

## Accounting Handbook

### Gifts to Employees and Non-Employees of University Procurement and Payables

#### General Statement

This document states the general guidelines related to awards and other gifts purchased with university discretionary funds and presented to students, faculty and staff employees (excludes student workers), and individuals who are not employees of the University (“non-employees”), who have a relationship with the University of Houston-Clear Lake. Awards and gifts (cash and non-cash) are subject to federal and state taxes and reportable on Form W-2 (employees), Form 1099-MISC (non-employees), or Form 1042-S (nonresident aliens) unless an exception applies. The UH Tax Office will evaluate any reporting or withholding requirements to external taxing authorities, such as the Internal Revenue Service.

Employees, students, student workers, and non-employees who have a relationship with the University of Houston-Clear Lake are permitted to receive and acknowledge awards and other gifts at special occasions and/or certain circumstances. For example, a gift may be given to acknowledge the completion of a major project or to recognize contributions of an individual relating to their tenure as an employee or as a long-standing member of a shared governance. The gift must have a defined institutional purpose and may only be reimbursed from discretionary funds or unrestricted gift funds. All awards, regardless of dollar amount, must have a valid, documented business purpose and must comply with all University purchasing and expenditure procedures. The presentation of an award or gift must demonstrate that the gift benefits the University, is in furtherance of the University’s business purpose, or is clearly necessary to the University’s fulfillment of its role as a good community citizen.

Cash awards, prizes and gifts to **employees** of any amount are taxable and must be paid through Payroll. Non-cash awards/prizes/gifts greater than \$50 or cash equivalent (i.e., gift certificates) of any amount are also taxable and must be paid through Accounts Payable in accordance with [SAM 03.D.06](#). An Exhibit B “Taxable Payments or Reimbursements to Employees” form must be completed by the employee and submitted by the department giving the gift, to the Office of Human Resources.

If the department awards a gift card/certificate or any taxable awards, prizes, gifts, to a non-employee and the total amount received by the **non-employee** in a calendar year is \$600 or more, the department is responsible for submitting the non-employee’s W-9 Form and reporting the amount to Accounts Payable, so that the non-employee can be issued a Form 1099-MISC. These guidelines are intended to conform to existing tax laws and are subject to an amendment when new tax law changes are issued.

To purchase gift cards the responsible department must submit a “Gift Request Form” to the Accounts Payable Department for approval.

- One time gifts to employees is limited to \$50 per event or circumstance subject to the availability of departmental discretionary funds.
- Awards, Prizes and gifts given to non-employees of the university is limited to \$50/event subject to availability of departmental discretionary funds.
- Awards, Prizes and Gifts given to students of the university is limited to \$25/event subject to the availability of departmental discretionary funds.

#### Procedure

- Individual department(s) to complete and submit with appropriate approvals the ‘Gift Card Request Form’ via email to [AccountsPayable@uhcl.edu](mailto:AccountsPayable@uhcl.edu)
- The Gift Card Request Form reviewed and approved by Accounts Payable Director and returned to the originating department.

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- Department purchases the gift card(s) via p-card or a voucher and must upload the ‘Gift Card Request Form’ approved by the Accounts Payable Director as backup to the voucher or P-Card transaction.
- Gift cards must be kept in a secure campus location (e.g., locked drawer or safe) until distributed, in the custody of an employee who has a completed “Cash Handling Acknowledgement” form on file with General accounting, listing themselves as a “Custodian”.
- The distribution of the gift cards/certificates must be documented, including date of distribution, name of recipient(s), and signature of recipient(s) acknowledging the receipt. (See attached form “Acknowledgement for Receipt of Gift Certificates/Gift Cards.”)
- Responsible department should upload the distribution records (Acknowledgement for Receipt of Gift Certificates/Gift Cards) and any other supporting documents to the voucher or P-Card document page in the Finance System when the distribution is complete.
- For **employee(s)** an Exhibit B form “Taxable Payments or Reimbursements to Employees” must be completed by the employee and submitted by the responsible department giving the gift to the Office of Human Resources.
- For **non-employee(s)**, the department is responsible for submitting W-9 Form and reporting to Accounts Payable on any taxable awards, prizes, gifts, and the total amount received by the **non-employee** in a calendar year is \$600 or more.
- Responsible department may assign someone other than the gift card custodian to review the gift card records at least once every month to verify that all distributed and undistributed gift cards are accounted for and must report any discrepancies to the Senior Business Coordinator.
- If the gift cards are for a confidential human subject study, the department must retain distribution records in their files for seven fiscal years after the grant expires.

### Expenditure Account Codes Used

Account	Short Description	Long Description
54907	EMPLOYEE NON-TAX AWARDS	NON-CASH AND NON-CASH EQUIVALENT AWARDS, PRIZES, OR GIFTS TO EMPLOYEES WORTH \$50.00 OR LESS. ALSO INCLUDES NON-TAXABLE LENGTH OF SERVICE AND SAFETY AWARDS TO EMPLOYEES (SEE SAM 03.D.06, ADDENDUM A, FOR CRITERIA). THESE AWARDS, PRIZES, OR GIFTS ARE NON-TAXABLE.
54912	STUDENT AWARDS	COSTS RELATED TO CASH OR CASH EQUIVALENT AWARDS, PRIZES, OR GIFTS OF ANY AMOUNT OR NON-CASH AWARDS, PRIZES, OR GIFTS GREATER THAN \$50.00 IN VALUE TO STUDENTS IN RECOGNITION OF THEIR SPECIAL OR MERITORIOUS SERVICES OR CONTRIBUTIONS TO THE UNIVERSITY COMMUNITY. CONSIDERED TAXABLE INCOME TO THE RECIPIENT AND REPORTED ON A 1099-MISC FORM IF THE AWARD, PRIZE, OR GIFT AND OTHER TAXABLE PAYMENTS EQUAL OR EXCEED \$600.00 FOR A CALENDAR YEAR. NOT A STIPEND, SCHOLARSHIP OR FELLOWSHIP.
54950	CDV-NON-EMPLOYEE AWARDS	COSTS RELATED TO CASH OR CASH EQUIVALENT AWARDS, PRIZES, OR GIFTS OF ANY AMOUNT OR NON-CASH AWARDS, PRIZES, OR GIFTS GREATER THAN \$50.00 IN VALUE TO NON-UNIVERSITY EMPLOYEES IN RECOGNITION OF THEIR SPECIAL OR MERITORIOUS SERVICES OR CONTRIBUTIONS TO THE UNIVERSITY COMMUNITY. DOES NOT INCLUDE AWARDS TO STUDENTS. CONSIDERED TAXABLE INCOME TO THE RECIPIENT AND REPORTED ON A 1099-MISC FORM IF THE AWARD, PRIZE, OR GIFT AND OTHER TAXABLE PAYMENTS EQUAL OR EXCEED \$600.00 FOR A CALENDAR YEAR. FOR UHC, UHD OR UHV USE ONLY.
54951	CDV-EMPLOYEE AWARDS	RELATED TO CASH OR CASH EQUIVALENT AWARDS, PRIZES, OR GIFTS OF ANY AMOUNT OR NON-CASH AWARDS, PRIZES, OR GIFTS GREATER THAN \$50.00 IN VALUE TO UNIVERSITY EMPLOYEES IN RECOGNITION OF THEIR SPECIAL OR MERITORIOUS SERVICES OR CONTRIBUTIONS TO THE UNIVERSITY COMMUNITY. CONSIDERED TAXABLE INCOME TO THE RECIPIENT AND REPORTED ON THE EMPLOYEE'S W-2. FOR UHC, UHD OR UHV USE ONLY.

### Forms

[Gift Card Request Form \(included Acknowledgement for Receipt of Gift Certificates/Gift Cards\)](#)  
[Exhibit B Taxable Payments or Reimbursements to Employees \(page 1 & 2\)](#)

### Contacts

Accounts Payable (281)283-2130 [AccountsPayable@uhcl.edu](mailto:AccountsPayable@uhcl.edu)  
 Human Resources (281)283-2160 [HumanResources@uhcl.edu](mailto:HumanResources@uhcl.edu)  
 Finance Office (281)283-2140 [AVP\\_Finance@uhcl.edu](mailto:AVP_Finance@uhcl.edu)