

Effective July 1, 2018, University funds, including those held in agency accounts, may not be used to purchase gift cards to compensate individuals for work or services, for reimbursement of expenses, or as gifts to employees or relatives of employees, including student workers and/or graduate assistants.

This policy also applies to gift cards provided to the University by a third party.

This prohibition does not affect the use of gift cards used as prizes/awards or incentives for research participation, etc. These uses are still allowed, subject to following proper procedures regarding gift card purchases and use, which can be found on the Financial Accounting website<sup>1</sup>.

University funds may not be used to purchase gift cards for UCA employees or relatives for ANY reason. However, this does not apply to student workers and/or graduate assistants, who may still receive gift cards as allowed under the above guidelines.

All payments for work or services must be paid through Payroll or Accounts Payable, as applicable. It is important to note that an individual who has received payment for work or services through Accounts Payable may not be employed by UCA in the same calendar year, nor may an individual who has been employed by UCA receive a payment for work or services through Accounts Payable (other than for reimbursement of expenses) in the same calendar year. The IRS prohibits an entity from issuing a W2 and a Form 1099 to the same individual for the same calendar year.

Please consult with Pam Gibley in Accounts Payable if any one gift card awarded, or total gift cards awarded to one individual, for allowable uses will exceed a value of \$50. Depending on the amount, it may be necessary to set the recipient up as a vendor, to ensure compliance with IRS reporting requirements. Gift card(s) that exceed \$50 to an individual will be reviewed on a case-by-case basis.

In certain cases for gift cards given to student workers and/or graduate assistants, depending on prior payments or gift cards issued to those individuals, the value of the gift cards may need to run through Payroll to ensure proper taxation of the recipient. This should not affect whether the gift card will be allowed or not.



*Q: Can I use gift cards or tangible items to thank volunteers at an event?*

A: No. These would be considered payments for work or services, and must be paid through Payroll or Accounts Payable, as applicable.

*Q: Can employees still be reimbursed for purchasing gift cards?*

A: Yes, subject to current Purchasing guidelines, if the gift cards are purchased for allowed uses described above, an employee may be reimbursed for the purchase of gift cards by following the established guidelines for reimbursement of expenses. A requisition must be submitted and purchase order issued prior to expenditure of funds, and all required procedures regarding gift card use must be followed. Refer to UCA Purchasing for additional guidance.

*Q: Can I just use my Foundation funds to buy gift cards for an employee?*

A: No, the UCA Foundation will follow the same guidelines established by the University.

*Q: Can I still use my Foundation funds to buy gift cards for non-employees?*

A: Maybe. The UCA Foundation will follow the same guidelines established by the University, and will not allow gift cards to be paid for work or services. However, the Foundation may reimburse a department for expenses related to work or services from the department's Foundation funds. Please contact Chad Hearne at the UCA Foundation for specific questions.

*Q:*

