

## Allowable Reimbursements -Professional Development and Education-

**Tax Treatment:** Directly Related to Current Job is Non-Taxable

**Applies to:** Groups 1, 2 and 3<sup>1</sup>

### Non-Taxable

To be excluded from taxable wages, the working condition fringe benefits for professional and educational assistance reimbursements for governmental employees must be:

- Job-related and either necessary to maintain or improve current job skills or is required training or education by the employer. It must be directly related to the employees' current job classification.
- To be non-taxable, the educational course cannot be used to meet the minimum educational requirements of the current job or would otherwise qualify the employee for a new job outside of the job class.
- To be non-taxable, the expense must be incurred by the employee.

### Examples of **Non-Taxable** Expenses

- Educational courses, seminars, or professional conferences that are directly job-related. A course qualifying an employee for a new position within the same or similar job class would be non-taxable. For example, an Account Clerk I enroll in an advanced accounting course to be able to be promoted to an Account Clerk II.
- All County sponsored or required training.
- Other educational expenses that qualify as non-taxable include registration, tuition, books, supplies and equipment for the job-related class, training or conference and travel, transportation, and temporary housing costs (hotel) to attend the class, training, or conference.

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### Examples of **Taxable** Expenses

- Educational courses are considered taxable if they are not directly job related, needed to meet the minimum educational requirements of the current job, or used to get a new job in a different job class. For example, a Senior Office Assistant going to school to obtain an Associate of Arts degree in Science.
- Educational courses to acquire a license or special certifications, leading to a new job class or trade. For example, an Accountant taking classes to become a Certified Public Accountant and an Account Clerk taking classes to become a Public Health Nurse or a Mechanic studying to become an Engineer.

**Note:** For County of Sonoma employees, working condition fringe benefits covered by this program are separate from training or other job-related tools, equipment or assistance provided by or paid directly by the County Department or other funding source. Depending on your union/association, items such as uniforms, tools and equipment may not be part of your fringe benefit allowance program but, rather, are provided directly through department funds, however, their taxability as a working condition fringe benefit remains the same.

Allowable Reimbursement Costs	Examples
Computer Software	<ul style="list-style-type: none"><li>• Educational and reference material</li><li>• Application software</li></ul> <p><b>Note:</b> Software must be directly related to your current job.</p>

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Allowable Reimbursement Costs	Examples
Education - Taxable	<p><i>Education required to enable you to meet the minimum educational requirements for your current job, or education which will lead you to another job with the County of Sonoma</i></p> <ul style="list-style-type: none"> <li>• Registration-related expenses and textbooks</li> <li>• Includes tuition, registration fees, ID badge, mandatory health fees, lab fees, and textbooks</li> <li>• Parking</li> <li>• Travel and lodging</li> <li>• Meals</li> <li>• Materials related to job promotions</li> <li>• Mileage reimbursement</li> </ul> <p><b>Note:</b> Costs must be associated with approved courses</p>
Education – Non-Taxable	<p><i>Education that <b><u>maintains or improves skills required in your current job</u></b> or is required expressly by the employer or applicable law.</i></p> <ul style="list-style-type: none"> <li>• County-sponsored or required training</li> <li>• Registration-related expenses and textbooks</li> <li>• Parking</li> <li>• Materials related to job promotions</li> <li>• Mileage reimbursement</li> </ul> <p><b>Note:</b> Costs must be associated with approved courses; Lunch purchased at a training event is taxable; Includes tuition, registration fees, ID badge, lab fees, activity fees and textbooks however student health fees are excluded</p>

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Allowable Reimbursement Costs	Examples
Licenses and Certifications – Non-Taxable	<ul style="list-style-type: none"> <li>• Professional Licenses and Certifications - Required and highly desired professional licenses and certifications</li> <li>• Commercial Licenses - Fee payments related to a Class A or Class B commercial driver license. (Excludes Class C driver licenses)</li> </ul> <p><b>Note:</b> Licenses and certifications must be directly related to or required by your current job as defined in the job class specification; Only as specified for certain Bargaining Units.</p>
Professional Membership Dues – Non-Taxable	<ul style="list-style-type: none"> <li>• Dues to professional or technical organizations and associations</li> </ul> <p><b>Note:</b> Organizations must be directly related to your current job or work assignment</p>
Professional Meetings, Seminars, Conferences – Non-Taxable	<ul style="list-style-type: none"> <li>• Registration</li> <li>• Textbooks</li> <li>• Parking</li> <li>• Travel and lodging</li> <li>• Meals</li> <li>• Mileage Reimbursement</li> </ul> <p><b>Note:</b> Events must be directly related to your current job or work assignment; Social events and luncheons not related to County business are not reimbursable; Lunch purchased at a one-day event is taxable</p>

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Allowable Reimbursement Costs	Examples
Reading and Media Material– Non-Taxable	<ul style="list-style-type: none"> <li>• Books</li> <li>• Professional or technical journals</li> <li>• Periodicals</li> </ul> <p><b>Note:</b> Material must be directly related to your current job or work assignment; Excludes magazine subscriptions, newspapers, periodicals, or journals of general circulation</p>

<sup>1</sup>Group definitions include the following bargaining units:

Group 1: ESC (75), SCLEA (30,40,41,70), SCPA (45), SCPDIA (55,56), SCPDAA (60), SEIU<sup>2</sup> (01,05,10,25), WCE (21)

Group 2: Local 39 (85)

Group 3: Salary Resolution (00,49,50,51,52)

<sup>2</sup> SEIU MOU allows staff development reimbursement through 6/30/2025

The following provides a list of exclusion examples. **This list is NOT all inclusive**, and the County reserves the right to exclude any expense which may not conform to the intent for the use of County funds or resources.

**Employees are encouraged to seek guidance from the Human Resources Department** at [StaffDev@sonoma-county.org](mailto:StaffDev@sonoma-county.org) for clarification of these exclusions and reimbursable expenses before incurring the expense.

### Examples of Non-Allowable Costs for Reimbursement

- Consumable computer / laptop supplies (e.g. paper, ink cartridges, etc.)
- Costs associated with the use of computer and/or cellular equipment, including data or maintenance costs, internet service, energy
- Credit card statement payments

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- Financed amounts or installment agreements for purchased goods (Only the monthly installment bill with proof of payment is eligible for reimbursement)
- Gift cards, gift certificates, in-store credits – purchases paid using these and other similar forms of payment cannot be reimbursed
- Installation costs
- Interest costs on leases, lease purchases, loans, etc. for purchased goods
- Loans and loan fees
- Maintenance costs
- Magazine subscriptions, newspapers, periodicals, or journals of general circulation, such as Time, Newsweek, Press Democrat, Wall Street Journal, etc.
- Ordinary and necessary office supplies such as writing supplies, paper, letterhead, post-it notes, tape, writing instruments, etc.
- Rental fees associated with storage
- Repair costs
- Service, maintenance agreements, and warranties