

Gifts to individuals using University funds

As a public institution we are held to a high level of accountability. Gifts to employees, friends of the university, students, etc. are held to a higher level of scrutiny than many transactions because of the potential for abuse and for the tax implications that apply to them. This guide is meant to link you with the tools needed to purchase gifts with University funds.

STEP 1: What is a gift?..... 2
Take time to determine if this process guide applies.

STEP 2: Is the gift allowable?..... 3
Most gifts are allowable but it is important to check first before buying a gift.

STEP 3: Who needs to approve gifts? 4
Some gifts require extra approval before purchase, check first before buying a gift.

STEP 4: Are there tax issues? 5
Some gifts are taxable to the individual, check first before buying a gift.

STEP 5: Does the gift have OSU Branding? 6
Some gifts have vendor restrictions and branding approval requirements, check first before buying a gift.

STEP 6: Are there any buying restrictions on the gift? 7
Some gifts require a different than normal buying procedure, check first before buying a gift.

STEP 1: What is a gift?

1

For the purposes of this guideline a gift is defined as something of value given to a person without the expectation of receiving something of at least equal value in return:

- A physical item
- Given to an individual. (for payments to corporations, foundations etc, see purchasing policies)
- Unexpected by the recipient
- Not to be given in lieu of compensation (payroll or purchasing)

Examples

- Farm Science Review wants to give a volunteer who was in charge of running a booth for the duration of the Review a \$75 gift card.
- Entomology would like to give a \$100 patio swing to a retiring staff member.
- 4-H in Auglaize County wants to provide the teen speakers at this year's Carteens sessions with an OSU branded polo shirt \$35 each.
- ATI would like to give a briefcase \$30 each to those graduating from the Bee Club as recognition of their time and service.

De minimis Value Items are not required to go through this process

This guideline does not cover trinkets or things with little to no value (de minimis) under [IRS definition](#). "In general, a de minimis benefit is one for which, considering its value and the frequency with which it is provided, is so small as to make accounting for it unreasonable or impractical".

Examples

- The Animal Sciences Department wants to provide occasional snacks, coffee, doughnuts, etc. at quarterly staff meetings
- OARDC wants to hand out a magnet with contact information for the admissions office at schools, fairs and other large events
- Sea Camp wants to give each student participant the fishing lure they made in the art session during camp

There is no dollar threshold that can be used to determine if something is considered a gift and will need to follow these guidelines or whether it is de minimis and can be purchased like other supplies. The guidance on this changes rapidly – it is a good idea to ask first before proceeding. Email: [Brian McClain](#)

ACTION STEP

[Email us](#) first with the gift you want to give and to whom you want to give it to determine if it is de minimis or not.

2

STEP 2: Is the gift allowable?

Before purchasing or giving a gift you must determine if it is allowable. While most gifts we give are allowable and have clear and valid business purposes, there are some things to consider prior to determining if a gift is allowable or not.

ACTION STEP

Research whether or not your gift is allowable – if you aren't sure [Email](#)

Special rules and restrictions

- If you are planning gifts for recognizing **donors** contact [FAES Advancement](#) first.
- See the [FAES Sponsorship Guidelines](#) if you want to give money to an organization or event.
- Contact [Pat Whittington](#) if you are planning on awarding **scholarships for OSU students**.
- Contact [Government Affairs](#) prior to giving any gift to an **elected official**.

Gifts that are not allowable

Gifts in lieu of actual reimbursements for expenses

If a university employee performs a duty within the scope of their job description (i.e. speaking or teaching at a university function), gifts should not be accepted as reimbursement for time and/or travel. If a department wishes to reimburse an employee in this situation, an interdepartmental expense transfer or direct reimbursement of expenses to the employee are acceptable.

Gift Cards to use in lieu of other buying tools

Cannot buy a card to a grocery store for an employee to use to buy food for nutrition programs.

Recognition of personal events such as birthday, baby shower or marriage

Non Employee Gifts

Gifts to non employees are generally not restricted and not taxable unless they reach large thresholds. This is a cumulative amount over the course of a calendar year. If you are giving a single gift or a combination of gifts totaling over \$250 to one individual see the instructions in **Step 4**.

Employee Gifts

Employees, paid graduate students and emeriti are all included in this category.

Personal Events: Expenditure Policy: http://busfin.osu.edu/FileStore/PDFs/411_Expenditures.pdf

The university may offer acknowledgement/support (not to exceed \$100) to its employees in the event of the following three **personal events**:

- The birth or adoption of a child
- A death of an immediate family member as defined by the Human Resources Family and Medical Leave Policy
- Injury or illness of an employee or his/her immediate family member

Note physical gifts up to \$100 are not considered taxable for allowable personal events but gift cards are always taxable to the employee.

Work Related Rewards, Incentives and Recognition

Office of Human Resources Reward and Recognition Policy: <https://hr.osu.edu/public/documents/policy/policy315.pdf>

Expenditure Policy: http://busfin.osu.edu/FileStore/PDFs/411_Expenditures.pdf

Expenditure: The policy includes guidelines on what is allowable for **Employee Recognition** including formal award programs, appreciation of service programs and misc. gifts to employees. Gifts to employees must be limited to those events which are **work related** and should not include those events that are of a personal nature such as birthdays, weddings, baby showers, etc.

Human Resources: The university encourages the recognition of excellent performance and achievement through the use of rewards that are creative, flexible and meaningful. When administered and communicated effectively, reward and recognition are an important part of a total compensation program. Units may choose whether or not to develop Defined Reward Programs. In the absence of a Defined Reward Program, units may give rewards in immediate response to specific accomplishments.

3

STEP 3: Who needs to approve gifts?

Like most purchases, preapproval is required before purchasing a gift. This table provides information about who needs to approve gifts prior to purchase.




Award Value	Approval Needed	Method for approval
Gifts/acknowledgement/support to employees for birth or adoption of a child, death in the immediate family, injury or illness of an employee or immediate family member \$0-\$100	Unit Approver	<ul style="list-style-type: none">- Submit an eRequest prior to purchase- Note: higher level approval needed if the Unit Approver is purchasing the gift.
Appreciation gifts \$0-\$100	One level higher than the unit approver	<ul style="list-style-type: none">- Email one-level higher approver for permission to purchase- Submit an eRequest prior to purchase along with the extra approval.
\$101-\$1,000	Unit Approver and Dean or VP	<ul style="list-style-type: none">- Submit an eRequest prior to purchase- Once approved by unit approver email to cfaesdean@osu.edu for the Dean's approval.- Attach to the eRequest
>\$1,000	Unit Approver and Dean or VP and OHR	<ul style="list-style-type: none">- Submit an eRequest prior to purchase- Once approved by unit approver email to cfaesdean@osu.edu for the Dean's approval.- Once approved contact your HR Generalist for OHR approval.- Attach both to the eRequest
Alcohol	Unit Approver and Dean or VP	<ul style="list-style-type: none">- Submit an eRequest prior to purchase- Once approved by unit approver email to cfaesdean@osu.edu for the Dean's approval.- Attach to the eRequest

ACTION STEP
Attach the appropriate level of approvals to the eRequest.

4

STEP 4: Are there tax issues?

Most gifts to employees and certain gifts to non-employees create IRS tax implications. This table provides information on when tax issues apply.

Recipient	Type of Gift	Type of Tax	Background	Process
Employee, paid graduate student or emeriti 	Cash or Gift Card	Income Tax	Cash and gift cards are almost always taxable to employees, regardless of the reason they are given or the amount (i.e. retirement, award, incentive).	<ul style="list-style-type: none"> - Ask Brian McClain prior to purchase - If taxable, get the employee to sign a Taxable Benefit Agreement Form prior to making the purchase. - Give the gift to the employee - Complete an HR Action Request
Employee, paid graduate student, or emeriti 	Gift (i.e. apparel, books, paintings)	Income Tax	Whether or not gifts are taxable depends on the frequency, the value, and the purpose of the gift.	
Non Employees 	Gifts exceeding \$250 in value for one gift or a series of gifts.	Income Tax via a 1099-MISC IRS Form	Gifts exceeding a certain dollar value must be reported to the IRS by the University and a 1099-MISC form sent to the individual.	<ul style="list-style-type: none"> - Complete the Non Employee Gift Form - Get a completed Vendor Setup Form (pg 2 only) from the individual. - Send to your Business Operations Center Representative

Example

The Advancement Office wants to give its employees polo shirts (\$40 ea.) with the university branding.

- This falls into category 2 (Employee Gift).
- You would email [Brian McClain](#) to find out if it is taxable (Yes).
- You would get consent from the employees prior to purchasing (Taxable Benefit Form).
- Complete an HR Action Request to add the value to the employee's taxable income. (HR Action).

ACTION STEP

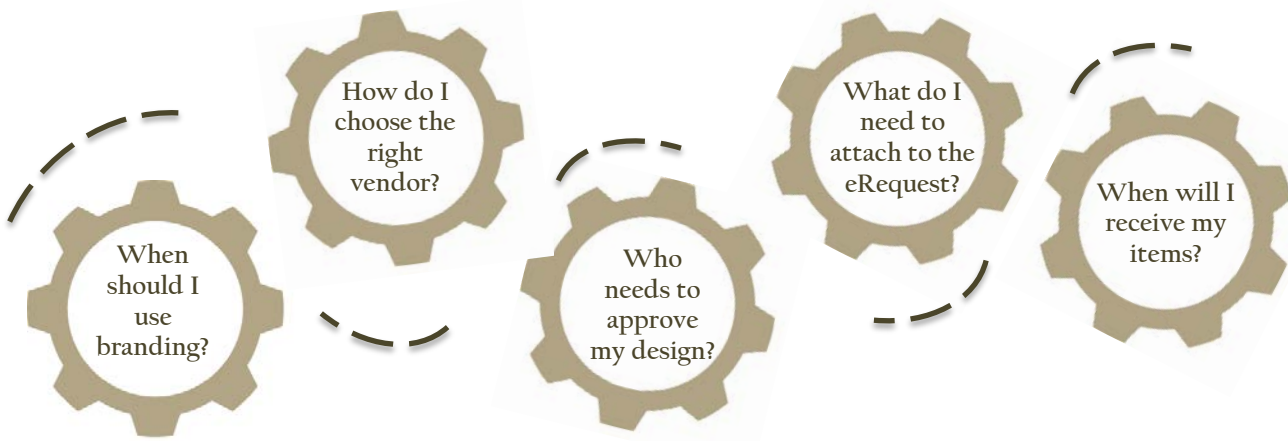
[Email us](#) if you aren't sure if something is taxable.

If taxable get the recipients permission before purchasing.

Then complete and submit the appropriate paperwork.

5 STEP 5: Does the gift have OSU Branding?

Items printed that have a custom OSU brand have to go through the branding and purchasing process. See the [Promotional Items Guide](#) for more information about ordering branded items. The promotional items guide is lengthy – use it for step by step instructions to answer the following questions.



Note: Items purchased from retailers (like Conners, BuckeyeCorner, Team Shop, Kohls) with OSU branding would not apply and do not need extra approval. Make a note on the eRequest that no customization to the order was made.

ACTION STEP

If your item is branded (customized, not purchased in store) – follow the instructions in the [Promotional Items Guide](#) to purchase your items.

6

STEP 6: Are there any buying restrictions on the gift?

Most gifts are purchased with a PCard

Common PCard Process

Enter eRequest
which gets approval for purchase

Check out PCard
Check out the PCard from the PCard manager and make your purchase

Complete the eRequest – needed documentation for gifts

Return the PCard to the PCard Manager and go into the eRequest and attach the following:

- Itemized Receipt that shows payment
- Packing slip if items were mailed
- A list of recipients and their employee or emeritus status
- Any special approval emails or instructions you received in **Step 2 – Is the gift allowable?**
- Any special approvals you needed from **Step 3 – Who needs to approve gifts?**
- An email from Brian McClain saying the item isn't taxable, a Taxable Benefit Form for gifts to employees or emeriti that are taxable or a Non Employee Gift form for gifts to non employees over \$250 documenting **Step 4 – Are there tax issues?**
- Approval from Trademark and Licensing for branded items documenting **Step 5 – Does the gift have OSU Branding?**

When the common process won't work:

- **Cash or Check** – if you want to give cash to a person this will either need to go through an HR Action Request (additional pay for employees or emeriti) or through an eRequest to the individual (payment – for non-employees)
- **Branded Items** – branded items need to be purchased from one of the 12 approved vendors (for give aways) or one of the licensed vendors (for sale items). See the [Promotional Items Guide](#)

ACTION STEP
Submit an eRequest to make your purchase

Questions? cfaesbusiness@osu.edu

STEP 1: What is a gift? 2
Take time to determine if this process guide applies.

STEP 2: Is the gift allowable? 3
Most gifts are allowable but it is important to check first before buying a gift.

STEP 3: Who needs to approve gifts? 4
Some gifts require extra approval before purchase, check first before buying a gift.

STEP 4: Are there tax issues? 5
Some gifts are taxable to the individual, check first before buying a gift.

STEP 5: Does the gift have OSU Branding? 6
Some gifts have vendor restrictions and branding approval requirements, check first before buying a gift.

STEP 6: Are there any buying restrictions on the gift? 7
Some gifts require a different than normal buying procedure, check first before buying a gift.