



### **Policy Timeline**

Initial Effective Date: Immediately  
Frequency of Review: Annually  
Date(s) Revised:

### **Policy Overview**

The purpose of this policy is to set forth the guidelines and procedures for the purchase and distribution of gifts cards/certificates purchased with College funds to ensure compliance with tax withholding and reporting obligations.

**Applies to:** (examples—Faculty, Staff, Students, etc)

All members of the College community.

**Table of Contents:** (optional; suggested for policies > 8-10 pages)

Not applicable.

**Definitions:** (optional; suggested for terms that have specialized meaning in the policy)

<b>Term</b>	<b>Definition</b>
Gift Card	Any card or certificate that carries value and can be utilized as a cash equivalent.

### **Policy Details**

According to the IRS, gifts of cash and cash equivalents (i.e., gift cards and gift certificates) have a readily ascertainable value. Therefore, these items cannot constitute a de minimis fringe benefit, regardless of amount.

For employees, the value of any gift card received is considered compensation and is subject to tax withholding and reportable on Form W-2. For non-employees, the value of gift cards in an aggregate

amount of \$600.00 or more per calendar year must be reported to the IRS on Form 1099-MISC as other compensation.

## Procedures

In order to be reimbursed for the purchase of a gift card or gift certificate, a Gift Card Purchase Authorization Form (Authorization Form) must be completed prior to purchasing. This form requires the approval of the supervisor, Dean/Vice President, as well as a Business Office representative.

When requesting reimbursement for a gift card purchase, the Authorization Form must be submitted as documentation. In addition, a completed Gift Card Acceptance Agreement (Acceptance Agreement) should accompany the reimbursement request. The Acceptance Agreement outlines the information necessary for the College to maintain appropriate records for tracking purposes and provides proof that the gift card recipient understands the taxable implications of accepting the gift card.

Because both the Authorization Form and Acceptance Agreement are required for reimbursement, it is advised that the purchase of gift cards take place no earlier than 30 days prior to the date that the recipient will receive the gift card.

Any gift card that is given to a non-employee that equals or exceeds \$600 in value will require the recipient to complete a Form W-9 as well as a Gift Card Acceptance Agreement at the time of receipt. IRS W-9 forms may contain sensitive information, such as social security numbers. As such, precautions should be taken by departments when collecting these forms to protect such data. Any W-9 forms collected by departments should be retained by the Business Office.

## Responsibilities

<b>Position/Office/Department</b>	<b>Responsibility</b>
Purchaser of Gift Card	Complete Authorization Form prior to purchase of gift card. Complete Gift Card Acceptance Agreement Form when giving the gift card to recipient. Submit both forms upon request for reimbursement.
Business Office	Process reimbursements and track the authorization forms and the acceptance agreements to utilize for tax reporting purposes.

## Resources (required for any resource referred to in the policy)

See IRS Publication 15B for additional details.

## Policy Contacts

Name	Contact Information
Heather Flabiano	Heather.flabiano@stlcop.edu

**POLICY APPROVALS**

**POC:**  **Approved as to Form**  **Not Approved**  
**POC Chair Signature:**  
**Date:**

**Policy Sponsor:**  **Approved**  **Not Approved**  
**Signature:**  
**Date:**

**President:**  **Approved**  **Not Approved**  
**Signature:** *John A. Preper*  
**Date:** *4/15/16*

**Board of Trustees:**  **Approved**  **Not Approved**  **Not Applicable**  
**Chair Signature:**  
**Date:**

**St. Louis College of Pharmacy  
Gift Card Purchase Authorization Form**

This form must be completed prior to the purchase of any gift cards or gift certificates. Reimbursement requests for the purchase of gift cards without a copy of this completed form will not be processed.

This form as well as a Gift Card Acceptance Agreement must be submitted with the reimbursement request before it will be processed.

Purchaser's Name: \_\_\_\_\_

Purchaser's Department: \_\_\_\_\_

Purchaser's Signature: \_\_\_\_\_

Vendor: \_\_\_\_\_

Date: \_\_\_\_\_

Aggregate Amount of Gift Cards Purchased: \_\_\_\_\_

Number of Gift Cards Purchased: \_\_\_\_\_

Intended Use of Gift Cards: \_\_\_\_\_

Method of Purchase: \_\_\_\_\_

Month/Year Cards to be Distributed: \_\_\_\_\_

**Authorizations**

Supervisor: \_\_\_\_\_

President's Staff: \_\_\_\_\_

Business Office Representative: \_\_\_\_\_

St. Louis College of Pharmacy  
Gift Card Acceptance Agreement

Name (Print): \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Last Four Digits of Recipient's Social Security # (If not a STLCOP Student  
or Employee): \_\_\_\_\_

Are you a STLCOP Employee?:    \_\_\_ Yes           \_\_\_ No

Are you a STLCOP Student?:    \_\_\_ Yes           \_\_\_ No

Description of Gift Card: \_\_\_\_\_

Value of Gift Card: \_\_\_\_\_

***If you are a STLCOP employee (student or staff), the value of your gift card/certificate will be added to your W-2 earnings as compensation and will be taxed accordingly.***

***If you are not a STLCOP employee, if you receive \$600.00 or more in gift cards/certificates from STLCOP in this calendar year, you will be required to submit a W-9 form to STLCOP. In addition, STLCOP will issue a Form 1099-MISC to report the receipt of these gifts to the IRS as other compensation.***

I understand and agree to these terms and conditions.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date