



Policy Title

Gift Certificate and Gift Card Policy

Policy Number: *PAC will determine this number*

Effective Date: *PAC will determine this date*

Office: *If detailed questions, which office is best contact? Accounting Office*

PURPOSE: *This section should include reason or rationale for the policy.*

The purpose of this policy is to: (1) define the conditions under which gift certificates and gift cards may be purchased for use on University business, and (2) provide the procedure to follow to properly document the purchase and distribution of gift certificates or gift cards to students.

REFERENCE DOCUMENTS/ RELATED INFORMATION:

List any other policies or information that should be cross referenced.

- [Gift Card Recipient Form](#)
- [Student Prize Documentation Form](#)

SCOPE: *Who is affected by this policy or needs to read it?*

Faculty, Staff and Students

POLICY HISTORY: *Include any information about previous versions or whether this replaces an existing policy.*

Policy Title

POLICY STATEMENT:

- The amount of a gift certificate or gift card must be reasonable and necessary to carry out the mission of UIndy. They may not be lavish or extravagant.
- Compliance with gift card usage documentation requirements is mandatory.
- For students, proper classification of gift certificates and gift cards are necessary to differentiate between those considered scholarships to students, which may be tax-free and not reportable to the Internal Revenue Service (IRS), and those that may be taxable income to the student who receives the gift certificate or gift card.
- Gift certificates and gift cards may not be purchased with a University Credit Card
- Gifts in any form for birthdays, weddings, showers and other personal events are not an approved use of University funds.
- For employees, the IRS considers gift certificates and gift cards given to employees by their employer to be compensation and requires all compensation to be paid through payroll with the proper withholdings. Accordingly, gift certificates and gift cards given to employees as prizes at a University event are not permitted as they are compensation and therefore taxable under the IRS rules and regulations.

PROCEDURES FOR PURCHASE OF GIFT CARDS

Any employee who purchases a gift card for a use that is necessary to carry out the mission of UIndy must document the purchase and use via the Gift Card Recipient Form. The completed form shall be submitted to Accounting for processing.