

LAWRENCE UNIVERSITY

POLICY: GIFT CARDS, GIFT CERTIFICATES, AND VIKING GOLD

Effective Date: July 1, 2014

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

I. PURPOSE:

The purpose of this Policy is to set forth the guidelines and procedures for the purchase and distribution of Gift Cards, Gift Certificates, and Viking Gold ("Gifts Cards") purchased with University funds to ensure compliance with the University's tax withholding and reporting obligations.

II. POLICIES:

- **Gift cards cannot be purchased with University funds for the purpose of giving an employee or a volunteer a "gift", "reward", or "thank you".**
- Gift cards in this policy may be purchased **only** for:
 - Student prizes
 - Human research subjects participating in research studies, requiring Institutional Review Board (IRB) approval
- Gift card may not exceed \$50 for prizes and \$100 for human research subjects.
- Gift cards may NOT be distributed in lieu of cash compensation. For example, to compensate speakers, note-takers, or express appreciation to volunteers.
- The issuance of gift cards for research subjects must be approved by a member of the Institutional Review Board prior to the purchase of the cards.
- Gift cards must be treated as cash and kept under lock and key.
- Multiple cards cannot be issued to one individual for the same event.
- Completely anonymous recipients (human research subjects only) must be approved by the Financial Services Department.

III. PROCEDURES:

- An executed "Authorization for the Purchase of Gift Cards/Gift Certificates/Viking Gold" (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 Financial Services Senior Accountant or Director of Financial Services **PRIOR** to purchase, and will be kept in a log.
 - When permission is obtained, notification will be sent to the Financial Services staff member designated for review of purchasing card reports/expense reports.
 - The department must complete Section II of Exhibit A within 2 weeks of distribution of the cards and submit to Financial Services for approval.
 - The department must submit the approved Authorization Form to Accounts Payable along with the purchasing card report, expense report, or invoice for processing within 30 days of the event.
 - If using a purchasing card for the gift card purchase, a completed copy of the Authorization Form must accompany the purchasing card report. If gift cards are purchased with a purchasing card without prior pre-approval, purchasing cards will be blocked for future transactions.
 - If requesting reimbursement for the gift card purchase, a completed copy of the Authorization Form must accompany the Expense Reimbursement Form. Gift cards appearing on Expense Reimbursement Forms without prior pre-approval will be denied for reimbursement.
 - If the gift cards appear on an 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 Payroll 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 Payroll Department at payroll@lawrence.edu or 920.832.6539 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 University may result in disciplinary action up to and including termination of employment. The University may deduct, from wages, the money amount equal to the total of any discrepancies. If a purchasing card holder is found to have violated this Policy, the employee may lose their purchasing card privileges.

VI. EXCEPTION:

The Human Resources Department provides employees with the option to receive gifts cards for their Service Award. These gift cards will still be allowed since they are appropriately documented, signed for, appropriate employment tax withholding applied through the Payroll department.

LAWRENCE UNIVERSITY AUTHORIZATION FOR GIFT CARDS/GIFT CERTIFICATES/VIKING GOLD

I. PRIOR TO PURCHASE:

This form must be completed PRIOR to the purchase of Gift Cards/Gift Certificates/Viking Gold ("Gift Cards") by Lawrence University 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. Approved Use: Student Prize Human Research Subject – IRB Protocol # Required _____
7. Method of Purchase/Acquisition: Purchasing Card Expense Report Invoice
8. Fund/Org to be Charged: _____

Requester/Purchaser Signature	Date	Financial Services Signature	Date
Supervisor Signature	Date	Chair of Institutional Review Board (if research subject)	Date

II. AT ISSUANCE OF GIFT CARDS/GIFT CERTIFICATE/VIKING GOLD:

If you are a Lawrence University 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.

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	LU 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"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Financial Services Approval Signature	Date
---------------------------------------	------