

## Purchase of Gifts for Employees/Students

Type of Policy:

Administrative

Effective Date:

June 2017

Last Revised:

April 2019

Policy Owner:

Human Resources

Contact Name:

Zachary Rogers

Contact Title:

Director Payroll

Contact Email:

zachary.rogers@ohr.gatech.edu

### Reason for Policy:

This policy provides guidance regarding items purchased with Institute resources and given as gifts to employees or students. This includes items given to employees and their families as expressions of sympathy. This policy pertains to purchases made with any Institute funding source, including state, GTF, GTRC, and sponsored funds. The policy establishes consistent, equitable treatment and prudent judgment for gift purchases. The policy also ensures compliance with university funding restrictions, state purchasing guidelines, IRS tax implications, and other applicable regulations. The policy also provides parameters for what constitutes a reasonable amount and type of gift.

### Policy Statement:

Georgia Tech policy generally prohibits giving gifts to individual employees or students from Institute funding sources except for the following cases:

- length of service recognition gifts,
- retiring or separating employees,
- formal and announced employee recognition awards,
- sympathy gifts recognizing the loss of a close family member,
- gifts of support following significant illness of employee

- gifts given to groups of employees to recognize team performance
- gifts and prizes for participation in university events or activities.

Even in the cases above, which are allowable instances for gifts, Georgia Tech policy prohibits the use of most funding sources for gifts to employees except for GTF funds. No gift should ever be given to an employee under the premise that it is related to a specific performance event. It is not appropriate to use Institute funds for door prizes unless de minimis in nature (**not to exceed \$75 annually to an individual**). Gifts of technology and alcohol are generally not appropriate for purchase with Institute resources (of any type).

**Gift cards, gift certificates or other cash equivalents are not allowable for any of the cases covered in this policy.**

### **Scope:**

This policy applies to all Georgia Tech staff, faculty, researchers, and students. This policy does not preclude individuals from giving personal gifts to colleagues, students, and other individuals purchased with personal funds (i.e., no GT, GTRC, GTRI, GTF, or other Institute funding source is used). While this policy applies to GIT, any benefits provided to a GIT employee by an affiliated organization is subject to this policy and the same tax evaluation as if the benefit were provided by GIT. This policy does not apply to incentive gifts for survey participation or research participation, or to awards in student competitions paid as stipends to the recipients. This policy only includes gifts purchased from Institute fund sources and accordingly does not include gifts from vendors.

### **Gifts and Events for Personal Events**

The recognition of faculty, staff, or students for milestones not related to work or education, such as weddings, birthdays, and baby showers, should be paid for from personal funds. Non-work related events and gifts should not involve Georgia Tech business procedures for payment processing, even when personal contributions are collected for such an event or gift.

### **Length of Service Recognition**

Gifts can be given to employees to recognize length of service if they are given to the employee as part of a meaningful ceremony, the employee has at least 5 years of service and, the employee has not received a similar gift in the past five years. Institute sponsored programs (i.e. Staff Council) recognizing length of service less than 5 years with de Minimis gifts are allowed. Non-cash gifts in this category greater than \$75 should not be funded by general operations funds (i.e. state, tuition/fees). Institute sponsored programs providing gifts not purchased with general operations funding, and awards recognizing employee safety milestones/goals, are not subject to tax withholding as long as it is tangible property.

### **Retirement or Separation Gifts**

Gifts given to a retiring or separating employee should be given as part of a meaningful ceremony/reception and the value of the gift(s) should correspond to the length of service, but generally should not exceed \$400. **Non-cash gifts in this category greater than \$75 should not be funded by general operations funds (i.e. state, tuition/fees).** Gifts in excess of \$400 should be

approved in advance through a Foundation Expenditure Exception Request Form, for GTF funds, or by e-mail to the GTRC Controller with an explanation, for GTRC Funds.

### **Employee Recognition Awards**

Gifts may also be given to employees as part of an approved and established employee award program and based on announced objective criteria. Such awards should be presented to employees on a basis that does not discriminate and amounts of the awards should correspond to the rigor of receiving the award. Please see the “Awards and Recognition” site noted in the Related Information section of this policy for examples and amounts. Awards of cash that are given to recognize outstanding service, contributions to the Institute, or other criteria are taxable and should be processed through Georgia Tech Payroll Services. A gift of tangible property is generally not taxable.

### **Sympathy Gifts**

Sympathy gifts are appropriate in cases of serious illness or death of an employee or immediate family member. Such sympathy acknowledgements are allowable because Georgia Tech recognizes the value of employees to the Institute and the working relationships developed during employment enrich the lives of all Institute employees. Gifts of sympathy generally should be tangible property such as flowers, fruit baskets, and meals generally **under \$75**. Monetary contributions to charitable organizations in lieu of personal property may be given if consistent with the value of a traditional commemoration. These gifts are not taxable due to their nature and nominal value.

### **Recognition of Team Performance**

Gifts may be given to groups of employees to show appreciation for their participation as part of a team, department, or Institute event. Gifts of this nature are typically one of a number of identical items (t-shirts, scarves, Georgia Tech spirit memorabilia, etc.). Gifts in this category should be de minimis (trivial), not occur frequently, and **should not exceed \$75**.

### **Gifts and Prizes**

Gifts and Prizes (non-cash) may be awarded to individuals for participation in games of chance or contests. Games of chance include raffles and door prize events. Raffles and games of chance should be approved in advance by the office of the EVPA&F. The amount of a prize should be **limited to \$75 in value**. The department or unit sponsoring prizes must maintain detailed records of all receipts and expenditures associated with the event, including the names of winners and the value of the prize awarded. These gifts typically do not have tax consequences due to their nominal value and infrequent nature.

### **Definitions**

#### **de minimis**

In general, a de minimis benefit is one for which considering its value and frequency with which it is provided, is so small as to make accounting for it unreasonable or impractical. De minimis benefits are excluded under the Internal Revenue Code section 132(a) (4) and include items which are not specifically excluded under other sections of the Code.

**Responsibilities:**

Office of Human Resources – Director, Payroll– Guidance and interpretation

**Enforcement:**

To report suspected instances of noncompliance with this policy, please contact the Office of Human Resources or visit Georgia Tech’s EthicsPoint, a secure and confidential reporting system, at: [https://secure.ethicspoint.com/domain/en/report\\_custom.asp?clientid=7508](https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508)

**Related Information:**

- [Prohibited Receipt of Gifts By USG Employees](#)
- [GT Gift Card Policy](#)
- [Meals and Entertainment](#)
- [Foundation Expenditure Exception Request Form](#)
- [Georgia Tech Foundation Flower Fund](#)
- [Awards Policy](#)
- [Awards & Recognition](#)

**Policy History:**

**Revision Date**

April 2019

External Review Required On:

Wednesday, July 1, 2020

**Author**

Human Resources

**Description**

New Policy

