

Volume FI: Finance	F1.06.2 Use of University Gift Cards	Responsible Office: Purchasing Office
Chapter 06: Purchasing		Responsible Officer: Director of Purchasing
Effective Date: 12/01/2016 Last Revised: 04/20/2018		

POLICY STATEMENT

Due to the liquid/cash-like nature of Gift Cards and applicable state and federal laws, the use of Gift Cards for University purposes is allowed only in very limited situations and only in compliance with specific administrative and fiscal controls.

PURPOSE OF THE POLICY

To provide the appropriate administrative and fiscal controls regulating the University's use of Gift Cards, and to provide procedures to assure compliance with state and federal rules and laws.

WHO IS AFFECTED BY THIS POLICY

University employees and students.

DEFINITIONS

Custodian: The single individual responsible for maintaining control and accountability for the Gift Cards. The Custodian must be a full-time employee of the University.

Gift Cards: Gift Cards, certificates, or money orders that provide anywhere/anytime cash such as Visa and American Express, or any other retail/on-line store or restaurant gift certificates or cards that are redeemable for a variety of commodities and services such as Target, Amazon, or the University bookstore.

REGULATIONS

[Illinois Ethics Act](#)
[IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits](#)

PROCEDURES

Gift certificates and Gift Cards, regardless of the value, are considered by the IRS as cash equivalents and are subject to tax reporting, tax withholding, or both, and therefore are allowed in University business only in the following circumstances and with the following controls. The use of Gift Cards should be considered only when no other options are viable. The use of Gift Cards should be infrequent and conservative in value.

Gift Card Amount / Levels

Gift Cards may be purchased only with a face value of \$50 or less.

Gift Cards may be purchased in the following amounts and used for the following purposes:

1. Gift Cards may be given as prizes, recognition awards or tokens of appreciation. For example, they may be given as a "thank you" to volunteers who perform a non-employment service, or to a student who completes a survey or participates in a special activity.
2. Gift Cards may be used for research participants.



Gift Cards shall not be used for the following purposes:

1. Gift Cards may not be distributed to any active Northeastern employee except for students as noted in #1 above who volunteer but also happen to work as student aides.
2. Gift Cards may not be used as compensation, or as a bonus or honorarium to employees, graduate students, or student aides for work performed.
3. Gift Cards may not be given in lieu of pay.
4. Gift Cards may not be used for student academic awards, due to potential impact on financial aid.

Required administrative and fiscal controls:

1. A Requisition must be processed and approved for the purchase of Gift Cards. Gift Card purchases may not be made using a Direct Payment Voucher or a University Purchasing Card. All appropriate signatures must be on the Requisition prior to the purchase of the Gift Cards. The Description section of Requisition must include intended use of cards, estimated time-line of use, event, and targeted recipient(s) (if known). Gift Cards purchased without this prior approval will be the financial responsibility of the individual buying the Gift Cards and not the University.
2. Reimbursement for Gift Cards purchased with grant funds must comply with all terms of those agreements in addition to University policies. For Gift Cards purchased with grant funds, a memo signed by both the Principal Investigator and the Director of Sponsored Programs must be attached to Requisition and state the number of cards to be purchased and the purpose. A generic "approval of Gift Card purchase" statement will not be accepted.
3. Gift Cards may be purchased in quantities only to the extent immediately required. Extras may not be purchased in advance.
4. The department purchasing Gift Cards must appoint a single custodian responsible for maintaining control and accountability for the Gift Cards.
5. Only the custodian and custodian's supervisor may have access to the Gift Cards, which must be kept in a secure and locked location.
6. The custodian is responsible for ensuring that the Gift Cards are used only to pay participants/ recipients for originally intended purpose.

Completion of Gift Card Tracking Log and Gift Card Waiver Form

The custodian must maintain the Gift Card Tracking Log (Appendix), located on the Employee tab of the NEIU Portal. One Tracking Log must be completed for each Purchase Order.

1. Upon receipt of cards, the Custodian receiving the Gift Cards must complete the following on the Tracking Log:
 - Department Name
 - Department Custodian
 - Number of Gift Cards
 - Total Dollar Amount
 - Date Purchased
 - PO Number
2. Upon Gift Card distribution, the Custodian must obtain signatures on the Gift Card Waiver Form from each recipient.
3. Upon Gift Card distribution, the Custodian must complete the following on the Tracking Log:
 - Name of recipient (printed)
 - Card number
 - Date distributed
 - Amount
 - Purpose



4. Copies of completed Tracking Logs and Gift Card Waiver Form are to be submitted to the Purchasing Department by the 5th business day after the end of each semester. Unused Gift Cards will be reported on the Tracking Log as "Unused". The Custodian must maintain possession of unused cards.
5. The Custodian must create a new Tracking Log for the unused Gift Cards. A copy of the new Tracking Log must be submitted to the Purchasing Department by the 5th business day after the end of each semester.

Failure to comply will be grounds for denial of future Gift Card purchases.

Lost Cards

Custodians are responsible for lost or stolen Gift Cards and may be held personally liable for the value of any missing cards. Any shortage must be reported immediately to the University Police. University Police will complete a report and provide a copy to the Custodian. The Custodian will record on the Tracking Log that the cards were stolen, attach a copy of the police report, and submit to the Purchasing Department.

AUTHOR REFERENCE

Boston College
 Penn State University
 San Diego State University
 University of Wisconsin – Madison

HISTORY

04/18/2018: Removed an Administrative/Fiscal Control measure

APPENDIX

Gift Card Tracking Log
 Gift Card Waiver Form

CONTACT INFORMATION

Please direct questions or concerns about this policy to:

Contact	Phone	E-Mail
Director of Purchasing	(773) 442-5300	Purchasing@neu.edu

DISCLAIMER

The University reserves the right to modify or amend sections of this policy at any time at its sole discretion. This policy remains in effect until such time as the Responsible Officer calls for review. Requests for exception to any portion of this policy, but not to the policy statement, must be presented in writing to the Responsible Officer.



APPENDIX: GIFT CARD WAIVER FORM



**Northeastern Illinois University
Gift Card Waiver Form**

Northeastern Illinois University provides gift cards pursuant to its Use of University Gift Cards Policy #F1.06.2. In accordance with the policy, you may receive a gift card as incentive for participation in a study or activity. The Internal Revenue Service treats such gift cards as taxable income, regardless of the value or the amount.

I understand that by accepting this gift card, I am personally and solely responsible for reporting the income and all taxes, fees, or other costs associated with acceptance of the gift, prize or award. I expressly acknowledge that Northeastern Illinois University has advised me that the IRS treats such gifts, prizes or awards as taxable income and that the University is not responsible for any tax liability that may result from my acceptance of this gift card.

Gift Card Recipient:

Printed Name

Signature

Date

Student ID#