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| Operational Area: | Business and Finance |
| Responsible Executive: | Chief Financial Officer |
| Responsible Office: | Accounting Services Office |
| Effective: | July 1, 2019 |

Gift and Gift Card Purchasing

Business and Finance

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I. Introduction

- A. **Authority:** C.R.S. § 23-54-102, *et seq.* (2019) authorizes the Trustees of Metropolitan State University of Denver (MSU Denver) to establish rules and regulations to govern and operate the University and its programs. The Trustees retain authority to approve, interpret, and administer policies pertaining to University governance. The Trustees authorize the President of MSU Denver to approve, administer, and interpret policies pertaining to University operations.
- B. **Purpose:** This document establishes policies and procedures for purchasing gifts, including cash cards, gift certificates, gift coupons and property. The implementation of these procedures ensures that appropriate controls are in place to protect the University's assets and to ensure applicable taxes are withheld when necessary.
- C. **Scope:** This policy applies to employees and departments of Metropolitan State University of Denver.

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II. Roles and Responsibilities

- A. **Responsible Executive:** Chief Financial Officer
- B. **Responsible Administrator:** Controller
- C. **Responsible Office:** Accounting Services Office
- D. **Policy Contact:** Accounting Services Office, 303-615-0039

III. Policy Statement

It is the policy of Metropolitan State University of Denver to comply with all tax regulations and to ensure University assets are safeguarded against misappropriation.

IV. Definitions

- A. **Cash Card.** Cards that the bearer can use like a debit card with any vendor who accepts debit/credit payment types.
- B. **Cash Equivalent.** Just like or equal to cash. Cash Cards, Gift Cards, Gift Certificates, and Gift Coupons are considered cash equivalent.
- C. **De Minimis.** Containing insignificant value and exempt from tax implications. The following are not considered *de minimis* regardless of their amount and are not exempt from tax regulations; Cash Cards, Gift Cards, Gift Certificates, and Gift Coupons.
- D. **Department Head.** President, Vice President, Associate Vice President, or Dean.
- E. **Gift.** Something given voluntarily without receiving anything in return, often to commemorate a significant event, birthday, birth of a child, etc.
- F. **Gift Cards, Gift Certificates, Gift Coupons.** Cards or vouchers specific to particular vendors that the bearer can use to redeem for goods/merchandise. These cards are only redeemable at the merchant listed on the card/voucher, *i.e.*, Wal-Mart, Target, etc.
- G. **Honorarium.** Something of value given freely in exchange for something of unequal value received, *i.e.*, give a \$25 gift card to a speaker at commencement.

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V. Procedures

- A. If a department wishes to purchase a gift, regardless of its form, *i.e.*, plaque vs. gift card, the department is encouraged to contact the Accounts Payable Manager for guidance and advice. All gifts must have the department head's approval in advance.
- B. Once a department has approval to purchase the gift, the department may either use the department procurement card (p-card) (if the total expense is less than \$5,000.00) or initiate an SPO/PO and submit a check request to Accounts Payable. The check request and p-card statement must contain the following information:
 1. A *bona fide* business purpose, *i.e.*, why the purchase was necessary;
 2. What the gift is for;
 3. How the recipients were chosen to receive the gift;
 4. A listing of recipient names and their 900 numbers if the recipients are affiliated with the University, otherwise the recipient's social security numbers; and
 5. The amount of each gift.
- C. If the recipient is an employee of MSU Denver and the gift is a gift card, certificate, coupon or cash card, Accounts Payable will forward the recipient's information to the Payroll office where the amount of the gift card will be added to the employee's gross pay, taxes will be withheld, and the respective amounts will be included on the employee's W-2.
- D. Non-employee gift card recipients will receive a form 1099-MISC from the University when all cash equivalent payments in one calendar year equal or exceed \$600.00.
- E. If the recipient is an MSU Denver student, Accounting Services will notify the University's Financial Aid office to determine whether there is an impact to the student's financial aid awards.

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VI. Exceptions

- A. If the gift is for an employee and it is not cash or a cash equivalent, then the gift may be considered a *de minimis* fringe benefit and specifically excluded from tax, which reduces the amount of information that must be supplied to Accounting Services. If you can answer yes to all the questions below, please contact Accounting Services for additional guidance.
1. The gift was tangible in nature and was not cash, nor a gift card, gift certificate, or the like;
 2. Market value is less than \$50.00; and
 3. Is given on an infrequent basis (*i.e.*, less than 3 times in a calendar year).
- B. In rare circumstances the identifying information about the recipient of a gift/honorarium must be kept anonymous. In those instances, the following must occur:
1. The recipient must be participating in a study that is under the purview of the Institutional Review Board (IRB). A copy of the review by the IRB must accompany the payment request.
 2. The organizer of the study must keep appropriate details in their possession for 5 years following the payment. These records are not submitted to the Accounting Services Office, but they are subject to external audit.
 3. The gift/honorarium may not exceed \$50.00 per recipient for the entire study.



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VII. Policy History

- A. **Effective:** July 1, 2019
- B. **Revised:** July 1, 2016
- C. **Review:** This policy will be reviewed every three years or as deemed necessary by University leadership.

VIII. Policy Approval

Janine Davidson, Ph.D.
President, Metropolitan State University of Denver

N/A

Chair, Board of Trustees, Metropolitan State University of Denver