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

- Publication 15B Employers Tax Guide to Fringe Benefits

- Worker Classification

- Tax Topic 762 – Independent Contractor vs. Employee
ADDITIONAL RESOURCES (CONTINUED)

- **Publication 4345 – Settlements Taxability**

- **Publication 515 - Withholding of Tax on Nonresident Aliens and Foreign Entities**

- **Publication 521 – Moving Expenses**

- **Publication 5138 – Quick Reference Guide for Public Employers**

- **Student Exception for FICA Tax**
Questions