

GEORGETOWN UNIVERSITY



FINANCIAL AFFAIRS MANUAL

Issuing Department Tax and Asset Mgt.	Topic: Gift Policy – Giving Gifts	Policy # FA 162-12	
New ✓	Revised October 17, 2007 July 1, 2011	Supersedes Policy #	Effective Date: 01-19-07

162.1 POLICY - Gift Policy.

162.2 STATEMENT

To provide guidance to those departments wishing to give gifts to employees, non-employees and to those employees receiving gifts.

162.3 RESPONSIBILITY

University departments giving gifts to individuals are responsible for the proper reporting to the Payroll Office. The Director of Procurement and Payment is responsible for enforcing that portion of this policy that relates to the procurement function.

162.4 GUIDELINES:

Gifts to Employees from Georgetown University

Any cash or cash equivalents (for example: gift certificates, American Express gift cards/gift checks) are includable in the recipient's gross income regardless of the dollar amount. Such amounts must be reported to the Payroll Department using the **Gift Form** found at <http://financialaffairs.georgetown.edu/forms/forms.html>.

Gifts, Prizes, and Awards of tangible personal property, including tickets to non-GU events which have a combined value of \$99 or less during a calendar year are excludable from gross income.

For tickets to GU events, provided the use is occasional in nature the value will be excludable from income.

For the proper accounting of both tickets to GU events and tickets to non-GU events purchased with University funds please see policy 1015 at <http://financialaffairs.georgetown.edu/policytc.html>.

Note: There are greater \$ amount limits for tangible gifts given upon retirement from GU based on length of service. Please see Section E of the **Reimbursement Policy** at <http://financialaffairs.georgetown.edu/policytc.html>

Gifts to Non-Employees

If Georgetown University gives a gift to an individual who is not a Georgetown employee and this is not in lieu of payment for services the individual has provided Georgetown University, Georgetown does not have any reporting requirements to the IRS.

Gifts to Employees from other than Georgetown University

No University employee involved and/or directly associated with the procurement function or vendor selection process shall at anytime accept gifts, personal loans, entertainment, or other special considerations (in excess of \$100 per source, per calendar year) from an individual or business organization doing business, or wishing to do business, with the University.

An exception to this policy is associations with vendor representatives at vendor related luncheons, dinners, or business organization meetings, as these are helpful in establishing better business understandings and vendor relations, neither of which is questionable or unethical, provided the luncheon, dinner, or business organization meeting is neither lavish nor excessive with regard to cost. Recognition by vendors of small, non-valuable items such as pens and coffee mugs, for instance, are permissible.

For additional information, refer to the section labeled “Financial Conflicts of Interest Policy” in the faculty handbook at <http://www1.georgetown.edu/facultyhandbook/print/>

Should you have questions about the appropriateness of a particular situation or function, please consult the Director of Tax and Asset Management for approval.

Staff Parties and Gifts to Employees for Retirement/Farewell

1. Individual departments are permitted to decide whether or not to have staff parties at University expense taking campus budgetary guidelines into consideration. Departments are encouraged, however, to consider combining parties where feasible (e.g. during the holidays).
2. Retirement gifts purchased from University funds are allowed within the following limitations:

a. Length of Service	Maximum amount
10 years of service	\$200

10 to 20 years of service	\$300
Over 20 years of Service	\$400 (anything above \$400 would need to be treated as taxable compensation).

The retiree must have been employed at least 10 years at date of retirement.

3. Farewell gifts purchased from allowable University funds are permissible if the recipient has met five years of continuous service to the University with the following limitations:

a. Length of service	Maximum Amounts
5 to 10 years	\$100
10 to 20 years	\$150
Over 20 years	\$300

Both retirement and farewell gifts must be awarded at a meaningful presentation. These elements qualify such gifts as length-of-service awards under IRS regulations. Therefore, the gifts will not be reportable as compensation. To qualify as a non-taxable award, the award must not be in the form of cash, gift certificate, or any instrument readily convertible into cash.

Farewell and retirement gifts of cash must be processed on a Lump Sum form submitted to Human Resources. Consult your department and campus guidelines for information on who must approve these transactions.

If the employee received a length of service award for the current year or the previous four years then the portion of the retirement/farewell gift plus the length of service award over \$400 will be deemed compensation and reported on the employee W-2 with applicable withholding.

Use of University funds are not allowed for personal events such as baby/wedding showers or birthdays. University funds can however be used to express department acknowledgement of bereavement, staff member’s illness or birth/adoption of a child. In general this covers floral arrangements, candy or fruit baskets. In keeping with the above gift thresholds, expenses should be reasonable and customary for their intent. If there is any doubt an expense is allowable, contact the Tax Office in Financial Affairs for guidance.

162.5 APPROVAL of Policy: Director of Tax and Asset Management. If you are unclear as to whether a specific act is covered by this policy or if you are unsure of the reporting, please call John C. Kotwicki, Director of Tax and Asset Management @ (202) 687-5449 (kotwickj@georgetown.edu).

162.6 REVIEW CYCLE: Annually by Director of Tax and Asset Management.