

General requirements:

All purchases of gift cards/gift certificates (of non-negotiable amounts) must have a valid, documented business purpose as outlined in the procedures referenced below, and must comply with all University purchasing and expense procedures. The purpose of this guideline is to establish the process for low dollar payments recipients receiving gift cards for University sponsored activities and research projects.

1. **Gift cards:** Gift cards are always considered cash, per federal tax law (IRC § 61) for purposes of this procedure.
2. **Gift certificates:** A gift certificate is considered cash per federal tax law.

Applicability

The gift card recipients covered by this procedure are not employees of the University (“non-employees”), and organizations.

Procedures

Departments distributing gift cards are responsible for tracking the cards, maintaining the appropriate documentation as indicated below, and communicating with the Controller’s Office when an award or gift is reportable. The purchase of, or the reimbursement for gift cards must be handled through an approved payment processing method with a valid business purpose and supporting documentation.

1. The department should submit a completed pre-authorization request for the purchase of either gift cards or gift certificates to the Controller. This request must be approved by the appropriate department head.
2. The purchase can only be approved by utilizing Trust or Special funds. No purchases using State funds will be allowed.
3. The purchaser can purchase the cards through a WCU vendor using Catamart, thus this will eliminate direct reimbursements to employees for the purchases.
4. The gift cards should be in \$10 to \$50 denominations.
5. The department will be required to complete the gift card disbursement form to be attached in Catamart and maintain a copy in their department in the event of audit or review purposes.
6. The department will be responsible for reporting Accounts Payable any aggregate payments of \$600 or more to any participant to be reported as income to the Internal Revenue Service.
7. As a reminder, gift cards or gift certificates cannot be awarded to employees.