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**Policy Owner**  
Vice President and Chief  
Financial Officer/Treasurer

**Policy Contact**  
Controller

**Date Revised:**  
6/30/2022

**Related Policy:**  
[Business Expense Policy](#)

**Effective Date:**  
6/30/2022

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## Policy Statement

*This policy is applicable to all Bentley University faculty, staff and students.*

Gift cards, regardless of the value, are considered cash equivalents by the Internal Revenue Service and are subject to tax reporting. Departments purchasing and distributing gift cards are responsible for compliance university policies. The University is required to report non-payroll payments on either a Form 1099-MISC or Form 1042s.

Event prizes such as t-shirts and sweatshirts should not be purchased with gift cards but can be given as gifts and are non-taxable to the recipient.

## Reason for Policy

This policy states the circumstances when gift cards may be allowable and the tax implications to the recipient.

## Discussion

### **When gift cards may be purchased**

Gift cards must have a value of \$100 or less for non-employees and may be purchased under the following circumstances:

- A gift card may be purchased if it is not for a specific person, but an event. For example, a department may purchase a gift card/certificate as a door prize. The receipt must specify the purpose of the expense.
- Gift cards may be purchased as a thank you for a volunteer as long as the volunteer is not a university employee, student, researcher, or a contractor currently under contract.



- Gift cards may be used for research participants that are not employees. Disbursements of gift cards must be recorded in a gift card log and include the participant's name. If one individual receives more than \$600 in a year, that information must be reported to the Controller's Office, who will issue a Form 1099.
- All gift cards to employees for excellent performance and valuable contributions outside of the merit and bonus programs **MUST** be awarded via the "On-The-Spot" Rewards Program" through HR and are taxable. See [here](#) for information and instructions.

### **When gift cards may not be purchased**

- Gift cards may NOT be purchased for Bentley University active employees, students (except for research participants), researchers or consultants employed by Bentley University. For example, a department may not purchase a gift card/certificate for an employee for achieving specific employment milestones, rather, they must go through HR as noted above.
- Gift cards may NOT be purchased as gifts for graduating students.
- Gift cards may NOT be purchased as holiday or other gifts to employees or students.
- Gift cards may NOT be purchased to pay suppliers and consultants for goods and/or services received.

### **Procedures**

- Gift cards may be purchased by using a Pcard or the purchaser may be reimbursed using an expense report. The spend category that best matches the business use of the gift card should be used.
  - Examples of appropriate spend categories are:
    - Prizes & awards – for raffle prizes
    - Participant support – for participation in a study or survey
    - Other Purchased services – for other types of allowable miscellaneous uses



## Maintaining and Distributing Gift Cards

- When groups of gift cards are purchased for participants in a study, a gift log should be maintained that documents the gift card numbers and recipient name. After all cards are distributed, the log should be sent to the Payroll Office.
- Until disbursed, physical cards should be maintained in a secure, locked area.

## Responsibilities

**PCard Holder:** PCard holders are responsible for following the University's PCard Policy. All gift card purchases must adhere to both this policy and the PCard policy: Purchases of groups of gift cards must be logged on a gift card log along with a detailed business purpose. Receipts must be documented in the log when the card is disbursed.

**Cost Center Manager:** Responsible for overseeing gift card controls in the department. Gift cards must be safeguarded at all times. Responsible for reviewing and reconciling the gift card log.

## Definitions

**IRS:** Internal Revenue Service

**Gift Cards:** Examples of gift cards:

- Anywhere/anytime cash such as Visa, American Express or money-orders
- Store gift certificates or cards that are redeemable for a large variety of commodities, such as Walmart or grocery store gift cards
- Gift cards or gift certificates to restaurants
- Gift cards to the Bentley University Bookstore
- Virtual gift cards such as Amazon
- HR "[On-The-Spot Rewards Program](#)"

**Gift Card Log:** Log to record gift information required by the Controller's Office. Log should include gift card number and payee name.