

Compliance with Federal, State, and Local Tax Regulations

Effective Date Friday, May 6, 2016

Status Final

Last Revised Wednesday, June 28, 2023

Policy Type [University](#)

Contact Office [Financial Operations & Tax](#)

Oversight Executive

Vice President and Chief Financial Officer

Applies To Academic Division, the Medical Center, and the College at Wise.

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Reason for Policy

The University is committed to complying with federal, state, and local tax regulations. This policy identifies the University units responsible for tax compliance and delineates their scope of responsibility.

Definition of Terms

University Units

Description Schools and departments within the University.

Policy Statement

The University must comply with applicable federal, state, and local tax regulations. In that regard, the Director of Financial Operations has institutional responsibility for compliance with tax regulations. Responsibility for specific operational tax processing and records retention has been delegated to certain University units as noted below:

University Unit Responsible	Tax Processing and Records Retention
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Payroll Services*	Form W-4 and VA-4: Payroll Tax Withholding for Employees Form W-2: Wage and Tax Statements for Employees Form Reporting
University Human Resources	Taxable Fringe Benefits for Employees Reporting
Procurement and Supplier Diversity Services*	Form 1099: Reporting various types of income other than wages, salaries, and tips
Student Financial Services	Form 1098-T: Education Tax Credits Student Loan Interest Reporting
Financial Operations and Tax*	Unrelated Business Income Tax-Exempt Bond Compliance, Private Use Filing for Credit Payments for Build America Bonds Commonwealth of Virginia Sales Tax Filing Form 1042-S: Foreign National Tax Withholding and Reporting
Treasury Management	Bond Compliance

* These units are under the direction of the Assistant Vice President for Financial Operations.

1. Providing Tax Advice:

The University does not provide personal tax advice to its employees, students, or donors. Tax information, such as tax publications and forms, and/or other references on websites, may be provided for general information about various tax topics. However, it is not meant to represent tax advice and it should not be assumed to be error free. If in doubt, individuals should contact the appropriate tax authority (e.g., Internal Revenue Service, Virginia Department of Taxation, Charlottesville City Treasurer, or Albemarle County Finance Department), a tax accountant, or an income tax service.

2. Compliance with Policy:

Failure to comply with the requirements of this policy may result in disciplinary action up to and including termination in accordance with relevant University policies.

Questions about this policy should be directed to [Financial Operations & Tax](#).

Related Information

For additional information, see [Tax Compliance](#).

Major Category [Finance and Business Operations](#)

Next Scheduled Review Sunday, June 28, 2026

Revision History

Updated 6/28/23; Added Compliance section 12/16/21; Updated 5/2/18.

Supersedes Policy Text

V.A.4, Tax Information to Employees and Degree Candidates.

Approved By Policy Review Committee

Approved Date Friday, May 6, 2016