

General requirements:

All purchases of gift cards/gift certificates (of non-negotiable amounts) must have a valid, documented business purpose as outlined in the procedures referenced below, and must comply with all University purchasing and expense procedures. The purpose of this guideline is to establish the process for low dollar payments recipients receiving gift cards for University sponsored activities and research projects.

1. **Gift cards:** Gift cards are always considered cash, per federal tax law (IRC § 61) for purposes of this procedure.
2. **Gift certificates:** A gift certificate is considered cash per federal tax law.

Applicability

The gift card recipients covered by this procedure are not employees of the University ("non-employees"), and organizations.

Procedures

Departments distributing gift cards are responsible for tracking the cards, maintaining the appropriate documentation as indicated below, and communicating with the Controller's Office when an award or gift is reportable. The purchase of, or the reimbursement for gift cards must be handled through an approved payment processing method with a valid business purpose and supporting documentation.

1. The department should submit a completed pre-authorization request for the purchase of either gift cards or gift certificates to the Controller. This request must be approved by the appropriate department head.
2. The purchase can only be approved by utilizing Trust or Special funds. No purchases using State funds will be allowed.
3. The purchaser can purchase the cards through a WCU vendor using Catamart, thus this will eliminate direct reimbursements to employees for the purchases.
4. The gift cards should be in \$10 to \$50 denominations.
5. The department will be required to complete the gift card disbursement form to be attached in Catamart and maintain a copy in their department in the event of audit or review purposes.
6. The department will be responsible for reporting Accounts Payable any aggregate payments of \$600 or more to any participant to be reported as income to the Internal Revenue Service.
7. As a reminder, gift cards or gift certificates cannot be awarded to employees.



Authorization for the Purchase of Gift Cards/Gift Certificates

Gift Card/Gift Certificate Purchaser: _____

Department: _____

I verify that the Gift Cards/Gift Certificates purchased will be used solely for the intended purpose listed below.

Gift Card/Gift Certificate Purchaser's Signature: _____

Purchase Information

Vendor Name: _____

Date of Purchase: _____

Amount of Purchase: _____

Detailed Description of Items to be Purchased:

Detailed Description of Intended Purpose for Items Purchased (this must be for a single purpose):

Month/Year Disbursement(s) to be made:

Will the gift card/certificate(s) disbursement log be confidential?

If yes, a separate disbursement log must be kept in the possession of the Dean, Department Head, or PI and must be available for review as determined by internal and/or state auditors.

I hereby authorize the use of departmental funds to purchase Gift Cards/Gift Certificates for the intended purpose listed above, and will abide by the Gift Card policies related to the possession of confidential disbursement logs, if applicable.

Provost or Vice Chancellor, Dean, Department Head or PI Signature: _____

Date: _____

Gift Card/Gift Certificate Disbursement Log



PC

	Person Receiving Card or ID/Identifying No.	Amount	Signature or on file/mailed	Date Disbursed	Gift Card or Certificate Number	Issued By (Person who disbursed)
EX	Suzy Somebody	\$50	<i>Suzy Somebody</i>	6/1/2007	XYZ125687	Brian Anybody
GR	Participant ID-1	\$25	on file with PI	6/1/2007	XYZ125687	Brian Anybody
1						
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Total Disbursed \$

The disbursement log kept on file with the payment receipt must be updated as cards are disbursed.

NOTE: A unique ID/Identifying No. may only be used when the research protocol submitted to the Review Board requires confidentiality of research subjects. A separate log is kept by the PI with the ID/Identifying No., the participant's name, signature of participant, and date card was disbursed to the participant. This form requires the participant's ID/Identifying No., "on file" in place of signature, and remaining fields completed as outlined on the form. It is the responsibility of the PI and the department to keep these records on file for approved audit purposes.