

ST NORBERT COLLEGE

POLICY: GIFT CARDS / GIFT CERTIFICATES

Effective Date: May 01, 2021

Exhibit/Form: Exhibit A - Authorization for the Purchase of Gift Cards/Gift Certificates

I. PURPOSE

The purpose of this Policy is to set forth the guidelines and procedures for the purchase and distribution of Gift Cards and Gift Certificates ("Gifts Cards") purchased with College funds to ensure compliance with the College's tax withholding and reporting obligations. Per IRS guidelines, gift cards that are redeemable for general merchandise or have a cash equivalent value are not de minimis benefits and are taxable either via W-2's for employees or via 1099 for non-employees who are paid more than \$600 in any calendar year by the college. Gift cards are cash and it is necessary to have strong internal controls around them.

II. POLICIES

- **Gift Cards of any amount, purchased with College funds, for the purpose of giving an employee (staff, faculty or student) a "gift", "reward", or "thank you" are taxable to the employee on their W-2. They may not be given to employees in lieu of a de minimis benefit such as a meal.**
- It is required to pay employees (staff, faculty or students) via payroll when paying for actual work performed (including, but not limited to, interns, grant stipends, note takers or speakers)
- Gift Cards must be treated as cash and kept under lock and key. Any cards not distributed in accordance with the approved use via Exhibit A will be returned to the Finance Department for safe keeping.
- Multiple cards cannot be issued to one individual for the same event.
- Completely anonymous recipients (typically research subjects only) must be approved, in advance, by Accounting Services.

III. PROCEDURES

- An executed "Authorization for the Purchase of Gift Cards/Gift Certificates" (attached as Exhibit A) is required for each Gift Card transaction.
 - The requester must complete Section I of Exhibit A **PRIOR** to purchasing any Gift Cards.
 - Permission/Approval must be obtained from the purchaser's supervisor. For total Gift Card purchases over \$500, approval of the Director of Accounting Services or the Assistant Vice President for Financial Services is also required.
 - The department must complete Section II of Exhibit A within 1 week of the distribution of the cards and submit it to Accounting Services. This document will be retained for tax reporting purposes.
 - The department must submit a copy of an approved Authorization Form with the Expense Report or Supplier Invoice Request in Workday.
 - If using an expense card for the Gift Card purchase, a completed copy of the Authorization Form must accompany the Expense Report. If gift cards are purchased with an expense card without prior pre-approval, expense cards will be blocked for future transactions.
 - If requesting reimbursement for the Gift Card purchase, a completed copy of the Authorization Form must accompany the Expense Report. Gift cards appearing on Expense Reports submitted for personal reimbursement without prior pre-approval will be denied.
 - If the Gift Cards appear on an invoice, a completed copy of the Authorization Form must accompany the Supplier Invoice Request.

IV. PROVISIONS

- For employees, the value of Gift Cards is considered compensation subject to federal, state and employment tax withholding, and reported on Form W-2.
- If it is determined that in any calendar year a non-employee has received an amount of \$600 or more, Accounting Services will notify the issuing department which will be responsible for obtaining an IRS Form W-9, Request for Taxpayer Identification Number and Certification, from the non-employee recipient.
- If Gift Cards have been distributed to nonresident aliens, the issuing department must report the distribution to Accounting Services at the time of the distribution. The department will be responsible for paying all applicable taxes. In addition, the department must work with the nonresident alien recipient of the Gift Card to obtain a completed IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting.

V. VIOLATION OF THIS POLICY

Violation of this policy and procedure or failure to timely cooperate in complying with its provisions by any individuals who purchase or distribute gift cards on behalf of the College may result in disciplinary action up to and including termination of employment. The College may deduct, from wages, the money amount equal to the total of any discrepancies. If a purchasing card holder is found to have violated this Policy, the employee may lose their expense card privileges.

ST NORBERT COLLEGE AUTHORIZATION FOR GIFT CARDS/GIFT CERTIFICATES

I. PRIOR TO PURCHASE:

This form must be completed **PRIOR** to the purchase of Gift Cards/Gift Certificates ("Gift Cards") by St. Norbert College employees. Please complete all required information and sign.

1. Purchaser's Name: _____
2. Purchaser's Department: _____
3. Vendor Name (Entity from which Cards are to be purchased): _____
4. Date: _____ Number of Cards: _____ Amount of Each Card: _____
5. Description of Purpose/Intended Use of Cards (e.g., drawing): _____

6. Explain if Request for Anonymous Recipients (typically only research): _____

7. Method of Purchase/Acquisition: Expense Card Personal Funds Supplier Invoice
8. Gift, Program, Grant, or Cost Center Charged: _____

Requester/Purchaser Signature	Date	Accounting Services Signature	Date
*Required if over \$500 or Anonymous Recipient			
Supervisor Signature	Date		

II. AT ISSUANCE OF GIFT CARDS/GIFT CERTIFICATE:

If you are a St Norbert College employee (student or staff), the value of your Gift Cards may be added to your W-2 earnings as compensation and will be taxed accordingly. A copy of this form will be provided to the payroll department.

If you are a Nonresident Alien, the Internal Revenue Service requires that 30% of the value of the Gift Cards be withheld. However, due to the impracticality of withholding on a Gift Card, the department distributing the Gift Card is responsible for the applicable tax.

NAME (Please Print)	AMOUNT	SIGNATURE	Date	SNC Employee	Non-resident Alien
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

*Please add additional pages if necessary