POLICY CONCERNING GIFTS, PRIZES, AWARDS AND PROMOTIONAL ITEMS

Gifts, prizes, awards and promotional items can be purchased using departmental (State) funds. Use of departmental funds for the purchase of gifts, prizes and awards must be approved in advance by the appropriate Vice President or delegate after submission of a plan detailing the following:

- How the event supports the mission of the university, division, and/or department.
- How the sponsor of the event will collect all the necessary information to adhere to the rules and regulations of the IRS and the State related to tax liability concerning the value of the prize, gift, or award
- How the sponsor will safe keep the tax information collected from the recipient by way of a W9 or W8BEN.
- How the department will pay or collect the added cost of taxes in the case of required withholding due to IRS and State regulations.

Upon approval by the appropriate Vice President or delegate, the plan must be submitted to the Vice President for Administration and Finance for review and final approval.

The sponsor should keep in mind that regardless of the value of the gift, prize or award, the State and IRS require tax information be collected and submitted to the accounts payable department before payment of the gift, prize or award can be processed. In the case of foreign nationals the IRS and State require mandatory withholding of 35% of the value of the item. In the event the sponsor plans to pay for the added cost of the tax withholding the department should plan to pay an additional 53% of the value of the gift, prize or award over the prize value.

Definitions are as follows:

- Gift – Any cash equivalent given as a token of appreciation or to establish good will. No action, such as entering a competition, needed by the recipient.
- Prize – Any cash equivalent given as a result of winning a competition or random drawing.
- Award – Any cash equivalent given for exceptional service.
- Promotional Items – Items advertising Fort Hays State University given to a group of individuals not employed by the university. The items must have Fort Hays State University or an FHSU logo on it. The logo must be approved by University Relations.

Under no circumstance can state funds be used to purchase gifts, prizes, awards or promotional items for employees.

Adopted by President's Cabinet 07/13/2011