



# ANNUAL MEETING

Columbus, Ohio  
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**EXPLORE. EMPOWER. ENRICH.**

## ATHLETICS AND THE IRS

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# SCOPE OF AUDIT

- Exam trigger
- Length of Exam
- Focus of Exam
- Who was involved
- Initial audit notice
- Information Document Request (IDR)





# MANAGEMENT OF AUDIT

- Who participated in discussions with IRS
- Did IRS request interviews with employees
- What format was information provided





## AREAS OF FOCUS

- Worker classification – 1099's and W-2's
  
- Contracts
  - President, Provost, Deans
  - Athletic Coaches
  - Top 5 highest paid employees
  
- Lawsuit settlements





# AREAS OF FOCUS

- Fringe benefits
  - Vehicles
  - Clothing
  - Club dues
  - Travel
  - Housing
  - Retirement Plans
  - Life Insurance
  - Athletic Event Tickets
  
- Prizes and awards
  
- Non-resident aliens





## CHALLENGES/OPPORTUNITIES

- Coordination of efforts across campus units
- Internal review of information before submission to IRS
- Getting information to the IRS auditors
- Generating/compiling the information requested





## LESSONS LEARNED

- Awareness of what is on your website
- Mock Audit
- Attend conferences to keep up to date on issues
- Communication with various departments on audit areas
- Communication to Board and/or Audit Committee





# ATHLETIC DEPARTMENT CONVERSATIONS

- Coaches spouse and family travel expenses
- Tickets
- Suite's documentation
- Club dues
- Apparel
- Vehicles
- Housing







## ADDITIONAL RESOURCES

- TEGE Fiscal Year 2017 Work Plan
  - [https://www.irs.gov/pub/irs-tege/tege\\_fy2017\\_work\\_plan.pdf](https://www.irs.gov/pub/irs-tege/tege_fy2017_work_plan.pdf)
  
- Publication 15B Employers Tax Guide to Fringe Benefits
  - <https://www.irs.gov/pub/irs-pdf/p15b.pdf>
  
- Worker Classification
  - <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>
  
- Tax Topic 762 – Independent Contractor vs. Employee
  - <https://www.irs.gov/taxtopics/tc762.html>





## ADDITIONAL RESOURCES (CONTINUED)

- Publication 4345 – Settlements Taxability
  - <https://www.irs.gov/pub/irs-pdf/p4345.pdf>
  
- Publication 515 - Withholding of Tax on Nonresident Aliens and Foreign Entities
  - <https://www.irs.gov/pub/irs-pdf/p515.pdf>
  
- Publication 521 – Moving Expenses
  - <https://www.irs.gov/pub/irs-pdf/p521.pdf>
  
- Publication 5138 – Quick Reference Guide for Public Employers
  - <https://www.irs.gov/pub/irs-pdf/p5138.pdf>
  
- Student Exception for FICA Tax
  - <https://www.irs.gov/charities-non-profits/student-exception-to-fica-tax>





Questions ????

