

TRINITY INTERNATIONAL UNIVERSITY

TIU POLICY: Personal Gifts and Gift Card Policy

TIU POLICY #: P-209

STATUS: Approved, February 2016

I. PURPOSE:

To specify policy guidelines regarding personal gifts, gift cards, and gift certificates given to employees and student workers.

II. SCOPE:

This policy applies to all faculty and staff of Trinity International University (University).

III. POLICY:

Per IRS regulations, anything given to an employee by an employer generally must be treated as taxable income, subject to tax reporting and tax withholding rules.

While certain *de minimis* fringe benefits can be excluded from pay, cash and cash equivalents (including gift cards and gift certificates), regardless of the value, are never excludable from income. As a result, such items are required to be reported on Form W-2, and are subject to income tax withholding. IRS regulations deal very specifically with gift cards and certificates, viewing them as a potential form of disguised compensation for services rendered.

University funds are not allowed to be used for the purchase of gift cards or gift certificates of any kind for employees or student workers, regardless of the purpose.

Gift cards and/or gift certificates can include, but are not limited to, the following:

- A. Visa gift cards, American Express gift cards or other anytime/anywhere cash;
- B. Retail gift cards or certificates redeemable for goods or services;
- C. Gift cards or certificates to restaurants, theater or tickets to sporting events;
- D. Any other means of redeemable stored value (physical or electronical).

IV. EXCEPTIONS:

University funds for the purchase of gift cards, gift certificates, or other gifts are allowable when:

1. The funds are donated to the University with an express donor intent that the funds be used for such (note: tax reporting and/or withholding may apply).
2. The purchase is not for a specific person, but for an event, e.g. as a raffle to raise money for a cause, or as a “thank you” drawing for survey a participant winner(s). In such cases, the value cannot exceed \$50.
3. A gift card or certificate may be purchased for non-employees. In such cases, the value of the gift card cannot exceed \$50. Additionally, such gift cards cannot be given in lieu of pay for services rendered by the recipient, or services received by the University.