

Gift Certificate/Card Policy

Purpose

Under Internal Revenue Code (IRC) 132 a gift card, gift certificate or a prepaid Visa/MC is considered a cash or cash equivalent fringe benefit. This type of fringe benefit is additional compensation and taxable to an employee, non-employee, student, or research participant. In order to comply with IRS requirements for reporting of taxable income, Bethel University has outlined the following policy for the use of gift certificates/gift cards purchased or reimbursed with Bethel University funds.

Non-Allowed

All Employees (Faculty, Staff and Student Workers). It is prohibited to use Bethel University funds to purchase any gift certificate/gift card, regardless of value, for any employee.

- As an alternative way to recognize employees who meet the award criteria, you may consider requesting a [Bethel Star Award](#).
- As an alternative way to recognize students, you may consider requesting a [Royal Kudos Award](#).

Allowed

Non-employees. Individuals from outside Bethel may receive a nominal (less than \$100.00) gift certificate/gift card as a thank you for a service or work performed.

Students. Gift certificates/gift cards less than \$100.00 may be given to a student as a prize or award for a contest. It cannot be tied to the performance of work.

Research Participants. Gift certificates/gift cards less than \$100.00 may be given to non-employees who participate in a research project.

Required

A [Gift Card Form](#), along with an [Business Expense Report](#) or [Credit Card Activity Report](#), must be completed and turned in to the Business Office for all gift certificates/gift cards purchased with University funds. Departments or individuals who do not complete the Gift Card Form will not be reimbursed. No gift certificates in excess of \$100.00 shall be reimbursed.

Other

This policy applies to all gift certificates, including but not limited to, gift certificates purchased for Royal Grounds or the Campus Store. The Business Office will track all Gift Card Forms and issue IRS 1099-Misc forms to those who exceed the IRS reporting threshold.

Last Reviewed: May 23, 2019