



CITY OF WATAUGA – PERSONNEL, ADMINISTRATION AND FINANCIAL POLICIES AND PROCEDURES MANUAL

POLICY TITLE	Uniform and Clothing Allowance
INITIAL EFFECTIVE DATE	June 25, 2018
LAST REVISION DATE	Replaces <i>Section 20.11</i> of the Personnel, Administration and Financial Policies and Procedures Manual approved on February 24, 2014.
POLICY NUMBER	7.03

OBJECTIVE This policy sets forth measures to effectively manage uniform, clothing and footwear allowance program.

SCOPE This policy applies to all eligible employees.

POLICY

A. Eligibility

Each Department Director will identify to Human Resources the positions within their respective department for which the wearing of a uniform or specific clothing or footwear are required. Identification of such positions shall be detailed in type and structure of such apparel. Department Directors should ensure that uniforms are absolutely necessary. The Department Director, Human Resources Director and the City Manager shall at all times determine which departments and employees of departments are to be required to wear uniforms and they may decide at any time in the future to modify and or discontinue the uniform requirement for any department and or any employee.

Employees filling positions designated as requiring the wearing of a uniform must wear issued uniforms on the job on a daily basis once the employee obtains their initial supply of uniforms.

Each department requiring employees to wear uniforms must include funds for new issues and replacement of uniforms in their respective department annual budget requests.

B. Type of Uniform

1. Clothing and Shoes Adaptable for General Wear or Non-Excludable Uniforms

The Internal Revenue Service (IRS) mandates that uniforms which can be considered “street clothing” are taxable as a benefit to employees and are here considered “adaptable for general wear.”

- a. Uniforms With and Without City Logo – Those products for uniforms that require the City logo will be purchased by the City, issued to employees, and will be taxable as a benefit to the employee.

Allocations to employees will be based on the policy below.

Special Order Products – Those products for uniforms which are special order items or where economies of scale in purchasing in bulk offers the employee a better value, the City will purchase as such, issue to employees, and will be taxable as a benefit to the employee.

- b. Care and Maintenance – Employees are personally responsible for the proper care, cleaning, alterations and repair of non-excludable uniforms. All uniforms shall maintain a professional appearance. Uniform shall remain free of rips, tears, holes, frayed edges, and missing buttons. It shall be at the determination of the Department Director, with the approval of the City Manager, if a uniform is damaged in the line of duty if and how much an additional allowance or issuance of a uniform will be made to an employee. The Department Director shall determine standard of acceptable professional appearance.

2. Clothing or Shoes Not Adaptable for General Wear or Excludable Uniforms

Uniforms are excludable from taxes if covered by an accountable plan and are specifically required as a condition of employment and are not worn or adaptable to general usage as ordinary clothing.

Such uniforms for the City of Watauga include all uniforms under a Uniform Rental Contract and public safety dress for Police Officers to include Standard Uniforms, Administrative Uniforms, Training, Animal Control Officers, City Marshals, Fire/EMS uniforms as well as bunker gear, including but not limited to helmets, hats coats, shirts, pants, gloves, hoods, rain coats, traffic vests, and ballistic vests that are determined to be excludable.

If the uniform is excludable, the cleaning and maintenance is also excludable. All uniforms shall maintain a professional appearance. Uniform shall remain free of rips, tears, holes, frayed edges, and missing buttons. It shall be at the determination of the Department Director, with the approval of the City Manager, if a uniform is damaged in the line of duty if and how much an additional issuance of a uniform will be made to an employee. The Department Director shall determine standard of acceptable professional appearance.

Excludable items shall not have tax implications for employees. However, since Excludable Uniforms are required by the employer as a condition of employment and are to only be worn in the performance of job duties, it is strictly forbidden for employees to wear their Excludable Uniforms as general wear clothing. Failure to comply will subject the employee to disciplinary action up to and including termination of employment.

C. Clothing Allowance Allocation

1. **Payroll Allocation** Payments will be made with the City's regular payroll.
2. **Timing** Clothing allowance checks will be issued two times during the budget year during the months of January and July. The check issued in January is intended to cover the costs of purchases made between July 1 and December 31. The check

issued in July is intended to cover the costs of purchases made between January 1 and June 30.

Shoe allowance checks will be issued one time during the year. The shoe allowance check will be issued in January.

Employees assigned to clothing allowance designated positions for the entire period, either July 1 through December 31, and/ or January 1 through June 30, will receive the full clothing allowance payment for each of these six-month periods. For example, an employee having served from July 1 through December 31 will receive the full semi-annual payment in January. The employee having served from January 1 through June 30 will receive the full semi-annual payment in July.

An employee only serving a portion of the period from July 1 through December 31, or from January 1 through June 30, will receive a pro-rata share for the time served in the clothing allowance designated position.

Upon entering a clothing or shoe allowance designated position, the employee will be able to receive an allocation of such approved allowance after 30 days of employment and shall not exceed two (2) allocations of allowances within a given fiscal year. Employee will have 5 business days to be in proper full uniform once allocation has been received.

If an employee in a clothing allowance designated position leaves employment with the City prior to the designated date and receipt of the clothing allowance payment, that employee will forfeit any clothing allowance payment. There will be no pro-rata distribution of the clothing allowance for terminated employees. In the event of death of an employee in a uniformed position, a pro-rata uniform allowance allocation shall be paid.

3. **Taxable Benefit** In order to comply with the Internal Revenue Service (IRS) provisions, all payments made of the clothing and shoe allowance will be taxable. Clothing and shoe allowance payments are also subject to the deductions for retirement and are subject to normal federal and social security deductions.