

OIT GIFT CARD PROCEDURE

1. Purpose

The purpose of this Procedure is to define the circumstances when gift cards can be purchased using OIT funds.

2. Reason for Procedure

The Gift Card Procedure provides guidelines for all faculty, staff, and students to follow when purchasing gift cards using OIT funds. It helps to ensure OIT's compliance with IRS Regulations and University policies.

- Examines the tax implications for the gift card recipient.
- Defines roles and responsibilities for the Office Coordinator, Procurement Card Holder, Budget Authority, and Accounts Payable staff.
- Discusses when gift cards can and cannot be purchased - providing examples and scenarios to help guide in departmental decisions.

3. Applicability/Scope

This Procedure applies to all OIT students, employees, and faculty.

4. Definitions

Accounts Payable: Reviews supplier invoices and procurement card purchases - a component of the Business Affairs Office.

Budget Authority: The individual who is responsible for the budget of a department or division of an institution. The Budget Authority can be a dean, director, or division/divisional head and is generally the individual assigned to an index.

De Minimis: Too minimal or minor to merit lawful consideration.

Procurement Card Holder: An individual authorized to procure goods or services with a procurement card for a department or division of OIT.

Recipient: In the context of this Procedure, the recipient is the individual who receives a gift card.

SPGA: The Sponsored Projects and Grants Administration (SPGA) helps faculty, staff, and students identify external sources of funding to support the educational mission of OIT.

Responsible Office: The Business Affairs Office

Responsible Officer: The Director of Business Affairs Office

5. Procedures

Gift cards can be purchased with OIT funds for documented business purposes *except* when fund restrictions or policy prohibits the purchase of gift cards. Departments purchasing and distributing gift cards are responsible for compliance with IRS regulations and University policies.

Gift cards should have a value of \$50 or less. A one-time gift card valued less than \$50.00 will be considered de Minimis by the Business Affairs Office (BAO) and will not be subject to potential tax reporting.

Requests for individual gift cards with a face value greater than \$50 need prior written approval from the Director of Business Affairs and may be subject to taxability

When Gift Cards CAN be Purchased

A gift card may be purchased for an event, but not for a specific individual. For example, a department may purchase a gift card/certificate as a door prize. The receipt must specify the purpose of the expense.

A gift card may be purchased as an incentive to respond to a survey, or as a prize for a raffle.

Gift cards may be purchased as a thank you for a volunteer as long as the volunteer is not an OIT employee, student, researcher, or a contractor currently under contract.

Gift cards may be purchased for SPGA approved research study participants if it is specifically written into the Grant. Please contact the SPGA prior to purchasing any gift cards for proper procedure.

When Gift Cards CANNOT be Purchased

Gift cards may NOT be purchased for OIT active employees, students (undergraduate and graduate students), researchers, or consultants paid by OIT. For example, a department may not purchase a gift card/certificate for an employee for achieving specific employment milestones.

Gift cards may NOT be purchased as gifts for graduating students.

Gift cards may NOT be purchased as holiday or other gifts to employees or students.

Gift cards may NOT be purchased to pay suppliers and consultants for goods and/or services received.

Responsibilities

Office Coordinator: Initiates gift card purchases using either a Procurement card or a Direct Pay. Contact SPGA if using Grant Funds before considering any gift card purchases.

Procurement Card Holder: Responsible for following the University's Procurement Card Policy. All gift card purchases must adhere to both this Procedure and the Procurement Card Policy. Gift card purchases must be written on a Gift Card Log along with the detailed business purpose. Receipts must be maintained and filed.

Budget Authority: Responsible for developing and overseeing gift card controls in the department. This includes reviewing and reconciling the gift card log, safeguarding gift card(s) at all times if gift card(s) exceed \$50, ensuring the Tax ID number of gift card recipients is kept confidential, and providing a list of gift card recipients, including name, address, and tax identification number to Accounts Payable for Form 1099 reporting. Correspondence

Accounts Payable: Reviews supplier invoices and procurement card purchases to ensure that supporting documentation exists for gift card purchases. The Accounts Payable department will also issue a 1099 if required (if the employee (either student, staff, or faculty, notifies payroll so income is recorded as taxable).

6. Links To Related Policies, Forms, or Information

OIT Purchasing – Procurement Card Policy:

https://oregontechsfcdn.azureedge.net/oregontech/docs/default-source/business-affairs-documents/procurement-card/procurement-card-policy_50845c67-4849-40d8-9e5c-e48d1b336c8e.pdf?sfvrsn=36eb9360_6

Oregon Tech Gift Card Purchasing Log:

https://oregontechsfcdn.azureedge.net/oregontech/docs/default-source/business-affairs-documents/gift-card-loga944034462a663989f6fff0000ea57bb.xlsx?sfvrsn=34e26067_0

*This procedure may be revised at any time without notice. All revisions supersede prior procedures and are effective immediately upon approval.