

Procedure	GIFTS FOR UC EMPLOYEES
Division	School of Medicine
Department	Business Operations
Issued	December, 2014
Revised	
Policy Reference	<a href="#">UC Business &amp; Finance Bulletin G-41: Employee Non-Cash Awards and Other Gifts</a>
Forms	<a href="#">Gifts for UC Employees and Non-UC Employees (SOM form)</a> <a href="#">Matrix for non-cash awards for UC Employees and Non-Employees</a>

## **SUMMARY**

Departments can present employees with non-cash awarded to recognize accomplishments, length of service, retirement, or as an expression of sympathy.

## **TYPE OF AWARDS and GIFTS**

**EMPLOYEE RECOGNITION** (includes Spot Awards) – an item of tangible personal property may be awards to an employee in recognition of his or her noteworthy work-related accomplishments.

- Flowers
- Fruit
- Book or similar item
- Ticket to a sporting or cultural event (season tickets excluded)
- Plaque
- Non-negotiable gift certificate
- Non-negotiable gift cards
- 1-month parking permit (costing no more than \$250)
- 1-month transit pass (costing no more than \$130)

### **Requirements**

Non-cash employee recognition awards must be awarded:

- As part of an established recognition program with objective award criteria
- To employees on a nondiscriminatory basis
- On an occasional basis, not to exceed 3 awards per year
- Not to exceed \$75 in total, for all awards presented in a calendar year, per employee
- Gifts can't be purchased for certain situations including but not limited to holidays, farewell, graduation, and end-of-year recognition
- Note: Employee recognition awards that do not meet any one of the above conditions do not meet the Internal Revenue Service (IRS) test for a tax exemption and are not allowed.

**RECOGNITION OF LENGTH OF SERVICE** – These awards must be:

- Tangible, personal property
- Non-cash or non-cash equivalent (such as a non-negotiable gift card or gift certificate)
- \$400 or less in cost
- Based on length of service and not on an employee's classification
- Given as part of a meaningful ceremony

### **Recipient requirements**

- Must have contributed at least five years of service to UCR
- Cannot have received a similar award in the four years prior to receiving the length-of-service award

**INCENTIVE AWARD FOR EMPLOYEE PARTICIPATION** - Departments occasionally hold raffles for door prizes or present gifts for employee participation in events and surveys. Employee prizes and gifts cannot be used to reward an employee for performance.

**Prizes and gifts must be:**

- Tangible, personal property
- Ticket to a sporting or cultural event (season tickets excluded)
- Non-cash or non-cash equivalent (such as a non-negotiable gift card or gift certificate)
- \$75 or less in cost

**RETIREMENT- non-cash gifts** in recognition of their accomplishments. Note that retirement gifts do not include farewell or graduation gifts. Retirement gifts must be:

- Tangible, personal property
- Non-cash or non-cash equivalent (such as a non-negotiable gift card or gift certificate)
- \$400 or less in cost
- Based on service and not the employee's classification
- Given as part of a meaningful ceremony

**SYMPATHY GIFT** can be given to an employee or a member of the employee's family in the event of a major illness or death. These gifts must be:

- Tangible, personal property (non-cash)
- \$75 or less in value

**Examples of sympathy gifts**

- Flowers
- Plants
- Fruit
- Books

**A cash contribution to a charitable organization**, not to exceed \$200, can be made in lieu of a tangible gift. The contribution must be accompanied by an official transmittal letter stating the donation was made on the behalf of the university.

**UNALLOWABLE AWARDS AND GIFTS**

Examples of unallowable awards and gifts include the following:

- Gifts of cash, except donations to a charity as an expression of sympathy
- Negotiable gift certificates and cards
- Gift certificates and cards for services
- Recreation memberships
- Season tickets to sporting or cultural events
- Gifts provided to employees in connection with birthdays, weddings, anniversaries, holidays, farewells, graduations and other occasions of a personal nature.

**APPROVALS and EXCEPTIONS**

The SOM Department Head (Dean) has authority to approve to reimburse expenses under this policy. Department heads cannot approve their own reimbursement requests. In such cases, the Chancellor's approval is required. Exceptions are permitted and may be authorized by the Chancellor. Exceptions should be restricted to a limited number of high level individuals and must be specifically delegated in writing. Exception request must specify the type of award, the purpose of the award, the special circumstances that require an exception

and the name of the employee for whom the exception will be granted. Exceptions to the per-person limits should be avoided, as they would create additional taxable income for the employee.

### **FUNDING SOURCES**

When fund policy is more restrictive than UCR policy, the fund policy prevails. Follow these guidelines:

- State funds **may** be used for expenditures associated with employee recognition, length of service and retirement awards.
- Federal or state funds may not be used for sympathy gifts and cash contributions and raffle prizes, door prizes and incentive gifts to complete surveys and questionnaires.
- Non-state funds controlled by the University (e.g. endowments, gifts, etc) may be used for employee awards, in accordance with this policy and subject to any restrictions on those funds.

### **PROCEDURE**

1. Review UC Policy G-41.
2. If you have any questions contact SOM Business Operations Office.
3. Complete the Gifts for UC Employees/Non-Employees Form, attaching:
  - a. original receipt. For payment directly to a vendor, attach the invoice or other supporting documentation
  - b. copy of transmittal letter (if it was a sympathy cash contribution)
  - c. copy of the approval letter from the Chancellor, if the request was an exception to policy.

*Note: Documentation is required regardless of amount.*

4. Forward to SOM Business Operations
5. Business Ops will review for compliance
6. Transactor will process via E-Pay.