

August 7, 2008

A&S staff and unit heads:

Even though we may think of gift cards as a means to reward, recognize, or provide incentives to students, staff and faculty there are policies we need to be mindful about and handle correctly.

To summarize the below:

1. NEVER buy gift cards with your P-Card
2. Highly recommend no gift cards be given to faculty or staff
3. No gifts to students with a value in excess of \$10 (ten dollars) applicable to gift cards or merchandise
4. The source of funding does not exempt the action from the policies.
5. Unit heads do not ask you staff member to violate any UC policies including stating that you will take responsibility for the action.

1. Purchasing a gift card is prohibited using a departmental p-card:

Section XXXI- (p 33) Unauthorized Card Use - Gift Cards except for non-employee, non-student research compensation is prohibited.

http://www.uc.edu/af/purch_dept/p_card.html

2. Gift Cards and merchandise given to staff and faculty: Is it taxable income? How is this taxable income reported?

Specifics are Financial Policy 3.3.1 -- Employee Reward, Recognition and Acknowledgement
<http://www.uc.edu/af/policies/>

To obtain the payroll reporting form from the financial policy website go to the "Forms" section: Reporting Rewards/Bonuses to Payroll.

3. Gifts Cards and merchandise given to students:

The UC Treasurer states:

"Students either receive wages (payroll) or scholarships/grants/awards (UniverSis). There is no such thing as a "gift" to a student in our current policies. There is no "business" reason for gifts other than scholarships and all scholarships get reported on a IRS 1098 form. For faculty, staff and student employees the new policies address cash and non-cash rewards. Any amount of cash or cash equivalents (gift cards) must be reported to payroll.

The student gift can be a problem as there are SFA, NCAA rules that may be impacted so we allow no gifts to undergraduate students to keep from crossing that line. In other words a department cannot make a gift to a student for his books...that is a scholarship.

*Departments are **not** allowed to add money to a UC ID Campus Bearcat Card (the same card is used for both employees and students)."*

The Treasures office advises that if a situation warrants an item be given to a student then it must have a value of \$10 (Ten dollars) or less - \$10 gift card, \$8 flash drive, T-shirt or other low cost merchandise.

Allowable situations:

- Incentives to complete a survey where the student names are entered into a drawing of all respondents and the item must be valued at \$10 or less.
- Giving new students into a program a flash drive with an \$8 value is allowable as being both educationally related and was less than \$10.

4, Funding Source:

It does not matter if the gift card or merchandise is purchased from a departmental gift fund, an endowment funds, or UC Foundation funds, or by an individual with their own money as the funding source for the item does not exempt the action from the applicable policy.

5. Employees should not be put in the situation where a supervisor asks the employee to violate any UC policies. Unit heads do not ask your staff member to violate any UC policy by saying you will take responsibility, as there is no justifiable situation that warrants such a request.

As always, if you have any questions ask BEFORE you purchase to make sure the rules are followed. If you need assistance contact the business office. If you need clarification on giving items to students contact Bill Doering.

Please distribute within your unit as appropriate.

Regards-- Pat

Patricia S. Woods
McMicken College of Arts and Sciences
513-556-5882 (voice)
513-556-0142 (fax)