University Policy 6230

The Purchase and Offering of Gifts/Awards/Incentives

Effective Date

January 2009

Last Revision Date

December 2013

Responsible Party

Vice President and Chief Financial Officer, (208) 426-1200
Accounts Payable, (208) 426-3434
Purchasing, (208) 426-1283
Tax Compliance, (208) 426-1254

Scope and Audience

This policy applies to all University-funded purchases of gifts, awards, or program incentives.

Additional Authority

- Internal Revenue Code §132
- Idaho State Board of Examiners Policies and Procedures
- Idaho Code §18-3801
- Idaho Code Title 18, Ch. 13
- Idaho Code Title 59, Ch. 7
- Idaho Code §67-7710(2)
1. Policy Purpose

To establish University policy regarding the purchase of gifts, awards, and program incentives.

2. Policy Statement

Boise State University understands the need to recognize and encourage the dedication, support, and participation of employees and friends of the institution in carrying out the University’s mission. Awards, gifts, and program incentives may be used to support that mission, provided that they are reasonable in price and comply with funding source restrictions.

3. Definitions

3.1 De Minimis

Boise State University understands the need to recognize and encourage the dedication, support, and participation of employees and friends of the institution in carrying out the University’s mission. Awards, gifts, and program incentives may be used to support that mission, provided that they are reasonable in price and comply with funding source restrictions.

3.2 Pecuniary Benefit

Any private or personal, but primarily economic, gain or benefit to a Public Servant.

3.3 Public Servant

Any officer or employee of government, including legislators and judges, and any person participating as juror, advisor, consultant or otherwise, in performing a governmental function; does not include witnesses.

4. Responsibilities and Procedures

4.1 Gifts/Awards/Incentives for Employees

It is the policy of the University that work-related events may be acknowledged by the presentation of a non-cash award to an employee for recognition, length of service, or retirement. In addition, gifts as an expression of sympathy may be presented to employees in accordance with the limitations set forth herein.
4.2 Retirement or Separation Gifts

After five (5) years of service, a token of recognition may be presented to an employee upon their retirement from the University or for recognition of meritorious service upon leaving the University, subject to the limitations in Appendix A.

4.3 Promotions or Door Prizes

Occasionally, departments may use promotions or door prizes to entice event participation, or as an incentive to complete surveys or questionnaires. The University will reimburse or pay the cost of promotions or door prizes for official University functions where there is a documented business purpose, subject to the limitations in Appendix A.

4.4 Employee Appreciation or Recognition Awards

A token of appreciation may be awarded to an employee in recognition of the employee’s noteworthy, work-related accomplishments. Employee recognition awards are intended to be occasional and are subject to the limitations outlined in Appendix A.

4.5 Bereavement or Serious Illness Recognition

Tokens of sympathy, such as flowers, may be given in the event of a death or major illness of an employee, student, friend of the University, or a member of their family or household. As an alternative, monetary contributions to charitable organizations may be made provided the receiving organization does not serve a political or religious purpose. Such contributions must be accompanied by a transmittal letter on University stationary which states the contribution was made on behalf of the University. All donations or tokens of sympathy must comply with the limitations in Appendix A.

4.6 Program Incentives

The University will reimburse or pay the costs of program incentives distributed to encourage participation in University surveys, focus groups, or similar events subject to the limitations in Appendix A. Incentives for programs or studies requiring Institutional Review Board approval are not governed by this policy.

4.7 Gifts/Awards/Incentives for Non-Employees

a. Gifts of reasonable expense as described herein may be presented to non-University individuals and organizations when the gifts are made on behalf of the University, and when it can be demonstrated the gift benefits the University by promotion of goodwill to the University community or to fulfill the University’s role as a good community citizen.
b. Generally, gifts are presented when tradition, commonly accepted institutional practice, or social custom dictates gift giving. The business purpose for presenting the gift must be documented in accordance with procedures set forth herein.

c. Examples of individuals and organizations that may be presented with a gift on behalf of the University include, but are not limited to:

(i.) A visiting scholar, guest speaker or dignitary to express appreciation

(ii.) An elected or appointed official to express appreciation or promote goodwill

(iii.) A donor or potential donor to acknowledge a contribution or recognize service

(iv.) A civic or cultural organization or member of the local community to promote goodwill

(v.) A client, to promote good customer relations

(vi.) A foreign dignitary or university official to promote goodwill

(vii.) Any of the above to express sympathy in the event of death or major illness of a family member

d. Gifts and awards purchased for non-employees are subject to the limitations on Appendix A and must be consistent with Idaho Code (and guidance related to the Code) limiting the receipt by a Public Servant of a Pecuniary Benefit which is not incidental to personal, professional, or business contacts and which involves no substantial risk of undermining official impartiality.

4.8 Dean or Vice President Approval

The approval of the Dean or the Vice President and Chief Financial Officer is required for gift purchases. The Vice President for Student Affairs and Enrollment Management must approve purchases for students for the purpose of bereavement and/or serious illness.

4.9 Non-United States Citizen

If, due to the nature of the relationship with the individual, you are aware that the recipient is not a United States citizen (i.e., non-resident alien, resident alien, etc.), please contact University Financial Services before the gift is given to the recipient. Certain IRS rules may apply.
4.10 Other Limitations

a. Employees may not seek reimbursement for any gift, award, or incentive purchase paid with a gift card or gift certificate.

b. Rush handling or express shipping fees are not allowed unless approved by the Vice President and Chief Financial Officer.

c. Certain gifts, awards, and incentives have tax implications for the recipient with a corresponding reporting requirement for the university. Additional tax information is found in Appendix A.

4.11 Employee Responsibilities

Employees are responsible for storing gifts/awards/incentives in a secure location until such items are given to the intended recipient(s). Suspected theft of gifts/awards/incentives must be promptly reported to the appropriate authorities. Items lost or stolen from an unsecure location may become the personal expense of the responsible employee.

4.12 Procedures

Please refer to the Accounts Payable Website for procedure details.
<table>
<thead>
<tr>
<th>Purpose</th>
<th>Recipient</th>
<th>Definition/ Suggested Purchases</th>
<th>Applicable IRS Rules(s)</th>
<th>Timing Limits</th>
<th>Funding Source/ Dollar Limit</th>
<th>Taxable Penalties</th>
<th>When to Submit Gift Form to AP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement or Separation Gifts</td>
<td>Employee (note student? employees are considered employees for IRS purposes)</td>
<td>To be given when an individual leaves the university. Suggested purchases include gifts, plaques, gift certificates, Boise State logo items, or mementos</td>
<td>Working condition fringe (NOT DE MINIMIS rule)</td>
<td>Once, after five years of service</td>
<td>Appropriated, Local or PR funds / $50 for first 5 years plus $10 per year thereafter, maximum of $400</td>
<td>Never a taxable penalty if gift stays within the limits of matrix. Amounts in excess of dollar limits are taxable.</td>
<td>If total exceeds $75 (See note in column heading)</td>
</tr>
<tr>
<td>Promotions or Door Prizes</td>
<td>Employee (note student? employees are considered employees for IRS purposes)</td>
<td>Suggested purchases include gift baskets, Boise State logo items, tickets to Boise State events</td>
<td>De Minimis levels ($75 max) apply</td>
<td>As appropriate</td>
<td>Local funds / $75 per event</td>
<td>Taxable if over $75</td>
<td>If total exceeds $75 (See note in column heading)</td>
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<tr>
<td>Promotions or Door Prizes</td>
<td>Non-Employee</td>
<td>Suggested purchases include gift baskets, Boise State logo items, tickets to Boise State events</td>
<td>1099 reportable</td>
<td>As appropriate</td>
<td>Local funds / $75 per event</td>
<td>Taxable and self? reportable by non? employee as received. Reportable by Boise State via 1099 when total received in a calendar year exceeds $600.</td>
<td>If total exceeds $250 (See note in column heading)</td>
</tr>
<tr>
<td>Appreciation or Recognition Awards</td>
<td>Employee (note student? employees are considered employees for IRS purposes)</td>
<td>Boise State logo items, gift certificates with no cash value, plaques, tickets to Boise State events</td>
<td>De Minimis levels ($75 max) apply</td>
<td>Typically should not exceed once per year</td>
<td>Local or PR funds / $75, for tickets see notes</td>
<td>Taxable if exceeds $75</td>
<td>If total exceeds $75 (See note in column heading)</td>
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<td>Boise State logo items, plaques, tickets to Boise State events</td>
<td>1099 reportable</td>
<td>As appropriate</td>
<td>Local or PR funds / Generally $150 per individual but see notes</td>
<td>Taxable and self? reportable by non? employee as received. Reportable by Boise State via 1099 when total received in a calendar year exceeds $600.</td>
<td>If total exceeds $250 (See note in column heading)</td>
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<td>Bereavement or Serious Illness Recognition</td>
<td>Any</td>
<td>Flowers or charitable donations to certain organizations</td>
<td>N/A if stay within limits defined in matrix</td>
<td>Once per occasion</td>
<td>Local or PR funds / $75</td>
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<td>Program Incentives</td>
<td>Employee (note student? employees are considered employees for IRS purposes)</td>
<td>For projects / contests/ surveys, etc. that are not subject to preapproval by IRB. Suggested purchases include department specific gift cards or other prizes. Please note gift cards that are not department specific, such as Visa or MasterCard gift cards, are always taxable regardless of value.</td>
<td>De Minimis levels ($75 max) apply</td>
<td>Individual participants may not receive more than one incentive per project or program</td>
<td>Local funds / 1 to 10 participants = $10 max per person; 11 to 75 = $400 max total incentives; 76 to 500 = $500 max total incentives; 500 or more = $600 max total incentives.</td>
<td>Taxable if exceeds $75</td>
<td>If total exceeds $75 (See note in column heading)</td>
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<td>Marketing or promotions</td>
<td>Employee (note student? employees are considered employees for IRS purposes)</td>
<td>Suggested purchases include items purchased to promote the university</td>
<td>De Minimis levels ($75 max) apply</td>
<td>As appropriate</td>
<td>Local or PR funds / Dean or VP approval required</td>
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5. Notes

a. Tickets given to employees to attend Boise State events are treated as taxable compensation, regardless of dollar value, subject to the following exceptions:

(i.) De minimis exception – employees, spouses, and/or dependents may receive complimentary tickets to a Boise State sponsored event once a year without incurring any additional income tax liability. Departments are not required to track these tickets but must ensure no single employee receives tickets more than once a year.

(ii.) No additional cost service exception – the value of event tickets provided at no cost to employees and their dependents may be excluded from income if:

• The tickets are sold to the general public in the ordinary course of the University’s business; and

• The University incurs no substantial additional cost (including forgone revenue) in providing tickets to employees.

(iii.) Tickets given to employees who are attending events to cultivate donors will not be treated as taxable compensation.

b. Tickets given to donors or other non-employees are taxable. If the combined value of tickets or other gifts given to any individual exceeds $600 in a calendar year, the University must issue that individual a 1099-MISC for tax reporting purposes.

c. Taxable gifts, awards or incentives given to non-resident aliens are subject to 30% withholding and will be reported on a 1042-S.

d. Gifts or benefits that have a value of $50 or less are considered de minimus and, generally, those valued at more than $50 should not be made unless they are (a) incidental to personal, professional, or business contacts and (b) don’t have substantial risk of affecting the Public Servant’s impartiality.

e. Donations to Boise State Scholarship Funds in honor of individuals, either employees or non-employees, in lieu of plaques, awards or gift cards are encouraged.
*Values below are NOT intended to identify dollar limits. Please see Dollar Limit column for more detail.

6. Forms

Gift Award Incentive Form
https://vpfa.boisestate.edu/university-forms/

7. Related Information

Accounts Payable Website:
https://vpfa.boisestate.edu/accounts-payable/

Revision History

September 2009; January 2011; September 2011; December 2013