

# GIFT CARD POLICY

## Exhibits/Forms:

Exhibit A - Authorization for the Purchase of Gift Cards  
Exhibit B - Gift Card Acceptance Agreement  
Exhibit C - Gift Card Disbursement Log  
Exhibit D - Human Subject Voucher

## I. PURPOSE:

The purpose of this Policy is to set forth the guidelines and procedures for the purchase and distribution of gifts purchased with University funds to ensure compliance with the University's tax withholding and reporting obligations.

According to the rules of the Internal Revenue Service (the "IRS"), because gift cards have a readily ascertainable value, they do not constitute de minimis fringe benefits, regardless of the face amount of the gift card.

- For employees, the value of gift cards is considered compensation subject to federal, state and employment tax withholding, and reporting on Form W-2.
- For non-employees, the value of gifts 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.
- Gift cards given to nonresident aliens are subject to federal tax withholding.

## II. SCOPE:

This Policy applies to any purchase and/or distribution of gift cards using University funds, as well as the distribution of gift cards that have been donated to the University.

## III. COVERED MEMBERS OF THE UNIVERSITY COMMUNITY:

This Policy applies to all University trustees, officers, employees and students of the University and/or any of its subsidiaries or affiliates.

## IV. POLICY:

An "Authorization for the Purchase of Gift Cards" must be completed PRIOR to purchasing gift cards. Check requests for the purchase of gift cards submitted without a properly completed Authorization Form will be rejected. No purchase of a gift card will be reimbursed without a properly completed Authorization Form. The signature of the appropriate Dean, Department Chair or Administrator is required for the purchase of ANY gift cards. The authorization must be for a single intended purpose, which must be clearly identified on the form. It is recommended to limit the number of gift cards purchased at one time so that the disbursement documentation is more manageable. If multiple gift cards are purchased, appropriate measures must be taken to safeguard any gift cards that are not distributed immediately. It is strongly recommended that gift cards be purchased in modest denominations, i.e., not in excess of \$100.00 per gift card. Gifts and gift cards may NOT be distributed in lieu of cash compensation. For example, gift cards may NOT be used in any of the following situations:

- to compensate speakers;
- to express appreciation to volunteers;

- to compensate note-takers assisting other students.

Gift cards that have been donated to the University are subject to all of the record-keeping procedures outlined in Section V, below.

The distribution of gift cards must not be used to avoid compliance with other applicable University Policies.

The Procurement, Accounts Payable and/or Internal Audit departments will conduct periodic audits to ensure that University departments have complied fully with the gift card reporting requirements set forth in this Policy.

## **V. PROCEDURES:**

A. An executed "Authorization for the Purchase of Gift Cards" (attached as Exhibit A) is required for each gift card transaction, which must include the following information:

- Purchaser's Name;
- Purchaser's Department;
- Purchaser's Signature;
- Vendor Name (entity from which gift cards are to be purchased);
- Date and Aggregate Amount of gift cards;
- Description of what is to be Purchased (number/face amount of gift cards to be purchased);
- Description of Intended Use of gift Cards (e.g., drawing, student recognition);
- Method of Purchase/Acquisition (e.g., Check Request, Personal Purchase, Donation);
- Month/Year cards are to be distributed;
- Fund/Org to be charged; and
- Appropriate Authorized Signature (i.e., Dean, Department Chair or Administrator) and Date.

B. An executed "Gift Card Acceptance Agreement" (attached as Exhibit B) must be completed for each gift card distributed. The Acceptance Agreement shall contain the following information:

- The recipient's name, address and email address;
- The recipient's NYIT I.D. number or the last four digits of the recipients' social security number (if not a student or employee);
- The recipient's status as either a citizen/resident alien or nonresident alien;
- Description of the gift card;
- The value of the gift card; and
- The recipient's signature and date.

C. A "Gift Card Disbursement Log" (the "Log") (attached as Exhibit C) is required to record the dispensing of all gift cards purchased by the department – even if only one gift card is purchased for one individual. The original proof of purchase, Authorization Form and Acceptance Agreement must be kept on file by the department, together with the Log. The Log must contain the following information:

- The individual disbursing the gift card must update the Log each time a gift card is disbursed. The following information must be entered for each gift card distributed: (a) the date of distribution; (b) the recipient's name; (c) the recipient's status (i.e., employee or non-employee); (d) if the recipient is an employee or student, the recipient's University I.D. number; (e) if the recipient is not a student or employee, the last four digits of the recipient's social security number; (f) whether the recipient is a nonresident alien.
- The vendor from whom the gift card was purchased, as well as the gift card number must be identified and entered in the "Vendor Name and Gift Card Number" column of the Log. The Face Amount of the gift card must be entered in the "Amount" column.
- The method of purchase.

D. The department must submit a copy of the Log, together with a copy of related Authorization Forms and Acceptance Agreements, to Accounts Payable within 30 days of the event. For the month ending December 31, the Log must be submitted by December 15th. No gift cards should be given to employees after December 15th of each year. If it is determined that in any calendar year a non-employee has received an amount of \$600.00 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 gifts or gift cards must report the distribution to the Controllers Office at the time of the distribution, and the Department will be responsible for all applicable taxes.

E. It is the responsibility of the department to ensure that sensitive data is protected. To ensure that personal financial information is not inadvertently disclosed, all Forms W-9 should be sent to the Accounts Payable Department and should not be retained by the department. Under no circumstances should full social security numbers be kept on a local desktop, laptop or other computing device.

#### **VI. SPECIAL PROCEDURE FOR GIFT CARDS PURCHASED FOR HUMAN SUBJECT PAYMENTS IN CONNECTION WITH SPONSORED RESEARCH ACTIVITY ONLY:**

To qualify for the special procedures defined by this section, payments to Human Subjects participating in research studies/protocols must be approved as such by the Institutional Review Board (IRB). An executed "Authorization for the Purchase of Gift Cards" (attached as Exhibit A) is required for each gift card/gift certificate purchase.

1. Human Subject confidential information is only collected when necessary and collection is generally not required when issuing payments of \$100.00 or less. Human Subject payments of \$100.00 and under per occurrence can be processed via cash or gift cards/ certificates. The Human Subject Voucher form (attached as Exhibit D) must accompany any distribution to human subjects of \$100.00 and above. This form is to be retained by the department.
2. If at any time during the course of the sponsored research study it is anticipated that the participant will receive \$600.00 or more in a calendar year, then the Principal Investigator (PI) is responsible for collecting a completed IRS Form W-9 from each U.S. Citizen or resident alien participating in the sponsored research study.
3. If a participant in a sponsored research study is a nonresident alien, and the Principal Investigator (PI) anticipates that the participant will receive in excess of \$100.00 in a calendar year, the PI must contact the Controllers Office. The sponsored research activity will be required to fund all applicable taxes.
4. Payments to human subjects having a value of \$100.00 or more per occurrence for participation in a sponsored research study are not permitted in the form of gift cards/gift certificates. Payments required in excess of \$100.00 for Human Subject Payments must be made by check request and processed through Accounts Payable, with the copy of the completed Human Subject Voucher Form attached.
5. For U.S. Citizens or Resident Aliens, an IRS Form W-9 is required for the recipient of the human subject payment to be attached to the check request.
6. For nonresident aliens, the PI must contact the Controllers Office.
7. The procedures set forth in this Policy do not apply to gift cards distributed in connection with the sponsored research activity for which the Institutional Review Board (IRB) has approved a waiver of informed consent and authorization and no identifiers of the human subjects are collected. The PI is responsible for documenting the number of human subjects and the amount of payments to those human subjects.
8. It is the responsibility of the PI to ensure that information collected and forwarded to Accounts Payable for purposes of remuneration of a human subject does not link the subject to the research study by title. Information should be that required to complete the tax reporting form "Human Subject Voucher" and IRS Form W-9. The forms should be treated as confidential and should be sent securely in the event the human subject payments total \$600.00 or more in any calendar year.

#### **VII. 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 dismissal. If a PCard holder is found to have violated this Policy, the employee may lose their PCard privileges.

**AUTHORIZATION FOR THE PURCHASE OF GIFT CARDS/GIFT CERTIFICATES**

This form must be completed PRIOR to the purchase of gift cards or gift certificates ("Cards") by New York Institute of Technology employees. Check requests and requests for reimbursement submitted without a copy of properly completed Authorization Form will be rejected. If using a P-Card for the Card purchase, a copy of the completed Authorization Form must accompany the reconciliation of the P-Card statement. Please insert all required information electronically, and print the completed document for the signatures required on lines 3 and 11. The completed Authorization Form(s) should be maintained by the Department with Gift Card/Certificate Disbursement Log as described in the Policy: Gifts, Gift Cards and Gift Certificates.

1. **Purchaser's Name**
2. **Purchaser's Department**
3. **Purchaser's Signature:** \_\_\_\_\_
4. **Vendor Name**
5. **Date:** **Amount:**
6. **Description of what is going to be Purchased (Number/Face Amount of Cards to be purchased):**
7. **Description of Intended Use of Cards (e.g., drawing, student recognition):**
8. **Method of Purchase/Acquisition (e.g., P-Card, Check Request, Personal Purchase, Donation):**
9. **Month/Year Cards are to be distributed:**
10. **Fund/Org to be Charged:**
11. **Appropriate Authorized Signature (i.e., Dean, Department Chair or Business Administrator) and Date:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



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**GIFT, GIFT CARD/CERTIFICATE ACCEPTANCE AGREEMENT**

NAME (Please Print) \_\_\_\_\_

ADDRESS \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

STUDENT ID \_\_\_\_\_

LAST FOUR DIGITS OF RECEIPIENTS' SOCIAL SECURITY # (IF NOT A NYIT STUDENT OR EMPLOYEE)  
\_\_\_\_\_

Are you an Employee at NYIT? YES  NO

Please Check One:  US Citizen/Resident Alien  Nonresident Alien

Description of Gift, Gift Card/Certificate \_\_\_\_\_

Value of Gift, Gift Card/Certificate \_\_\_\_\_

**Please Note:**

**If you are a NYIT employee (student or staff), the value of your gift, gift card/certificate will 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, gift card/certificate be withheld. However, due to the impracticality of withholding on a gift, gift card/certificate, the Department distributing the gift, gift card/certificate is responsible for the payment of the applicable tax. To ensure accurate reporting and payment of such taxes, Nonresident Aliens receiving a gift, gift card/certificate must contact the Controllers Office.**

I understand and agree to these terms and conditions.

\_\_\_\_\_ Signature \_\_\_\_\_ Date



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GIFT CARD/CERTIFICATE DISBURSEMENT LOG

This form must be completed to record the dispensing of all gift cards/certificates purchased by the department – even if only one card is purchased for one individual. The original proof of purchase, Authorization Form and Acceptance Agreement must be kept on file by the department, together with the Log. The department must submit a copy of the Log, together with a copy of related Authorization Forms, to Accounts Payable on an event basis. For the month ending December 31, the Log must be submitted by December 15th. NO GIFT CARDS/CERTIFICATES SHOULD BE GIVEN TO EMPLOYEES AFTER December 15th OF EACH YEAR.

Department Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Date of Distribution	Recipient's Name	Recipient's Status (i.e., Employee (E), Non-Employee (NE), Student (S), Other (O))	Employee/ Student Identification Number or Social Security Number (Last four digits)	Nonresident Alien Yes(Y) or No(N)	Vendor Name Gift Card/ Certificate Number	Face Amount of Gift Card/ Certificate	Method Used to Purchase Gift Card/Certificate (i.e., Cash, PCard, Check Request etc.)



### Human Subject Voucher

- This subject will receive \$600 or more this calendar year.
- Payment will be issued by check.
- The subject will receive more than \$100 (check, gift card or certificate) for participation in the research study.

IRB Protocol# \_\_\_\_\_

**To be completed if any of the items above have been checked.**

**Please check one for U.S. Citizens or Resident Aliens**

Subject's Last Name \_\_\_\_\_

Subject's First Name \_\_\_\_\_

Last 4 digits of SSN # \_\_\_\_\_

Check if subject is an employee of NYIT

- Current calendar year W-9 attached
  - W-9 previously submitted
  - No W-9 required - calendar year payment is less than \$600
- For Non-Resident Aliens**
- Contact the Controller's Office

Description of Activity:

Dollar amount of Remuneration \$ \_\_\_\_\_ (Human Subject Payments)

PI Name (please print) \_\_\_\_\_

PI Signature \_\_\_\_\_ Date \_\_\_\_\_

This signature certifies the human subject listed above is eligible for payment having fulfilled all requirements outlined in the approved protocol.

Check one:

- Subject received cash totaling \$ \_\_\_\_\_
- No payment received, check to be processed
- Subject received \$ \_\_\_\_\_ in the form of:  Gift Card/Certificate \_\_\_\_\_ Other (Describe)

Subject Signature \_\_\_\_\_ Date \_\_\_\_\_