

SUBJECT: GIFT CARD / E-GIFT CARD / GIFT CERTIFICATES	Reference: Gift Cards
Section: PHILANTHROPIC FOUNDATION EXPENDITURE PROCEDURES	PAGE: 1
DEPARTMENT: ADVANCEMENT SERVICES AND OPERATIONS	OF: 3
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PURPOSE:

CSUSB departments occasionally require the use gift cards, e-gift card or gift certificates to provide to students, faculty or staff for participating in an event, research or as a promotional opportunity that advances the work of the CSUSB Philanthropic Foundation. As cash-equivalent instruments, gift cards are governed by tax rules and internal control requirements. These rules and requirements must be followed and communicated to those involved before purchase or distribution of any gift cards. When gift cards are distributed, they must be distributed in accordance with these guidelines.

Gift Card purchases are allowed to the extent they are governed by an established program and the expense is reasonable and necessary to carry out the mission of the University and the Foundation. This policy outlines the processes to ensure appropriate controls are implemented to ensure appropriate authorization, documentation, regulatory compliance and physical security over gift cards are maintained.

GUIDELINES

The use of gift cards and e-gifts does not alleviate the tax reporting responsibilities of the University or the Foundation. The receipt of gift cards will be tracked by the Foundation, and necessary information communicated to the appropriate University departments and tax agencies. As a reminder, an individual who receives at least \$600 in nonemployee compensation will receive a 1099-MISC at the end of the calendar year.

Philanthropic Funds used for gift cards, e-gift card or gift certificates must meet the following requirements:

- Departments requesting to purchase gift cards must send a request in advance for the gift card purchase to be approved. Requests may be sent to the following email: foundation@csusb.edu by the appropriate authorized signer of the Foundation gift account.
- Gift cards should not be purchased for raffles or opportunity drawings.
- Gift cards should not be purchased in lieu of providing financial aid or merit-based awards to

students. All merit and need based awards should be sent to Financial Aid. Exceptions may be made for departments providing gift cards to meet student emergency and basic need programs.

- The following purchase information must be provided in the email:
 - Use of the gift cards
 - Gift cards should be purchased for single events or programs in which they will be disposed of within 30 days from receipt of purchase.
 - Identify the program administrator (department administrator), custodian (who will keep the gift cards), record keeper (who will record gift card disposal), and reconciler (who will reconcile the gift cards).
 - Person purchasing the gift cards must be different from person distributing the gift cards.
 - Number and dollar amount of the gift cards
 - Timeline for use
- Notice of gift card acknowledgement form is required for all individuals to complete that are receiving a gift card.

AWARDING GIFT CARDS

- Gift cards can only be awarded for the purpose which was approved. Any deviation must be approved by emailing: davina.menchaca@csusb.edu
- Prior to receipt, gift card recipients are required to fill out the following items:
 - Acknowledgement Form
- Department issuing gift cards must enter distribution into Gift Card Log

SAFE KEEPING

- Each department maintaining cards should designate a gift card custodian responsible for the card's safekeeping. Upon receipt of the gift cards, the custodian will create a log with the following information:
 - Date Received or Purchased Vendor
 - Amount of Card
 - Card Serial Number or Other Identifying Number
- The log should be verified by the program administrator and then forwarded to the designated record keeper. The receipt for the purchase of the gift cards should be forwarded to the

Foundation office with a copy of the log at this point as well.

- Cards should be treated as cash and kept in a locked and secure location, similar to cash and other equivalents. The custodian should only distribute cards upon request of the department administrator within the guidelines established for the applicable program.

RECONCILIATION

- At a minimum of a monthly basis, an individual separate from the record keeper and card custodian must perform an inventory of the current cards on hand and compare to the log. This individual should be the department or division fiscal representative.
- Any discrepancies between the log and actual card inventory must be resolved with the department and a notification sent to CSUSB Philanthropic Foundation at foundation@csusb.edu.
- This reconciliation should follow the purchase of the cards to the distribution, and ensure the completeness and accuracy of the log and the current card inventory.
- The reviewer must sign or otherwise authenticate the log as evidence of review.
- If records are not adequately kept or cards are missing, the department will not be allowed to purchase gift cards for a minimum of six months. Requests to purchase gift cards may be sent after the six-month period at the request of the division Vice President.
- University Advancement will send the reconciliation logs to Accounts Payable every year on December 15th so they can issue 1099s.
- University Advancement will send monthly reports to Payroll of any employees that received gift cards.

LOST CARDS

- If gift cards are discovered missing, the department administrator must notify the CSUSB Philanthropic Foundation at foundation@csusb.edu and record the loss of the gift card in the Gift Card log.
- Appropriate administrators will determine next steps.

Gift cards to Non-Resident Aliens

- All awards to nonresident aliens may be subject to a 30-40% federal tax withholding. Since the withholding can not be applied on the gift card, departments may be charged the additional tax.
- To ensure accurate reporting of gift cards to non-resident aliens, please contact Margaret Mutadza at mmutadza@csusb.edu.