Gifts, Prizes and Awards

Original Implementation: April 22, 2008
Last Revision: October 21, 2013

This policy provides guidance regarding gifts, prizes and awards that can be given, the manner in which they can be given, and reporting requirements. State and federal regulations restrict the use of university funds to provide gifts, prizes and awards to employees, students and others in the university community. In addition, the Internal Revenue Service (IRS) has requirements for the federal reporting of gifts, prizes and awards given to employees versus non-employees.

Exclusions

Raffles that include the purchase of a chance or ticket may not be conducted by the university. Outside organizations authorized to conduct raffles may do so only in accordance with the university policy, Solicitation on Campus (16.25), and state law. Financial aid awards and grants are not considered gifts, prizes or awards for purposes of this policy. Most awards to students that are related to academic performance are considered financial aid, and as such are not subject to the provisions of this policy. Financial aid awarded to students must be processed through the business office, recorded on the student’s account, and reflected on the student’s bill.

Funds and Definitions

All definitions and reporting requirements of this policy apply to any university funds, and remain the same even if the funds originate as a gift to the university from a third party.

No gifts, prizes or awards of any kind should be charged to university education and general (state) funds, designated accounts funded by course fees or other fees, or restricted federal and state funds as outlined below.

Use of Restricted Federal and State Funds: Funds from federal and state grants, contracts, or other sponsored agreements cannot be used to pay for items that are or appear to be gifts or marketing or promotional items such as t-shirts, key chains, tote bags, caps, and other souvenirs or memorabilia, unless specifically provided for in a grant, contract or sponsored agreement. Use of these funds to pay for awards for participation in grant-funded activities is generally allowable when both reasonable in cost and necessary to accomplish program objectives. Acceptable participation awards include plaques, small trophies, ribbons, certificates, pens/pencils and similar items.

For purposes of this policy the following definitions are understood:
**Employee:** An individual receiving compensation as a full-time or part-time employee, including casual employees, student employees and graduate assistants.

**Non-Employee:** An individual receiving no employment compensation of any kind or in any amount, including students who are not employed by any department of the university.

**Gifts:** A voluntary conveyance of something of value as a gesture of good will or appreciation. Marketing and promotional items are excluded as gifts as noted below.

**Award:** Something of value conveyed as a result of competition, merit or in recognition of service to the university on the part of the recipient.

**Prize:** Something of value conveyed as a result of chance, generally for promotional purposes, to one or more participants in an event sponsored by a university department or organization.

**Nominal Value:** A prize, gift or award valued at $50 or less

**EMPLOYEE as the recipient of a Gift, Prize or Award**

**Gifts**

Gifts of cash, including gift cards and gift certificates, to employees are not allowed using university funds.

Gifts, including those for birthdays, weddings, showers, retirements, get well, funerals and other personal events, are not allowable expenditures of university funds, unless purchased with funds that can be used for discretionary purposes, and budgeted for the president or vice presidents, deans, or the Board of Regents for purposes of good will and public relations. At their discretion, co-workers may contribute personal funds for this purpose.

Gifts other than cash, gift cards, or gift certificates are allowed when such gifts have a business purpose and are approved in advance by the president or vice president, or the authorized approver for Board of Regents purchases (Board of Regents purchases only), and are within IRS guidelines. The gift must be valued at $100 or less, unless a larger amount is approved by the president or vice president, or the authorized approver for Board of Regents purchases (Board of Regents purchases only). For any gift greater than $100 in value, the department must report the following information to the controller’s office for tax purposes: recipient name, social security number, address, and purpose and value of the gift.

Non-cash gifts for employees of nominal value, such as t-shirts, cups, mugs, etc. can be purchased with appropriate funds. However, clothing items purchased for employees are limited
to one item of clothing per employee per year, except for uniforms or apparel required to be
worn by certain employees such as coaches and athletic staff.

Marketing and promotional items bearing the SFA name or logo are not considered gifts as long
as they are not excessive in nature. An example of a marketing or promotional item is a shirt
with an SFA department name provided to an SFA employee or representative. In addition,
tickets provided to a representative of SFA for sporting events, fine arts events, recognition
banquets, etc. are not considered gifts when attendance at the event is to promote the university
in the representative’s official capacity.

**Prizes & Awards**

Monetary awards may be given to employees for meritorious performance or other reasons
connected with employment, but ONLY as part of an established campus-wide program or a
program within a college approved by the dean and the provost and vice president for academic
affairs. See University Awards Programs (12.20). Such monetary awards cannot be given in the
form of gift certificates or gifts cards, but must be paid through payroll and submitted on a stipend
authorization form.

Non-cash awards given to employees as length of service awards are acceptable as long as they
are valued at less than $400 per year per employee. These awards may ONLY be administered
by the Department of Human Resources or in a ceremony approved by the Department of
Human Resources and the appropriate vice president.

Any non-cash award given for meritorious performance, or other reasons connected with
employment, must be of nominal value.

An employee may accept a monetary or non-cash prize or award of any amount where the
individual’s employment is incidental to the basis on which the prize or award is given. For
example, a university employee would be eligible to win a door prize given at random or an
essay-writing contest.

For any prize or award greater than $100 in value, the department or organization sponsoring the
contest, game of chance, etc., without the purchase of a chance or ticket must report the
following information to the controller’s office for tax purposes: recipient name, social security
number, address, and purpose and value of the prize or award.

**NON-EMPLOYEE as the recipient of a Gift, Prize or Award**

**Gifts**
Gifts of cash to non-employees are not allowed. Gift certificates, gift cards, or tangible commodities are allowed as long as the gift is given for a valid business reason.

For any gift greater than $100 in value, the department must report the following information to the controller’s office for tax purposes: recipient name, social security number, address, and purpose and value of the gift.

Development Gifts to donors or other individuals serving development interests, or for alumni relations purposes, using university funds or property cannot exceed $100 in value unless approved by the president. For any gift greater than $100 in value, the department must report the following information to the controller’s office for tax purposes: recipient name, social security number, address, and purpose and value of the gift.

Institutional Gifts – When university officials are visiting abroad or are hosting visitors from other institutions, appropriate university funds may be used to give such visitors a gift valued at $100 or less as a sign of appreciation or recognition. Any gift valued greater than $100 must be approved by the president. Marketing and promotional items with the SFA name or logo are not considered gifts as discussed above. For any gift greater than $100 in value, the department must report the following information to the controller’s office for tax purposes: recipient name, social security number, address, and purpose and value of the gift.

Gifts to Public Officials – Federal and state laws severely restrict the nature and value of gifts that may be made to public officials, and those restrictions may vary depending on the type of gift as well as the office held by the official. Gifts to municipal officials may also be restricted. In general, university policy prohibits all gifts to public officials, with the exception of token gifts valued at less than $50 as long as they are not provided in exchange for his/her decision, opinion, recommendation, vote, or other exercise of discretion as a public official. Any exception to this limit should be discussed in advance with general counsel in order to make certain it is allowed under the specific governing conditions. There may be restrictions on paying honoraria to public officials and questions should be directed to the general counsel.

Prizes & Awards

Cash, gift certificates, gift cards or non-cash items may be given as prizes and awards as long as they are reported as required herein. Prizes and awards to non-employees must be for a valid business reason, which may include a contest, door prize, etc. without the purchase of a chance or ticket.

Monetary prizes and awards must be processed using the online purchase requisition system and substitute Form W-9 must be submitted to accounts payable.
For any prize or award greater than $100 in value, the department must submit the following information to the controller’s office for tax purposes: recipient name, social security number, address, and purpose and value of the prize or award.

**NON-RESIDENT ALIENS as the Recipient of a Gift, Prize or Award**

Cash and non-cash gifts, prizes and awards to nonresident aliens are generally subject to 30% withholding and reported on an IRS Form 1042-S. The department or organization must contact the controller’s office before making gifts, prizes and awards to persons who are not U. S. citizens or legal permanent residents, regardless of the value of the gift, prize or award.

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<thead>
<tr>
<th>SUMMARY Type</th>
<th>CASH EMPLOYEE</th>
<th>NON-EMPLOYEE</th>
<th>NON-CASH EMPLOYEE</th>
<th>NON-EMPLOYEE</th>
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<tbody>
<tr>
<td>Gifts</td>
<td>Cash, gift cards or gift certificates not allowed.</td>
<td>Cash not allowed. Gift cards or gift certificates ≤$100 allowed for a valid business reason. Gift cards or gift certificates &gt;$100 allowed for a valid business reason and must be reported to the controller’s office.</td>
<td>Personal gifts not allowed. unless purchased by president, vice president, dean or board office for good will or public relations. Gifts that have a business purpose: Value ≤$100 allowed with appropriate funds Value &gt;$100 requires president or vice-president approval, use of appropriate funds, and must be reported to the controller’s office.</td>
<td>Value ≤$100 allowed for a valid business reason. Value &gt;$100 allowed for a valid business reason and must be reported to controller’s office. See details within the policy regarding: -Development Gifts -Institutional Gifts -Gifts to Public Officials</td>
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**NON-RESIDENT ALIEN** (legal permanent resident or not a U.S. citizen) Contact the controller’s office before making any gifts.
<table>
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<tr>
<th><strong>Prizes and Awards</strong></th>
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<tr>
<td><strong>(without the purchase of ticket or chance)</strong></td>
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<td>Cash allowed for meritorious performance or other reasons connected with employment, but ONLY as part of an established campus-wide program or a program within a college approved by the dean and the provost and vice president for academic affairs and must be paid through payroll. Any amount allowed so long as the individual’s employment is incidental to the basis on which the prize or award is given (e.g., door prize, essay-writing contest); &gt;$100 must be reported to the controller’s office.</td>
</tr>
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<td>Cash, gift cards or gift certificates allowed. Must be for a valid business reason. &gt;$100 must be reported to the controller’s office.</td>
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<td>Value &lt;$50 allowed for meritorious performance or other reasons connected with employment, EXCEPT length of service. Length of service awards valued &lt;$400 are allowed, but may only be administered by the Department of Human Resources or in a ceremony approved by the Department of Human Resources and the appropriate vice president. Any amount allowed so long as the individual’s employment is incidental to the basis on which the prize or award is</td>
</tr>
<tr>
<td>Allowed. Must be for a valid business reason; Value &gt;$100 must be reported to the controller’s office.</td>
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**NON-RESIDENT ALIEN** (legal permanent resident or not a U.S. citizen) Contact the controller’s office before making any prizes or awards.

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**Cross Reference:** IRS Regulations; Tex. Penal Code Ch. 36; Solicitation on Campus (16.25); University Awards Programs (12.20); Purchase Requisition (17.19); Guidelines for Expenditures from University Funds.

**Responsible for Implementation:** Vice President for Finance and Administration
Contact for Revision: Controller, Director of Procurement & Property Services/HUB Coordinator

Forms: None

Board Committee Assignment: Finance and Audit