

GIFT CARDS FOR USES OTHER THAN SPONSORED PROJECTS

General

This policy covers the purchase of gift cards by the University of Oklahoma, Norman Campus used for purposes other than those covered in the GIFT CARDS FOR SPONSORED PROJECTS policy. Funding for the cards included in the policy below would be from any non-XX5XXXXXX department number

Limitation/Justification

Gift card purchases should not exceed \$5,000 at any one time.

Request for Gift Cards

An advance request for the purchase of gift cards from the duly authorized designee must be submitted in CrimsonCorner on the GIFT CARDS PRE-APPROVAL NONSPONSORED form. The CrimsonCorner form must include (as an attachment) a signed PROCEDURES FOR ADVANCE APPROVAL FOR THE PURCHASE OF GIFT CARDS NOT FUNDED BY SPONSORED PROJECTS form (available by clicking [here](#) or on the Financial Services policy website). The request must contain the following information:

1. Department number to be used as the source of funding.
2. IRB number, if applicable.
3. Justification or reason(s) for the gift cards.
4. The number of cards requested, the denomination, and the vendor.
5. The methodology used in determining the amount requested.
6. Name of the person buying the gift cards.
7. Name of the person responsible (custodian) for managing and safeguarding the gift cards.

FS will determine if expenditure for gift cards is justified and will notify the requester accordingly if they can proceed with the purchase of the gift cards.

Tax Limitations for Gift Cards

In order to ensure University compliance with the laws and regulations requiring tax reporting for certain payments to individuals, the following rules must be followed when distributing gift cards:

- Gift cards, regardless of value, cannot be given to anyone considered a non-US person for tax purposes due to tax withholding requirements. Any payments to these individuals must be processed through Financial Services so that the appropriate tax can be withheld at the time of payment. See the definition of non-US person below.
- Gift cards, regardless of value, provided to employees must be reported to Payroll. Reported information must include each recipient's (1) name, (2) employee id number, and (3) gift card amount. **The custodian of the cards and the department sponsor are responsible for the timely reporting of these cards.**
- All other recipients are limited to a maximum of \$100 per year from a department. Payments in excess of this amount must be made through FS to ensure proper tax reporting. **The custodian of the cards and the department sponsor are responsible for ensuring no recipient receives more than \$100 per year in gift cards from their department.**

Authorized Methods for Purchasing Gift Cards

Once approval to purchase gift cards has been obtained from Financial Services, two options are available for the purchase of the cards:

- You may purchase them on a departmental Pcard. The approval to purchase the cards must be maintained in the department to be available to the Pcard team during their audit.
- You may purchase them on a payment request form in CrimsonCorner. A copy of the approval you receive to purchase the cards must be attached to the payment request form.

Departmental Policies and Controls for Handling and Custody of Gift Cards

Departments that use gift cards must establish and maintain documented procedures and controls for handling and custody. They must be maintained on file with Internal Audit. They should address:

1. Retaining documentation of gift card requests.
2. Obtaining account sponsor approval for gift card purchases.
3. Retaining documentation of any Pcard exceptions requested and/or granted.
4. Maintaining documentation of departmental receipt of gift cards (i.e., number, type, denomination, date).
5. Maintaining gift cards in a secure location – within the department or at the site of the related activity – accessible only to the designated gift card custodian.
6. Preventing the co-mingling of gift cards purchased for different projects or purposes.
7. Maintaining documentation of the distribution of gift cards. Recommended is a list bearing
 - a. Participant Name (legibly printed)
 - b. Participant acknowledgement that they are a U.S. person (See the definition of non-US person below.)
 - c. Participant Signature (If obtaining a direct signature is not possible, the reason must be clearly and fully explained; alternative controls must be duly approved and documented)
 - d. Card Number
 - e. Card Amount
 - f. Date Received /Mailed
8. Ensuring that all gift cards are reconciled at least monthly and at the end of each event.
9. Returning or re-purposing, at the end of the project period, any remaining gift cards, accounting for and documenting such in detail.
10. Retention of all related documents in accordance with governing laws and regulations.
11. Purchasing the minimum number of gift cards per event to prevent an excessive amount of unused gift cards.

Intangible (e.g., Online) Gift Awards

The policies and procedures set forth above substantially deal with tangible gift cards. The conferring of intangible (typically, online) gift cards is also possible. In such instances, departments must clearly identify them as such and must devise, document, carry out, and enforce **all necessary additional compensating controls and procedures** and must maintain them on file with Internal Audit.

Non-US Person

U.S. law treats U.S. persons and foreign persons (non-U.S. persons) differently for tax purposes. Therefore, it is important to be able to distinguish between these two types of taxpayers.

The term "United States person" means:

- A citizen of the United States
- A U.S. entity (non-individual)
- A resident alien for U.S. tax purposes

A foreign (non-U.S.) person includes:

- A nonresident alien individual
- A non-U.S. entity (non-individual)
- Any other person that is not a U.S. person

To be taken to the gift card procedures for nonsponsored programs, click [here](#).