

STATE OF CALIFORNIA

KATHLEEN CONNELL
Controller of California

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P.O. Box 942850
Sacramento, CA 94250-5878

DATE: July 10, 2001

PAYROLL LETTER #01-009
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

FROM: **State Controller's Office**
RALPH ZENTNER, Acting Chief
Personnel/Payroll Services Division

RE: **2001 FB/EBE COMPLIANCE PROJECT**

This Payroll Letter announces the 2001 statewide Civil Service Fringe Benefit/Employee Business Expense (FB/EBE) annual compliance certification process.

Certification promotes voluntary departmental compliance with Federal and State tax requirements. Compliance entails three objectives: 1) timely reporting - reporting taxable benefits to the State Controller's Office by the tenth of the month following an employee's constructive receipt of the benefit; 2) accurate reporting - ensuring reported taxable benefit information (amounts, employee data, etc.) is accurate; and 3) comprehensive reporting - determining that all taxable benefits provided employees are reported.

By August 10, 2001 your department will receive a detailed accounting of FB/EBEs reported from July 2000 through June 2001. You will also receive an FB/EBE Compliance Certification Form which must be completed and returned by September 28, 2001. Staff will be available to provide technical assistance in completing certifications.

Your cooperation is vital to the State achieving full compliance and eliminating preventable departmental fines, penalties and assessments. Should you have questions regarding the 2001 FB/EBE Compliance Project, please contact Chris Knutson, Tax Support Section at (916) 322-8112 or e-mail cknutson@sco.ca.gov.

RZ:CK/TSS