

# Asheville-Buncombe Technical Community College

# (A-B Tech) Procedure

## Procedure 400.01: Use of Gift Cards

## Purpose and Scope

The purpose of this Procedure is to set forth the guidelines and procedures for the purchase and distribution of gifts and gift cards/certificates purchased with College and/or Foundation funds.

A-B Tech wishes to comply with IRS regulations that address tax implications surrounding gift cards and gift certificates. *Under Internal Revenue Code 132, a gift card, gift certificate, store-value card, or a prepaid Visa/MasterCard, collectively referred to as a gift card, is considered a cash or cash equivalent that is subject to taxes regardless of the face value.* In addition, gift cards can be susceptible to fraud or misappropriation since they lack the audit trail that exists with check or purchasing card (“P-Card”) payments. As a result, the College wishes to limit the purchase and giving of gift cards in the course of business.

This Procedure applies to any purchase and/or distribution of gifts and gift cards/certificates using College/Foundation funds, including the distribution of gifts and gift cards/certificates that have been donated to the College. This Procedure applies to all College Trustees, employees, and students.

## Gift Card Procedure

Use of gift cards, gift certificates or gift-cash (referred to throughout these procedures as “gift cards”) involve tax implications. Therefore, the purchase and giving of gift cards by A-B Tech employees in the course of their job responsibilities to individuals inside and outside of the A-B Tech community is discouraged.

## Procedures

Although discouraged, A-B Tech recognizes that it may sometimes be appropriate to purchase and distribute gift cards to a third party. Faculty and staff may want to use gift cards for awards, emergency funds, or certain federal and non-federal grants. Any gift card purchased with College/Foundation funds and given to an employee is considered taxable income to the employee and should be added to their Form W-2 during the calendar year the gift card was received. As such, gift cards to employees are prohibited and requests for any cash-equivalent award for employee recognition should be paid via payroll.

The employee who is distributing the gift card is responsible for exercising control over the cards and for completing all documentation necessary for A-B Tech to meet its reporting obligations to the IRS. A-B Tech employees may use certain pre-approved College funds to purchase gift cards only if you are willing to do the necessary paperwork and follow the procedures set forth below. If you are unable or unwilling to follow this Procedure, the purchase and distribution of gift cards with College funds is neither approved nor appropriate and will be considered a violation of this A-B Tech Procedure.

Gift cards may be purchased with a check request and must be pre-approved by Business Services. Please allow 5-10 business days for this request to be processed. Any additional processing charges by the gift card vendor will be passed to the fund paying for the gift cards. The Business Office will conduct periodic audits, at a minimum annually, to ensure that College employees have complied fully with the gift card/certificate reporting requirements set forth in this Procedure.

## Processing Requirements

1. Authorization for the Purchase of Gift Cards/Certificates (attached as Exhibit A). This form must be completed PRIOR to the purchase of gift cards/certificates and accompany check request. Incomplete forms will not be accepted.
2. When the check is ready for pick up, the employee will be notified by Business Services. Upon receipt of the check, the employee must complete the Gift Card Agreement Form (attached as Exhibit B) for each check distributed.
3. The Gift Card/Certificate Acceptance Agreement (attached as Exhibit C) must be completed for each gift or gift card/certificate distributed. The form will be attached to the check in Etrieve and filed upon signature.
4. A Gift Card/Certificate Disbursement Log (the “Log”) (attached as Exhibit D) is required to record the dispensing of all gift cards/certificates purchased by the department – even if only one gift card is purchased for one individual.  *The Acceptance Agreement must be kept on file by the department, together with the Log.*
5. The department must submit a copy of the Log, together with a copy of the related Acceptance Agreements to the Business Office within 30 days of the event. For the month ending December 31, the Log must be submitted by December 15. No gifts or gift cards/certificates should be given to students after December 15 of each year. If it is determined that in any calendar year a non-employee has received an amount of $600.00 or more, the Accounts Payable Department will notify the issuing department which will be responsible for obtaining an IRS Form W-9, Request for Taxpayer Identification Number and Certification, from the non-employee recipient. If gifts or gift cards/certificates have been distributed to nonresident aliens, the Department issuing the gifts or gift cards must report the distribution to the State Funds Accountant at controller@abtech.edu at the time of the distribution, and the department will be responsible for all applicable taxes.
6. It is the responsibility of the department to ensure that sensitive data is protected. To ensure that personal financial information is not inadvertently disclosed, all Form W-9s should be sent to the Business Office and should not be retained by the department. Under no circumstances should full social security numbers be kept on a local desktop, laptop, or other computing device.

## Violation of this Procedure

Violation of this Procedure or failure to cooperate in complying with its provisions by any individuals who purchase or distribute gifts or gift cards/certificates on behalf of the College may result in disciplinary action up to and including dismissal. If a P-Card holder is found to have violated this Procedure, the employee may lose their P-Card privileges.

Definitions: None

Owner: Vice President of Operations/CIO

Updated: May 16, 2022

Exhibit A



# AUTHORIZATION FOR THE PURCHASE OF GIFT CARDS/GIFT CERTIFICATES

This form must be completed for the purchase of gift cards or gift certificates (“Cards”) by A-B Tech employees. Check requests submitted without a copy of the properly completed Authorization Form will be rejected. Please insert all required information electronically and print the completed document for the signatures required on lines 3 and 11. The completed Authorization Form(s) should be maintained by the Business Services Department with Gift Card/Certificate Disbursement Log as described in Procedure 400.01: Use of Gift Cards:

1. **Purchaser’s Name:** Click here to enter text.

**2.** **Purchaser’s Department:** Click here to enter text.

**3.** **Purchaser’s Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**4. Vendor Name (Entity from which Cards are to be purchased):**

Click here to enter text.

**5. Date:** Click here to enter text. **Aggregate Amount:** Click here to enter text.

* 1. **Description of what is going to be Purchased (Number/Face amount of Cards to be purchased):** Click here to enter text.
	2. **Description of Intended Use of Cards (e.g., gas, groceries, etc.):** Click here to enter text.
	3. **Method of Purchase/Acquisition (e.g., Check Request, Donation):** Click here to enter text.
	4. **Month/Semester/Year Cards are to be distributed:** Click here to enter text.
	5. **Fund/Org to be Charged**: Click here to enter text.
	6. **Supervisor Signature and Date:** Click here to enter text.

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 Signature Date

Exhibit B

# A-B Tech Logo

#  A-B TECH GIFT CARD AGREEMENT FORM

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (**employee name**), hereby acknowledge being issued gift cards for distribution in the amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. In administering the distribution of these cards, I agree to comply with the following terms and conditions:

* I understand that I am being entrusted with the property of A-B Tech, gift cards (cash equivalents), with which I will be making financial transactions on behalf of A-B Tech.
* I understand that I am the **only** authorized gift card issuer, and no other person is authorized to distribute gift cards.
* I agree to distribute gift cards for approved participants only and not to use them for any other reason under any circumstances. I understand that the Business Office will be auditing the gift card distributions and will report to management and take appropriate action on any discrepancies or misuse.
* I will follow the established procedure for the issuance of gift cards, maintain the gift card log and obtain a gift card acceptance form from each recipient. Failure to do so or any misuse of the cards may result in revocation of my use privileges and/or disciplinary action(s) up to and including dismissal.
* I have been given a copy of the Gift Card Policies & Procedures Manual and understand the requirements for gift card distribution.
* I agree to return the gift cards immediately upon request or separation from employment (including termination, transfer, resignation, or retirement.)
* If any of the gift cards are lost or stolen, I agree to immediately notify Campus Police and the Controller and/or Executive Director, Business Services.
* I am aware of my responsibility for reporting any misuse of these cards.

**Employee Signature** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Business Office Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**