Appendix A
Reporting of Gifts, Prizes and Awards

CATEGORY OF GIFT, PRIZE OR AWARD (Note 1)	AMOUNT	NOT TAXABLE	TAXABLE (Note2)
Cash or Unrestricted or negotiable gift certificates (**CAN BE EASILY** converted to cash)	All amounts		✔
Restricted or non-negotiable gift certificates (**CAN NOT BE EASILY** converted to cash)	$75.00 or less	✔	
Restricted or non-negotiable gift certificates (**CAN BE EASILY** converted to cash)	more than $75.00		✔

A restricted or non-negotiable gift certificate is distinguishable from a cash equivalent gift certificate (unrestricted or negotiable gift) when it can only be redeemed with the issuer and cannot be cashed out, sold to another person or used to reduce an outstanding account balance with the issuer of the certificate. Examples would be a certificate for admission to an event or one for a specific product such as a hat or t-shirt.

1. **Internal Revenue Service (IRS) Rules and Regulations**: For employees, the value of a gift of cash, a gift certificate, or a cash equivalent, such as an item which is easily converted to cash, must be included in the recipient's gross income, since it is essentially extra salary or wages, regardless of the amount involved. **Cash, no matter how little, is always included in the recipient's gross income**.

2. The following list of information must be reported to the Accounting Office via memorandum, email or completion of a **Form W-9** ***"Request for Taxpayer Identification Number and Certification"*** within 10 workdays after the presentation by the University department representative if a gift, prize or award is presented to a **NON-EMPLOYEE** where the cumulative retail value is $600 or more:

   - Recipient's Name;
   - Recipient's Social Security;
   - Recipient's Home Address (City, State and Zip code);
   - Recipient's Home and/or work phone number;
   - Recipient's Employment Relationship with the University (e.g., employee, non-employee, etc);
   - Description of the gift, prize or award;
   - Value (fair market value) of the gift, prize or award; and
   - Department contact's name and phone number.

   For employees (including student employees) who receive a gift, prize, or award where the value is greater than $75, or a cash/cash equivalent (gift card) of any value the following information must be reported to accounting as outlined above:

   - Recipient's Name;
   - Recipient's Banner ID (employee/student ID#);
   - Description of the gift, prize or award;
   - Value (fair market value) of the gift, prize or award; and
   - Department contact's name and phone number.

3. In accordance with IRS rules and regulations, the University must report on:

   a. Form W-2, any **EMPLOYEE** by including the **fair market value** of the gift, prize or award in the employee's taxable income if value is **over $75.00**; or.

   b. Form 1099 or 1099 MISC, any **NON-EMPLOYEE** if the cumulative total value of the gift, prize or award is **$600 or more** paid in any taxable year (See Note 3 below); or

   c. Form W-2G, any **RAFFLE WINNINGS** if the value of such winnings is **greater than $5000,** or **300 times the cost of the ticket** regardless of the employment status (employee and non-employee).

The University College or department is required to provide WRITTEN NOTICE to the recipient that the value of the gift, prize or award MAY BE SUBJECT TO FEDERAL, STATE AND LOCAL TAXES.