

The Purchase and Offering of Gifts/Awards/Incentives – APM 75.XX

Last updated August 2021

Preamble: This policy applies to all University of Idaho faculty, staff, students, organizations. The 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, promotional items, and program incentives may be used to support that mission, provided that they are reasonable in price and comply with funding source restrictions.

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A. Definitions.

A-1. Award: Something of value given for service or achievement.

A-2. De Minimis: Any property or service the value of which is so small (after taking into account the frequency with which similar benefits are provided) as to make accounting for it unreasonable or administratively impracticable.

A-3. Gift: A gift is any item of value given by the University to an individual who expects nothing of value in return.

A-4. Holder: The person responsible for collecting the recipient's information. This is usually (but not required to be) the person responsible for safeguarding the prize, award, or gift until the item is given out.

A-5. Pecuniary Benefit: Any private or personal, but primarily economic, gain or benefit to a Public Servant.

A-6. Prize: Something of value given to a winner of a contest, competition, or free drawing.

A-7. Program Incentive: The payment of cash or gift certificates to increase participation in a project.

A-8. Promotional Items: Items that display the name, logo or other icon identifying University of Idaho and given away to individuals as a gift with no participation. Anyone can receive it without restrictions

A-9. 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.

A-10. Qualified Plan Award: An employee achievement award that is awarded under an established written plan or program that doesn't discriminate in favor of highly compensated employees as to eligibility or benefits.

B. Policy.

B-1. Gifts/Awards/Incentives for Employees

1. It is the policy of the University that work-related events may be acknowledged by the presentation of a non-cash (tangible) item to an employee for recognition of achievement, 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.

B-2. Retirement or Separation Gifts

1. After five (5) years of service and multiples of five thereafter, 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.

B-3. Promotional Prizes

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

B-4. Employee Achievement Awards

1. An achievement award is an item of tangible personal property that meets all the following requirements: It is given to an employee for length of service or safety achievement. It is awarded as part of a meaningful presentation.
2. Length-of-service awards must not be presented to employees for less than five years of service. The employee may not receive another length-of-service award (other than one of very small value) during the same year or have received a safety achievement award or in any of the prior four years.
3. Safety Award – Qualifies as an achievement award.
4. Retirement/Separation Award – Qualifies as an achievement award.
5. Taxability – Length of service and safety awards are taxable above the following thresholds: 1.) \$400 if not under a qualified plan, 2.) \$1,600 if under a qualified plan. These awards are subject to the limitations outlined in Appendix A.

B-5. Employee Appreciation or Recognition Awards

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

B-6. Bereavement or Serious Illness Recognition

1. 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.

B-7. Program Incentives

1. 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 (IRB) approval are not governed by this policy. See IRB policy: <https://www.uidaho.edu/research/faculty/research-assurances/human-protections>

B-8. Gifts/Awards/Incentives for Non-Employees

1. 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.
2. 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.
3. Examples of individuals and organizations that may be presented with a gift on behalf of the University include, but are not limited to:
 - B.8.3.1 A visiting scholar, guest speaker or dignitary to express appreciation
 - B.8.3.2 An elected or appointed official to express appreciation or promote goodwill
 - B.8.3.3 A donor or potential donor to acknowledge a contribution or recognize service
 - B.8.3.4 A civic or cultural organization or member of the local community to promote goodwill
 - B.8.3.5 A client, to promote good customer relations
 - B.8.3.6 A foreign dignitary or university official to promote goodwill
 - B.8.3.7 Any of the above to express sympathy in the event of death or major illness of a family member
4. Gifts and awards purchased for non-employees are subject to the limitations in 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.
5. Gifts to members of the Idaho State Legislature of legislative committees or executive officials (as defined by Idaho Code Title 67, section 6602) are subject to

State Entity Lobbyist Reporting and thus must be reported to the University Controller by the end of the month.

B-9. Cash Awards and Gift Certificates

1. Generally, cash awards or gift certificates are discouraged, regardless of their source. Gift certificates allowing the recipient to choose from a variety of merchandise from a business or vendor are treated the same as cash awards by the IRS, meaning they are taxable and UI must include the awards as compensation when preparing W-2's for employees and 1099's for non-employees. All such awards are taxable to the recipient, regardless of amount. The only exception is University VandalStore gift cards, which will be treated as if an award of a tangible item and subject to those dollar-value limitations for purposes of tax reporting. If cash awards or gift certificates are contemplated, the department must coordinate with Accounts Payable and are subject to the limitations in Appendix A. Awards or gifts of this type must be:

B.9.1 Approved at the dean level or administration level above the requestor

B.9.2 Current IRS W9 form must be on file with Accounts Payable

B.9.3 Funding sources: Gifts and/or donations, as well as non-UI sponsorships. Expense for cash awards, gift certificates and gift cards are not an allowable expense on state appropriated funds

B.9.4 Due to additional IRS taxable requirements of cash and cash equivalents, these items are not an allowable expense on the University of Idaho purchasing card

B-10. Recruitment and Retainment

1. The University will reimburse or pay the cost of promotions or door prizes for official University functions where there is a documented business purpose. Student recruiting and retention involves program promotion, advising, tutoring, financial and information events. Student facing events serving this purpose may provide small door prizes such as lanyards, t-shirts, candy, etc. and are subject to the limitations in Appendix A. Gifts of this type must be:

B.10.1 Approved at the dean level or administration level above the requestor

B.10.2 When appropriate, include UI logo and purchase from UI Bookstore

B.10.3 Funding sources: Local funds, Gifts and/or donations, and State Appropriated funds

B-11. Dean or Vice President Approval

1. The approval of the appropriate Dean or Vice President is required for gift purchases.

B-12. Non-United States Citizen

1. 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 Accounts Payable before the gift is given to the recipient. Certain IRS rules may apply.

B-13. Donated Gifts by an External Source to be awarded by the UI

1. If the University receives and subsequently gifts items from external sources or vendors, all applicable tax reporting policies apply.

B-14. Other Limitations

1. Employees may not seek reimbursement for any gift, award, or incentive purchase paid with a gift card or gift certificate.
2. 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.
3. Raffles may not be held or funded for any purpose by the University.
4. Prohibited gifts – Gifts to employees for such events or activities as birthdays, weddings, showers, holidays or other similar occasions may not be purchased with any UI fund.

B-15. Employee Responsibilities

1. 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.

C. Procedures/Requirements. The following requirements apply to all individuals requesting payment for prizes, awards, gifts, promotional and incentive items.

C-1. The following items must be submitted to Accounts Payable

A completed payment request with supporting documents (detailed receipts) must be submitted with the appropriate approval. A list of recipients with information listed below, must be attached to the payment request. Select the appropriate information based on the value of the prize, award, gift, promotional or incentive item. If the recipient information is not available at the time of purchase, the holder must collect the information after the prize, award, or gift is given out, then submit the information to Accounts Payable within 10 days.

1. Prizes, awards, incentives, promotional items & gifts \$99 or less

UI has set the de minimis threshold at \$99. W-9 is not required for prizes, awards, gifts, promotional and incentive items \$99 or less in value; however, for audit purposes, the following information is required for purchases made:

C.1.1.1 The recipient's name

C.1.1.1 The recipient's status (i.e., current student, faculty, staff, general public) and Vandal number, if applicable

C.1.1.2 What was given

C.1.1.3 The purpose

C.1.1.4 The date given

C.1.1.5 The value (amount) of each prize, award or gift

2. Prizes, awards, incentives, promotional items, & gifts over \$99

University of Idaho requires tax report tracking for all prizes, awards, gifts, promotional and incentive items over \$99. In addition to the requirements in C-1.1, please provide the following:

C.1.2.1. If the recipient is an employee of the University of Idaho this will be taxed and reported on the employee's W-2 Form if the amount is over \$99, please provide employee Vandal number.

C.1.2.2 If the recipient is not an employee, a W-9 is required. A 1099 will be issued to the recipient after the end of the calendar year if more than \$600 per year is paid. The W-9 form must be completed and signed by the individual and

emailed to Accounts Payable Department at acctpay@uidaho.edu. Please provide the recipient Vandal number, if applicable.

D. Contact Information. Accounts Payable can assist employees with questions regarding this policy. <https://www.uidaho.edu/finance/controller/accounts-payable>

Attachment: Appendix A – Promotional Chart