GIFT CARDS, GIFTS AND PRIZES POLICY

SLT 6.30

Date of Last Update:
March 10, 2025

Approved By:

- Senior Leadership Team

Responsible Office:
Business and Finance

POLICY STATEMENT

Gift Cards: Tools for recognition and ensuring robust participation in events across the University remain a key element of a positive culture and contribute to robust experience for Students, Faculty, and Staff. To improve internal controls, gift cards purchased by Grand Valley State University are prohibited with the exception of use by the Office of the President for student engagement(s)/events and for Research Administration through the Center for Scholarly and Creative Excellence (CSCE) for research participants, subject to the procedures outlined on the Business and Finance website, section 305 and 305.1 respectively.

Gift cards are any card (electronic, gift certificate etc...) with a specified dollar value, including retail cards, e.g., Meijer, restaurants, VISA or other debit-style cards.

For students, including student employees, Grand Valley State University has established a de minimus threshold of $25 for gifts cards and gift certificates. Any gift card or gift certificate of a value of $25 or below does not need to be tracked for tax or for financial aid reporting purposes. For the purposes of this policy, gift cards or gift certificates are not considered a financial resource towards academic pursuit.

Note: This policy does assume some compliance risk with respect to Federal Financial Aid regulations and Federal tax rules, but the risk is assessed as minimal when considering the administrative burden associated with tracking de minimus items used to provide appropriate performance recognition or random gifts during University events.

NON-CASH GIFTS AND PRIZES (Excludes Gift Cards):

Non-Cash Gifts and Prizes (excludes Gift Cards): Grand Valley State University has established a de minimus threshold of $99 per year for non-cash gifts and prizes. Any

non-cash gift or prize of a value of $99 or below per person per year does not need to be tracked for tax reporting purposes. If gifts or prizes cumulatively exceed the $99 threshold, the items are considered taxable wages, or for students, as Financial Aid, and Supervisors or Appointing Officers shall report this to the Payroll Office or the Financial Aid office, respectively.

The rationale for gifts, prizes, and items of recognition for employees and students of $99 or less, constitute de minimis fringe benefits that are considered of such a small value that accounting for them is administratively impracticable.

Departmental apparel or other items that are of a marketing or departmental nature are not considered gifts or prizes for the purposes of this policy and should have a business purpose, such as aiding in the identification of an employee. Such items shall not exceed $90 per year. Gifts purchased for an entire department that fall within the de minimus thresholds are permitted, so long as each faculty/staff member is afforded the opportunity to obtain one, though an individual may decline to accept.

Gifts/flowers purchased for employees, including student employees, and students, for birthdays, weddings, graduations, welcome events, or newborn baby arrivals are not reimbursable.

Bereavement floral arrangements are permitted to be purchased with University funds, up to $100, per IRS guidelines, but any additional flowers or costs sourced from University funds are not reimbursable.

Retirement gifts purchased with University funds are authorized, but only if the employee meets the Official Retiree definition used for eligibility of non-health benefits, which is: the faculty/staff member's years of service at GVSU plus the individual's age at the time of retirement, must be greater than or equal to 75. For retirement gifts, the total expense for a gift purchased with University funds shall not exceed $300.

Campus Dining Cards may be purchased as performance recognition gifts, at incremental values of $25 or less, for students, employees, or student employees. These are to be used infrequently, if at all, to show job performance appreciation and are not to be used as an ongoing gift or award. Campus Dining cards cannot be used as compensation for employment or as Financial Aid. Executive Officers, Appointing Officers and Supervisors shall track and ensure that cumulative de minimus thresholds are not exceeded for individuals and that Campus Dining Cards are not unintentionally being used as a financial aid resource for students.

This policy does not apply to sponsorships or donations.

For non-employees: If the total value of the gifts, prizes, awards or other occasion items

noted above exceed $600 in any calendar year, a 1099-NEC shall be issued. If the person is a U.S. citizen, a W-9 shall be filled out and submitted to the Accounts Payable Office. If the person is a foreign national or non-resident alien, a W-8BEN shall be filled out and submitted to Accounts Payable.

Any questions on this policy should be directed to the Business and Finance Department at 616-331-2831. Tax reporting questions should be directed to the Payroll Office at 616-331-2255.

Questions concerning Financial Aid reporting should be directed to the Office of Financial Aid and Scholarships at 616-331-3234.