

SOUTHEASTERN UNIVERSITY

GENERAL ADMINISTRATIVE POLICY

Page 1 of 3

TITLE: Gift Giving to Employees Policy

POLICY NUMBER:

EFFECTIVE DATE: October 10, 2008

REVISION DATE: December 3, 2010

ACCREDITATION STANDARDS:

POLICY:

Any gift given by any department to an employee within the University must conform to IRS guidelines for gift giving.

PURPOSE:

To ensure proper recording of taxable gifts given to employees.

SCOPE:

Any gift given by a department to any employee (student, faculty, or staff).

DEFINITIONS:

IRS guidelines defines a gift as any item given (including money, gift card, or actual item).

Any amount of gift card and/or cash given to employees is taxable to the employee and must be reported to the Payroll Office to be included on their W-2 as earnings.

Gifts other than cash or gift cards (e.g., mug, t-shirt, etc.) should not exceed \$25.00 in value to be considered as tax-exempt. However, if a gift exceeds \$25.00, the full value must be included on an employee's W-2 as income and must be reported to the Payroll Office.

An exclusion to the tax law applies to the value of any tangible personal property (non-cash gift) you give to an employee as an award for length of service (e.g. annual awards ceremony). The exclusion does not apply to awards of cash, cash equivalents, gift certificates, or other intangible property such as vacations, meals, lodging, tickets to theater or sporting events, stocks, bonds, and other securities. The award must meet the requirements for employee achievement awards.

"Employee" is defined as:

1. A current employee.
2. A former employee you maintain coverage for in consideration of or based on an agreement relating to prior service as an employee.

SOUTHEASTERN UNIVERSITY

GENERAL ADMINISTRATIVE POLICY

Page 2 of 3

3. A leased employee or a person employed through a temp agency who has provided services to you on a substantially full-time basis for at least a year if the services are performed under your primary direction or control.

FORMS AND APPLICABLE DOCUMENTS:

Gift to Employee Report

PROCEDURES:

Any gift card or cash given to an employee (including student employees) must be reported to the Payroll Office within 7 business days of the award. Include the name of the recipient, the purpose of the gift, the department where the recipient works, and the amount of the gift card. This amount will be included on their W-2 statement as earnings.

Any tangible personal property items given as gifts must be reported to the Payroll Office along with the receipt of purchase if the item(s) exceeds \$25.00. The amount must be included on the employee's W-2 as income when it exceeds \$25.00.

Reimbursement of gift cards given as gifts to employees or student workers "give-aways"/prizes must accompany the reason for the gift card, the recipient's name, the recipient signature proving receipt of the gift card, and the amount of the gift card.

Gift cards must not be purchased for departmental expenses.

APPROVAL:

DISTRIBUTION:

SOUTHEASTERN UNIVERSITY

GENERAL ADMINISTRATIVE POLICY

Page 3 of 3

AUTHOR: