



NJIT Gift Card Purchase and Distribution Guidelines

I. Statement

NJIT is a public research university and as stewards of public funds, ensures that all financial transactions meet the applicable State standards and University guidelines.

These guidelines and procedures outline the process under which Gift Cards may be purchased and distributed using University funds. Due to the cash-equivalent nature of Gift Cards, appropriate administrative and fiscal controls are required.

1. Guiding Principle:

This guidance aims to set forth the guidelines and procedures for purchasing and distributing Gift Cards purchased with University funds to ensure compliance with applicable State and Federal laws, ethics laws, and the tax withholding and reporting obligations. The preferred payment method for a Gift Card purchase is the bookstore, after approval is granted by the Office of the Dean of Students for all student related gift cards and the Finance Division for all other gift card purchases.

2. General Considerations:

Employees are expected to adhere to the University's Fiduciary and Expense policies and should act in an ethical, practical, and fiscally responsible manner, in full compliance of applicable Federal and State regulations, when purchasing and distributing Gift Cards using University funds. Gift Cards, regardless of value, are considered cash equivalents by the Internal Revenue Service (IRS) and are subject to tax reporting. The University is obligated to report, as "other compensation" any Gift Cards distributed. Anyone purchasing Gift Cards for distribution using University funds is responsible for compliance with IRS regulations and University policies.

II. To Whom the Guidelines Applies

These guidelines apply to all full-time, part-time, permanent or temporary employees, faculty, staff, officers, students and volunteers of NJIT.

III. Definitions

The terms below have the following definitions:

1. Gift Card:

A form of payment, physical or virtual, for a specified cash value of goods or services. This includes but is not limited to: electronic cards, Visa or other debit style cards, vouchers, certificates to physical stores (e.g., chain, department, or grocery stores, including the NJIT Follett Bookstore), online stores, and restaurants.

2. Gift Card Logs:

A log maintained by the Gift Card Purchaser recording Gift Card recipient information is required for the Finance Division to be able to issue tax forms to recipients, if applicable. Logs will include the Gift Card amount, recipient name, date purchased, and date distributed.

3. Gift Card Purchaser.

An employee, faculty, or staff who initiates a Gift Card purchase by using a University issued index and account number.

IV. Procedures

Gift Cards may be purchased using a University Department's account and index. Gift Cards should only be purchased as needed and should not be kept "on hand." Gift cards may be purchased for non-employees only (i) as a token of gratitude for volunteering in a University event, (ii) to compensate participants of an approved University research and/or survey project; or (iii) as a prize for a University sponsored event, raffle, or survey. Individual gift cards may not exceed a face value greater than \$50.00.

Gift cards purchased with University funds may not be given to University employees unless approved by Human Resources and Finance Division due to potential concerns regarding compensation equity and tax compliance.. For example, a department cannot purchase a Gift Card for an employee achieving a specific employment milestone. Note that under IRS rules, *no amount* of cash or cash equivalent is considered *de minimis* and is therefore taxable.

V. Responsibilities

All individuals are responsible for becoming familiar with and following these guidelines. Area Vice Presidents and Department Chairs are responsible for promoting the understanding of and compliance with this policy, as well as taking appropriate steps to establish controls, in their respective departments, to ensure the safeguarding of the Gifts Cards.

The University may terminate the purchase and distribution of Gift Cards at any time. **Gift Card**

Purchaser is responsible for:

- Complying with the Gift Card controls in their Department/Division
- Safeguarding Gift Cards at all times
- Maintaining, reviewing, and reconciling a Gift Card Log which includes, among other things, the date the Gift Card was received or purchased, as well as the amount of the Gift Card. The Gift Card Log must follow the University's security policy related to retention of Tax Identification number and other private information.
- Ensuring Gift Cards be distributed within (30) days of purchase. Unused Gift Cards must be surrendered to the Vice President Accounting & Treasury Management, Finance Division.
- Reporting any lost Gift Cards.
- The department should maintain a log to track all Gift Card recipients, including their name, address, purpose of payment, type of gift card, and their Federal Tax Identification number for tax reporting, if applicable. Gift Cards from NJIT's Follett Bookstore

Gift Cards purchased through NJIT's campus store (e.g., the University Bookstore currently operated by Follett) require a Bookstore Purchase Request Form completed and pre-approved by the Office of the Dean of Students or the Finance Division, as appropriate, prior to purchase.

Failure to follow the guidelines as stated above and to maintain appropriate supporting documentation can result in the suspension of the privilege to purchase and distribute gift cards.