

Gift Cards Policy Highlights–FI0313

https://policy.tennessee.edu/fiscal_policy/fi0313/#top

1. Approval and Limits
 - a. All purchases for gift cards must be **pre-approved** by the Chief Business Officer or their designee due to the fact gift cards are the equivalent to cash and can have income tax implications. Normally, the value of an individual gift card shall not exceed \$75.00 per card.
 - b. If CBO, Tyler Forrest, approves gift card purchases via email then the email approval needs to be attached to the reimbursement and no further approval from CBO is necessary, unless the purchase of the gift cards differs from what is described in the original approval email. For example, the original email approved for 10 gift cards at \$25.00 each; however, 5 gift cards at \$50.00 were purchased. In this example the CBO, Richard Brown, must approve the actual purchase of the gift cards since it differs from original approval email.
2. Examples of Appropriate Request
 - a. Event volunteers
 - b. Sponsored project participants
 - c. Outreach participants (i.e., 4-H participants)
 - d. Door prizes
 - e. Survey participants
3. Sponsored Projects
 - a. Use of gift cards as incentives or awards of externally funded sponsored project participants must be described in the grant proposal. If the gift card was NOT described in the grant proposal, the purchase of a gift card on a sponsored project requires written approval from the sponsor. If prior approval is not obtained, the gift card purchase is NOT allowed on the grant. Additionally, when conducting human subjects research **the protocol must be submitted to and approved by the Institutional Review Board and informed consent of participants must be sought and documented.**
 - b. The use of gift cards as incentives for department research not funded by an outside entity should be described in a descriptive narrative, protocol or publication. **The document must specify gift cards to be used as incentives will be purchased in the appropriate dollar amounts from a specified vendor or vendors. When conducting human subjects research, this document must be submitted to and approved by the IRB and informed consent of participants must be sought and documented.**
4. Gift cards can be purchased by an employee and reimbursed through Miscellaneous Reimbursement, through campus bookstore, on an invoice through purchase order process. Gift cards can NOT be purchased with Procurement cards.
5. Gift cards cannot be issued/given to UT students or employees unless prior approval from the CBO or designee is obtained. Any gift cards given to UT students must comply with Fiscal Policy FIO535 – Student Payments (Non-employment Related) and any gift cards given to UT employees must comply with Fiscal Policy FI0717 – Employee Gift Acceptance Policy.
6. If the combined total of value of gift cards received and compensation for services rendered exceeds \$600 in any calendar year for a non-employee, a form 1099-MISC will be issued. If the gift recipient is a U.S. Citizen, he/she will be required to complete a Form W-9.
7. Tracking of Gift Cards
 - a. Gift card activity shall be documented so that the physical number and value of cards in the custodian's possession matches the balance of gift cards documented on a log, receipt book, or equivalent method of documentation

- b. The method of tracking gift cards should record the following information:
 - i. Recipient name or in the case of anonymous or confidential human subject participants, the participant ID number
 - ii. Date of distribution
 - iii. Signature of PI or department head authorizing disbursement to recipients
 - iv. Purpose of payment
 - v. Serial number of the gift card
 - vi. Amount of gift card
 - vii. Signature or initials of study participant or recipient, if available
 - c. Alternate method of record keeping for anonymous and confidential surveys – for anonymous surveys and confidential research participants, the department must maintain a reconciliation of the number of cards given equaling the number of surveys or participants. This reconciliation must be approved by the supervisor of the person disbursing the cards.
- 8. Unused Gift Cards**
- a. Physical inventory of gift cards must be performed at least monthly. At the end of the fiscal year, the total number of unused cards and the total value of those cards must be reported to the campus CBO.
 - b. Unused inventory of gift cards must always be accounted for. It is not permissible to charge sponsored projects for gift cards that have not been used for the project.
 - c. When unused cards exist, the department should try to return the gift cards to the vendor and obtain a refund. The department may re-sale the gift cards to other departments who have approved business need for the cards. Sponsored projects must be reimbursed for the full cost of unused cards by the end of the grant cycle. The department purchasing the gift cards must have CBO approval in accordance with paragraph 3 of this policy.
- 9.** The individual assigned the responsibility of distributing the gift cards should NOT also be assigned the responsibility of tracking and reconciling the gift cards.
- 10.** Lost or stolen cards need to be reported in accordance with [Fiscal Policy FI0131 – Cash Shortages and Property Loss](#).