

# ST NORBERT COLLEGE

## POLICY: GIFT CARDS / GIFT CERTIFICATES

**Effective Date: May 01, 2021**

**Exhibit/Form:** Exhibit A - Authorization for the Purchase of Gift Cards/Gift Certificates

### I. PURPOSE

The purpose of this Policy is to set forth the guidelines and procedures for the purchase and distribution of Gift Cards and Gift Certificates (“Gifts Cards”) purchased with College funds to ensure compliance with the College’s tax withholding and reporting obligations. Per IRS guidelines, gift cards that are redeemable for general merchandise or have a cash equivalent value are not de minimis benefits and are taxable either via W-2’s for employees or via 1099 for non-employees.. Gift cards are cash and it is necessary to have strong internal controls around them.

### II. POLICIES

- **Gift cards of any amount, purchased with College funds, for the purpose of giving an employee (staff, faculty or student) a “gift”, “reward”, or “thank you” are taxable to the employee on their W-2. They may not be given to employees in lieu of a de minimis benefit such as a meal.**
- It is required to pay employees (staff, faculty or students) via payroll when paying for actual work performed (including, but not limited to, interns, grant stipends, note takers or speakers)
- Gift cards must be treated as cash and kept under lock and key. Any cards not distributed in accordance with the approved use via Exhibit A will be returned to the Accounting Services Department for safe keeping.
- Multiple cards cannot be issued to one individual for the same event.
- Completely anonymous recipients (typically research subjects only) must be approved, in advance, by the Accounting Services Department.

### III. PROCEDURES

- An executed “Authorization for the Purchase of Gift Cards/Gift Certificates” (attached as Exhibit A) is required for each Gift Card transaction.
  - The requester must complete Section I of Exhibit A **PRIOR** to purchasing any Gift Cards.
    - Permission/Approval must be obtained from the purchaser’s supervisor. For total gift card purchases over \$500 approval of Director of Accounting Services or the AVP of Financial Services is also required.
  - The department must complete Section II of Exhibit A within 1 week of distribution of the cards and submit to the Accounting Services Department. This document will be retained for tax reporting purposes.
  
- If completing an expense report for the gift card purchase, a completed copy of the Authorization Form must accompany the expense report.
- If the gift cards appear on a supplier invoice, a completed copy of the Authorization Form must accompany the invoice.

#### **IV. PROVISIONS**

- For employees, the value of gift cards is considered compensation subject to federal, state and employment tax withholding, and reported on Form W-2.
- If it is determined that in any calendar year a non-employee has received an amount of \$600 or more, the Accounts Payable Department will notify the issuing department which will be responsible for obtaining an IRS Form W-9, Request for Taxpayer Identification Number and Certification, from the non-employee recipient.
- If gift cards have been distributed to nonresident aliens, the department issuing the gift cards must report the distribution to the Accounting Services Department at the time of the distribution, and the department will be responsible for all applicable taxes. In addition, the nonresident alien recipient of the gift card must contact the Accounting Services at [sally.gazza@snc.edu](mailto:sally.gazza@snc.edu) or 920.403.1358 since we are required to have an IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting, on file and reported on the 1042-S.

#### **V. VIOLATION OF THIS POLICY**

Violation of this policy and procedure or failure to timely cooperate in complying with its provisions by any individuals who purchase or distribute gift cards on behalf of the College may result in disciplinary action up to and including termination of employment. The College may deduct, from wages, the money amount equal to the total of any discrepancies. If an expense card holder is found to have violated this Policy, the employee may lose their expense card privileges.

## ST NORBERT COLLEGE AUTHORIZATION FOR GIFT CARDS/GIFT CERTIFICATES

**I. PRIOR TO PURCHASE:**

This form must be completed **PRIOR** to the purchase of Gift Cards/Gift Certificates (“Gift Cards”) by St. Norbert College employees. Please complete all required information and sign.

1. Purchaser’s Name: \_\_\_\_\_
2. Purchaser’s Department: \_\_\_\_\_
3. Vendor Name (Entity from which Cards are to be purchased): \_\_\_\_\_
4. Date: \_\_\_\_\_ Number of Cards: \_\_\_\_\_ Amount of Each Card: \_\_\_\_\_
5. Description of Purpose/Intended Use of Cards (e.g., drawing): \_\_\_\_\_  
\_\_\_\_\_
6. Explain if Request for Anonymous Recipients (typically only research): \_\_\_\_\_  
\_\_\_\_\_
7. Method of Purchase/Acquisition:  Purchasing Card       Expense Report       Invoice
8. Fund/Org to be Charged: \_\_\_\_\_

Requester/Purchaser Signature	Date	Accounting Services Dept Signature	Date
<i>*Required if over \$500 or Anonymous Recipient</i>			
Supervisor Signature	Date		

**II. AT ISSUANCE OF GIFT CARDS/GIFT CERTIFICATE:**

If you are a St Norbert College employee (student or staff), the value of your Gift Cards may be added to your W-2 earnings as compensation and will be taxed accordingly. A copy of this form will be provided to the payroll department.

If you are a not a St Norbert College employee or student, please provide a completed W-9.

If you are a Nonresident Alien, the Internal Revenue Service requires that 30% of the value of the Gift Cards be withheld. However, due to the impracticality of withholding on a Gift Card, the Department distributing the Gift Card is responsible for the applicable tax.

NAME (Please Print)	AMOUNT	SIGNATURE	DATE	Employee	Non-Resident Alien
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

\*Please add additional pages if necessary