

GIFT CARDS - REQUEST FOR PRE-APPROVAL

All gift card purchases must be pre-approved by the Controller and the pre-approved request must accompany the supporting documentation for the purchase. Adherence to this process will protect the employee from personal financial liability.

According to the **Business-Related & Entertainment (BRE) Expense Guidelines**, gift cards may be given as prizes, incentives, or promotional items at University sponsored events. Gift cards should not be given to non-employees as thank you gifts, to students in the classroom as rewards, or to employees for work-related or non-work-related occasions.

The IRS views gift cards as cash; therefore amounts distributed are subject to tax reporting by the university as follows:

- Non-employee: on a 1099 form, if cumulative amount paid to the individual is equal to or greater than \$600 in a calendar year.
- Employee: on a W2, regardless of amount.

Because the University must show a good faith effort to track the recipients, a log must be maintained by the requestor which includes 1) a description of the circumstances, 2) the recipient's printed name, 3) the recipient's Banner ID number, 4) the vendor, 5) the dollar amount, and 6) the recipient's signature acknowledging receipt of the card. If the recipient is an employee, a copy of the log must be sent to the Payroll Office so the amount can be reflected on the employee's W2. If the recipient is a non-employee and the amount distributed is in excess of \$100, a copy of the log must be forwarded to the Controller. If the amount distributed is \$100 or less, the log can be kept in the requestor's area, and may be subject to a random audit by the Controller's Office.

To obtain pre-approval, complete this form, save it, and email it to Katrena S. Davidson, Controller at ksdavidson@ysu.edu. When a decision has been reached, the form will be returned to the requestor via email.

After purchasing gift cards, complete a **BRE Form** and attach both the pre-approval form and the BRE form to the document reimbursing or paying for the purchase, along with the original receipt and any other necessary paperwork. A copy of the log with signatures, etc. can be forwarded to the Controller at a later date, if necessary.

For security purposes, purchases should be timed as close to the distribution date as possible.

BUSINESS PURPOSE

VENDOR

NUMBER OF GIFT CARDS

AMOUNT OF EACH GIFT CARD

METHOD OF PURCHASE

PHYSICAL SAFEGUARDS

METHOD OF DISTRIBUTION

Requested by

Date

Approved

Comments

Disapproved

Controller

Katrena S. Davidson, CPA, MBA

Date