**POLICY:** CLOTHING PURCHASES FOR STAFF USE IN DEPARTMENTS  
**AUTHOR:** PURCHASING AND FACILITIES MANAGEMENT  
**ISSUE DATE:** JULY 22, 2013  
**REVISED DATE:** FEBRUARY 1, 2017

**PURPOSE:**  
The purpose of this policy is to define clothing or uniform options for university faculty and staff and what implications there are for supplying clothing for faculty and staff on taxable income.

Clothing given to a UW-Platteville employee as a prize, award or gift must follow UW System policy [330 Prizes, Awards and Gifts](#).

**BACKGROUND:**  
IRS guidelines define most University purchased and clothing supplied to employees as taxable income. This does not hold true for contracted uniform services.

**DEFINITIONS:**

**Clothing** – A shirt or outer garment with an approved logo and department name on it, typically not worn outside of the workplace; however, this is not a limitation.

**Required Clothing** – Clothing worn as a condition of employment and typically given to personnel when it is a requirement for this person to be identified with the department, but not necessarily by name.

**Provided Clothing** – Clothing typically given to personnel when it is deemed to be in the best interest of the department for this person to be identified with the department, but not necessarily by name.

**Uniform** - Typically delivered by a contractor and supplied to employees working in an environment that requires special clothing or clothing that can be easily damaged. Examples include plastics clean room coats, safety glasses, hard hats, protective footwear, and safety vests. Uniforms can contain approved logos, department names and an employee name affixed to the garment.

**POLICY:**

All clothing and uniforms for personnel must have a documented business purpose and deemed necessary to carry out department responsibilities. Purchases must be approved by an account manager or signature authority per the Chart of Accounts.
**Required clothing** – Not taxable if the following two conditions are met:
1. Must be returned at the end of employment;
2. An annual inventory is completed by the department and submitted to the Controller by the first business day in January.

**Provided clothing** - The value of provided clothing must be documented and added to the employee’s taxable income, unless the value is twenty-five dollars or less and is considered de minimis.

**Uniforms** - Not taxable when specifically required as a condition of employment and not of a type adaptable to general usage as ordinary clothing.

**RESTRICTIONS:**

According to the Uniform Guidance for Federal Awards _200.445 “Goods or services for personal use” states that Costs of Goods or services for personal use of non-Federal entity’s employees are unallowable regardless of whether the cost is reported as taxable income to the employees. With this restriction federal funds cannot be used to purchase clothing.

**PROCEDURE:**

The determination of providing clothing must be approved by an account manager or signator. In the process of making an order, the condition of employment requirement must be listed on the purchase requisition for the item to be considered non-taxable. For provided clothing exceeding $25 per item, a separate list from the purchase requisition will be generated and must include the employee’s name, employee ID number and corresponding value of the clothing being ordered for that employee. This list should be submitted to Purchasing along with the purchase requisition. Purchasing will provide the employee list to General Ledger staff and the information will be entered into the system for inclusion in the employee’s taxable income.

Foundation funds should not be used for required clothing. If the purchase is done using Foundation funds for provided clothing, a separate list from the fund transaction request (FTR) will be generated and must include the employee’s name, employee ID number and corresponding value of the clothing being ordered for that employee if the cost exceeds $25 per item. The Foundation should submit this list to General Ledger during their monthly reporting of tax reportable items. General Ledger staff will enter the information into the system for inclusion in the employee’s taxable income.