benefit amount equals or exceeds 25% of their salary for a month. If an employee is terminated or their term expired, the full or remaining amount of the taxable fringe benefit will be applied to the remaining payroll check(s). Ensure to review and sign Exhibit B. Additional information available at [Taxable Fringe Benefits](#).
  - **Requesting Department:** Departmental personnel are responsible for understanding general rules about providing these types of benefits and reporting them to Payroll Services timely in order to maintain compliance with tax law. Must submit completed Exhibit B with appropriate signatures via DocuSign, and supporting documentation to the Tax Department email [tax@uh.edu](mailto:tax@uh.edu) no later than October 31<sup>st</sup> of the calendar year, so the taxable earnings can be included on the employee’s W-2 for the current tax year. If the taxable fringe benefit is paid via voucher or Concur (Travel) Expense Report, the Exhibit B with appropriate signatures must be uploaded to the voucher or Concur (Travel) Expense Report, and routed through tax workflow. Electronic Personnel Action Request (ePAR) form is not required for payments through Payroll, as the Exhibit B provides the necessary information.
  - **Tax Department:** Review Exhibit B with the supporting documentation (including copy of applicable AP voucher), verify that the payments are taxable, sign the Exhibit B and notifies Payroll department for payroll processing.
  - **Payroll Department:** On receipt of notification from Tax Department, Payroll staff will record the fringe benefit as an additional taxable income on employee’s payroll record and withhold applicable taxes.

Please note:

- The total fringe benefit payment will be applied in accordance with the [IRS reporting requirements](#). For additional information refer to [Taxable Fringe Benefits](#).
- Exhibit B Page 2 : ‘Document ID’ refers to voucher number, expense report reference/description, a unique identifier, name, gift card listing, etc., to identify the nature of taxable benefit.
- Exhibit B Page 3: Must be completed by the requesting department.

UNIVERSITY of **HOUSTON** SYSTEM  
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UH \_\_\_\_\_ UHCL \_\_\_\_\_ UHD \_\_\_\_\_ UHV \_\_\_\_\_

*Departmental personnel are responsible for understanding general rules about providing these types of benefits and reporting them to Payroll Services timely in order to maintain compliance with tax law.*

**Employee Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**EMPL ID:** \_\_\_\_\_ **Department Name:** \_\_\_\_\_

**Document ID:** \_\_\_\_\_ **Total Taxable Amount:** \_\_\_\_\_

**Employee Acknowledgement:**

I, acknowledge that the amount indicated in Exhibit B is accurate and will be treated as taxable income and will be reported on my W-2 tax form for the current year. I choose to have the taxable fringe benefits total amount applied as: \_\_\_\_\_ One-time payment or \_\_\_\_\_ Four consecutive monthly installments, if the benefit amount equals or exceeds 25% of my salary for a month. I further acknowledge, should I be terminated or the contract term expire, the full or remaining amount of the taxable fringe benefit earnings will be applied to the remaining payroll check(s).

**Employee Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Supervisor:** \_\_\_\_\_  
Name Signature Date

**Department Contact:** \_\_\_\_\_  
Name Title Phone

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**List of Taxable Fringe Benefits**

Description of Payment/Reimbursement	Method of Payment	Expenditure Account Code		Payroll Earnings Code		Amount
Auto Allowance, paid to employee	Payroll	53526		441		
Auto Allowance, paid to third party or provided by the component university	AP	53526		445		
Awards/Prizes/Gifts, Cash of any amount	Payroll	54904	54951	125	124	
Awards/Prizes/Gifts, Cash or cash equivalent of any amount, and Non-cash >\$50	AP	54904	54951	504	514	
Club membership, Personal use	AP	54802	54822	446	486	
Communication Allowance	Payroll	52817		442		
Discount >20 percent, Employee	AP	54816		452		
Housing Allowance, paid to Employee	Payroll	54815		440		
Housing Allowance, paid to third party or provided by the component university	AP	54815		448		
Human subject testing, Paid to employee	Payroll	54810		455		
Human subject testing, paid to third party who pays employee	AP	54810		930		
Insurance premium, Key employee	AP	54804		447		
Moving, paid to moving company	AP	54806		503		
Moving, House hunting	AP	56122		502		
Moving, Taxable (all expenses)	AP	56121		503		
Non-overnight meals in TX (UHCL and UHD only)	AP	56406		505		
Non-overnight meals outside TX (UHCL and UHD only)	AP	56410		506		
Other taxable wage benefits	AP / Payroll	54814		443		
Spousal travel, Non-business	AP	56138	56426	454	484	
Travel advance, Delinquent (original payment through AP)	N/A	56127	56423	449	489	
Tuition reimbursement by component university, Not job-related	Payroll	54900		453		
<b>Total Amount</b>						<b>\$</b>

Reviewed and Verified by: \_\_\_\_\_  
 Tax Department Staff Name Signature Date

Note: Text above in **RED** pertains to UHCL, UHD and UHV universities.