



# ST. JOHN'S UNIVERSITY

Office of Business Affairs

## **Gift Card Policy**

### **Purpose & Scope**

The purpose of this policy is to set forth guidelines and procedures for the purchase and distribution of gift cards and/or gift certificates purchased using University funds.

The University must comply with Internal Revenue Service (IRS) regulations as it pertains to gift cards and gift certificates at all times. Under Internal Revenue Code Section 132, a gift card, gift certificate, store-value card or a prepaid credit card, collectively referred to as a gift card, is considered a cash or cash equivalent that is subject to taxes regardless of the face value. The value of gift cards given to students and non-employees is taxable and reportable income on IRS form 1099-MISC if the value of gift cards received aggregates to an amount of \$600 or more per calendar year.

In addition, gift cards can be susceptible to fraud or misappropriation because they lack the audit trail that exists with a check or other forms of payment. As a result, the University places strict restrictions concerning the purchase and distribution of gift cards.

The University recognizes that schools and departments may want to use gift cards for awards, incentives, and raffles or as a thank you to a student or other third party (e.g. volunteer or alumni). As such, when the use of gifts cards is necessary, the policies and procedures outlined below must be adhered to at all times.

### **Policy**

Gift cards may be purchased (preferably) using the University Purchasing Card or through reimbursement of personal funds and be accounted for via the Concur Travel & Expense Reporting System within thirty (30) days of purchase. Gift Cards may not be purchased through the University's book store using a book store account.

Gift cards may be purchased for non-employees only as a thank you for volunteering, to compensate research and survey participants (confidentiality protocol may apply), or as a prize for an event, raffle or survey. Individual gift cards may not have a face value greater than \$50. No more than \$500 worth of gift cards may be purchased without written approval by the school Dean or department Vice President. Multiple purchases of less than \$500 for the same purpose to avoid the required approval are strictly prohibited.

Gift cards purchased with University funds can never be given to University suppliers, consultants and speakers at any time.

Except for programs and events authorized by Human Resources, **gift cards to employees are prohibited.**

Student workers may not be given gift cards for work related activities (e.g., bonuses, incentives, rewards, etc.) except as part of programs administered by Human Resources.

Gift cards should not be purchased using Federal, State, City or other types of grant or endowment funds unless the terms and conditions of the grant or endowment permits such purchase.

### **Maintaining and Distributing Gift Cards**

Gift cards should only be purchased as needed and be secured at all times (i.e., in a safe, locked cabinet, locked drawer or other secure location) until distributed. Gift cards must be distributed within thirty (30) days of purchase.

Gift card issuances must be documented in a log (spreadsheet) that must uniquely identify each payment in order to document the appropriate use of the card for audit purposes.

Information to be included for each card shall include at a minimum: recipient name (or if a student, their X number as well) or study subject ID (the study subject ID is any number assigned by the school or department to identify the individual in order to protect confidentiality); date; purpose of payment; type of gift card; serial number of gift card; payment amount; signature or initials of recipient.

Receipts for gift card purchases must be submitted along with the gift card issuance log (spreadsheet) via a Concur Travel & Expense Report within thirty (30) days after purchase of the gift card. Gift card purchases must be charged to expense classification "Gift Cards" in your Concur submission.

**Failure to follow the policies and procedures as stated above and to maintain appropriate supporting documentation can result in the suspension of the privilege to purchase and distribute gift cards.**