Purpose
This document establishes policies and procedures associated with gifts, including cash cards, gift certificates, gift coupons and property. The implementation of these procedures ensures that appropriate controls are in place to protect the University’s assets and to ensure applicable taxes are withheld when necessary.

Policy
It is the policy of Metropolitan State University of Denver to comply with all tax regulations and ensure all the University assets are safeguarded against misappropriation.

Definitions
-Cash Card- Cards that the bearer can use like a debit card with any vendor who accepts debit/credit payment types.

-Cash Equivalent- Just like or equal to cash. Cash Cards, Gift Cards, Gift Certificates, and Gift Coupons are considered cash equivalent.

-De Minimis- Containing insignificant value and exempt from tax implications. The following are not considered de minimis regardless of their amount and are not exempt from tax regulations; Cash Cards, Gift Cards, Gift Certificates, and Gift Coupons.

-Department Head: President, Vice President, Associate Vice President, or Dean.

-Gift: Something given voluntarily without receiving anything in return, often to commemorate a significant event, birthday, birth of a child, etc.

-Gift Cards, Gift Certificates, Gift Coupons- Cards or vouchers specific to particular vendors that the bearer can use to redeem for goods/merchandise. These cards are only redeemable at the merchant listed on the card/voucher, i.e. Wal-Mart, Target, etc.

-Honorarium: something of value given freely in exchange for something of unequal value received, i.e. give a $25 gift card to a speaker at commencement.

Procedures
If a department wishes to purchase a gift, regardless of its form, i.e. plaque vs. gift card, they are encouraged to contact the Accounts Payable Manager for guidance and advice. All gifts must have the department head’s approval in advance.

Once a department has approval to purchase the gift, they may either use their procurement card (p-card) (if the total expense is less than $5,000.00) or they may initiate an SPO/PO and submit a
check request to Accounts Payable. The check request and p-card statement must contain the following information:

- A bona fide business purpose, i.e. why the purchase was necessary
- What the gift is for,
- How the recipients were chosen to receive this gift
- A listing of recipient’s names and their 900 number if they are affiliated with the University, otherwise their social security number
- The amount of each gift.

If the recipient is an employee of MSU Denver and the gift is a gift card, certificate, coupon or cash card, Accounts Payable will forward the recipient’s information to the Payroll office where the amount of the gift card will be added to their gross pay, taxes will be withheld, and the respective amounts will be included on their W-2.

Non-employee gift card recipients will receive a form 1099-MISC from the University when all cash equivalent payments in one calendar year equal or exceed $600.00.

If the recipient is an MSU Denver student, Accounting Services will notify the University’s Financial Aid office to determine whether there is an impact to the student’s financial aid awards.

Exceptions:
If the gift is for an employee and it is not cash or a cash equivalent then it may be considered a de minimis fringe benefit and specifically excluded from tax, which reduces the amount of information that must be supplied to Accounting Services. If you can answer yes to all the questions below please contact Accounting Services for additional guidance.

- The gift was tangible in nature and was not cash, nor a gift card, gift certificate, or the like
- Market value is less than $50.00
- Is given on an infrequent basis (i.e. less than 3 times in a calendar year)

In very rare circumstances the identifying information about the recipient of a gift/honorarium must be kept anonymous. In those instances the following must occur:

- The recipient must be participating in a study that is under the purview of the Institutional Review Board (IRB). A copy of the review by the IRB must accompany the payment request.
- The organizer of the study must keep appropriate details in their possession for 5 years following the payment. (these records are not submitted to the Accounting Services office, but are subject to external audit).
- The gift/honorarium cannot exceed $50.00 per recipient for the entire study.
Another exception to normal business practice is the need to pay recipients in cash as opposed to cash equivalents. Should a circumstance arise where cash is the only acceptable method of payment the following items are required:

1) The recipient must be participating in a study that is under the purview of the Institutional Review Board (IRB).

2) A cash fund will be established in the organizer’s name to accommodate cash payments to recipients. In order to set up the cash fund the organizer must submit a check request to the appropriate fiscal manager with a copy of the IRB’s review of the study. There must also be a narrative explaining why gift cards cannot be given to the recipients, and cash is the only option. (Please note that a preference for cash is not an adequate reason to establish a cash fund.) The fiscal manager must approve the check request and forward it to Accounts Payable.

3) The check will be made payable to the organizer and once cashed must be kept in a locked cash box, in a locked drawer, cabinet etc. Once the cash is disbursed as intended, a request to close the fund must be submitted to the Bank Accountant in the Accounting Services office that references the document number from Banner Finance of the original payment. If the recipients are to be kept anonymous see step 4 below, otherwise a list of recipients and the amount of their respective payments must also accompany the request to close the fund. If any funds remain after the study is over the money must be brought to the Tax Accountant in the Accounting Services office to be deposited into the original FOAPAL. If any money remains at year end because the study is not over, it must be audited by Accounting Services.

4) If the recipient must remain anonymous the organizer of the study must keep appropriate details in their possession for 5 years following the payment. (these records are not submitted to the Accounting Services office, but are subject to external audit). A summary document listing appropriate information must still be sent to accounting with the information listed in step 3 above.

5) The cash payments cannot exceed $50.00 per recipient for the entire study.