

Reference guide on giving gifts to Employees/Non Employees July 2019

The following summarizes guidance on giving non-cash gifts/prizes on behalf of UCR based on the policy in effect as of the date listed at the top of this document. Full and current guidance can be found in UC Business & Finance Bulletins BFB-G-41: Employee Non-Cash Awards and Other Gifts and BFB-G-42: Gifts Presented to Non-Employees on Behalf of the University.

Funding (G-41 V.A; G-42 V.B.)

- **State funds** may be used for gifts awarded to students for academic achievement, employee recognition, length of service, and retirement.
- **Contracts and grants** cannot be used unless such expenses are specifically authorized in the contract or grant and only to the extent for the purpose(s) authorized.
- **Non-State funds** can be used in accordance with gift policies and subject to any restriction of those funds. When a conflict between terms of the funding source and UC policy, the most restrictive policy shall apply.

Low Value, prizes/gifts (does not include gift cards)

- For insignia items with UCR's logo that are valued under \$10 (i.e pens, mugs, pins, magnets, notepads, etc.), Accounting does not require the department provide names and signatures for each recipient.
- The department must keep record of the date of the event, business purpose of the gift, and a copy of the original itemized receipt/invoice.
- The department should ensure proper controls are in place so the individual purchasing items also is not awarding items.
- For items purchased on a PO, this information should be included as backup to the PO. Items reimbursed in ePay should have this information uploaded as supporting backup in the ePay.

Gift cards (all) and prizes/gifts over \$10 (G-42 V.C.2)

- The recipient(s) name, title, and affiliation (or occupation) must be documented to validate the business purpose. This should be included as supporting documentation
- Promotional gifts that are more than a nominal value (T-shirts, etc.) should also include a copy of the transmittal letter (or card) provided with the gift.
- For items purchased on a PO, this information should be included as backup to the PO.
 - Department Head approval must be included in the supporting documentation.
- Items reimbursed in ePay must have this information uploaded as supporting backup to the ePay request.

Incidental Costs (G-41 III.A footnote 1)

- **Gift** limits do not include reasonable incidental costs that do not add substantial value to the gift, such as engraving, packaging, insurance, sales tax, mailing, and the cost of gift-wrapping.

Payment/Reimbursement

- Direct payments to vendors for gifts are permitted if the vendor will accept a PO and bill UCR.
 - Submit original invoice to accounting and upload supporting documentation to the PO.
 - ProCard cannot be used as a payment method for gift items.
- Reimbursements to employees for purchasing gifts are processed via ePay.

Exceptional Approval (G-41 IV; G-42 IV; G-42 V.A)

- The Chancellor has delegated to the Associate Chancellor the authority to approve any exceptions to policy. This authority has NOT been re-delegated to Deans, Vice Chancellors or other Organizational Heads.
- Exception requests must include a written justification for the exception to policy

Taxability (G-41 III.A.; G-42 V.C.3)

- Gifts to non-employees of \$600 or more in a calendar year must be reported on Form 1099 to the IRS. Gifts to employees that exceed the limits in G-41 are subject to tax treatment and are included on employees W2.

Gift/Prizes given to student employees (G-42 V.C.3)

- If a gift recipient is both a student and an employee, a determination must be made as to whether the gift is dependent on the individual’s employment relationship with the university. If the gift is not dependent on the student’s employment, the gift will be treated as a non-employee transaction.

Who can be given gifts on the behalf of UCR? (G-41 Scope; G-42 III.B)

- Employees
 - Staff, Faculty or Student
- Non-Employees
 - Donors, Potential Donors, Visiting dignitaries and scholars, Volunteers, Civic or cultural organization, member of the local community, foreign dignitary or University official.

When can I give gifts? (G-41 III.A.; G-42 III.B, III.C)

- Gifts should be infrequent and not favor highly compensated employees or any particular individual or entity
- Gifts are acceptable when warranted by tradition, commonly accepted institutional practice, or social custom

Employee		Non-Employee		
Award or Gift Type	Per-Person Limit ¹	Type	Examples	Per calendar year
Employee Recognition (including Spot Awards)	\$75	Promotional Items	A t-shirt, cap, pennant, mug, pen or similar item that bears the logo of the University or a campus	≤\$75 per individual
Employee Recognition: One-month parking permit	\$260 ²	Appreciation, Recognition, or Incentive	Items of more than minimal value. (e.g., a plaque, watch, logo item, book, non-negotiable gift certificate, tickets to a sporting, theatrical, or musical event, or a meal provided to an individual in appreciation or recognition) ¹ Student awards for a noteworthy academic achievement or for participation in a University-sponsored activity. Gifts to students / volunteers for participation in a research study or as an incentive to complete a survey or questionnaire. Door prizes and other gifts provided to non-employees to encourage participation a University-sponsored event are also included in this category.	≤\$600 per individual ²
Employee Recognition: One-month transit pass	\$260 ³			
Length of Service	\$400			
Retirement	\$400	Sympathy	Flowers, candy, or a book, presented as an expression of sympathy in the event of the death or major illness of an individual associated with the University or a member of the individual's family or household. Alternatively, this policy allows for a cash contribution to a charity in lieu of a gift of tangible personal property. Such contributions must be accompanied by a transmittal letter on official University letterhead which states that the donation was made on behalf of the University	≤\$200 per individual
Sympathy Gift – Tangible Personal Property	\$75			
Sympathy Gift – Cash Contributions	\$200			
Prizes and Other Gifts	\$75			

Why should I give gifts/prizes?

- When giving a gift benefits UCR in the furtherance of a University business purpose, and is clearly necessary to UCR’s fulfillment of its role as a good community citizen
- To occasionally recognize employee’s for noteworthy work-related accomplishments, lengths of service, or retirement
- To recognize students for meritorious academic achievement
- Promote goodwill, promote UCR programs, express appreciation, recognize service/contribution of time, or acknowledge contributions of resources
- To express sympathy over the death or major illness of an individual associated with UCR or family member

What can I give as gifts/prizes? (G-41 III.A, III.B; G-42 III.C)

- Tangible personal property
 - Flowers, books, plaques, tickets to sporting or cultural events, one month parking permit or transit pass, insignia items (mugs, pens, T-shirts, etc.)
- Non-negotiable gift certificates/gift cards
 - Considered tangible if inscribed with recipients name, is not transferable, and cannot be redeemed for cash or used to reduce balance due
 - Can only be exchanged for tangible items
 - Must be for more than \$10.
 - Dining gift cards for \$10 or more are allowable
 - **Not allowed for length of Service gifts**

What type of gifts are NOT allowed? (G-41 III.E; G-42 III.A)

- Employees
 - Cash (except for donations to charities as an expression of sympathy)
 - Negotiable gift certificates/cards
 - Non-tangible gifts (including but not limited to):
 - Services
 - Pre-paid phones
 - Travel/airline cards
 - Recreational memberships
 - Season tickets
 - Length of service awards/gifts that are non-tangible
- Non-Employees
 - Cash (except for donations to a charitable organization in memory of or in support of an individual or cause)
 - Negotiable gift certificates/cards

Where can I purchase gifts?

- There is no limitation on where gifts are purchased, but all gifts must be accompanied by an itemized receipt. For convenience, the following vendors are recommended: Barnes and Noble on campus, UCR various approved vendors like Gazebo Flowers, Trophy Award Specialists, O.C. Tanner etc.