

### **130.10 Benefits from Third Parties**

For a fringe benefit to be taxable, it need not be furnished directly to the employee by the institution, as long as the benefit is provided in connection with the performance of services for the institution. Thus any benefit received by an employee, or a member of their family, from a third party *in connection with the performance of services* for the university shall be treated as taxable income if the benefit is part of the employment contract, is contemplated during the employment process, or is provided by the third party through an arrangement with the institution.

*Example:*

An automobile provided to a university employee by an automobile dealer may be considered to have been provided in connection with the performance of services for the university. If the benefit was contemplated during the employment process or was provided by the third party through an arrangement with the institution, then the value of the personal use of the automobile is includable in the employee's gross income.