BUSINESS OFFICE

Gifts Prizes and Awards Guidelines

Revision Date 8/6/26

The University Policy for Gifts, Prizes, and Awards can be found here: https://www.fhsu.edu/policies/pdf/gift-prizes-awards-and-promotional-items.pdf

Gifts and Awards-State Funds

- State funds **may not** be used to purchase gifts or awards for employees under any circumstances.
    - This includes flowers, sympathy cards, retirement gifts, or any other employee recognition items, regardless of cost.
- When state funds are used to purchase a gift or award of **any value** (tangible or non-tangible) for a **non-employee** recipient, a **Purchase Approval of Gifts, Prizes, and Awards Request** must be submitted and approved **before** the purchase is made.
- Gifts purchased with State funds for **non-employees** must include the recipient name(s) on the Workday transaction (Procurement Card Verification, Supplier Invoice, or Expense Report).
    - Recipient information is required because gift values are tracked for IRS reporting purposes.
    - If an individual receives **$2,000 or more** in 1099-reportable payments from one or more Kansas State agencies during a calendar year, the individual will be sent an **IRS Form 1099** no later than January 31st of the following calendar year for tax reporting purposes covering the year in which the gift, prize, or award was received.
- Student Government Association (SGA) funds may **not** be used to purchase gifts or awards due to the Personal Gain Clause.

Prizes-State Funds

- State funds may not be used to purchase prizes for employees **unless** the prize is awarded through a random drawing that is open to the general public, not exclusively to State employees.
- When allowed and state funds are used to purchase prizes of **any value** (tangible or non-tangible), a **Purchase Approval of Gifts, Prizes, and Awards Request** must be submitted and approved **before** the purchase is made.
- Any recipient—including faculty, staff, or student employees—who receives a prize through a qualifying public random drawing must complete either a Form W-9 or Form W-8BEN, as applicable.
- If an individual receives **$2,000 or more** in 1099-reportable payments from one or more Kansas State agencies during a calendar year, the individual will be sent an **IRS Form 1099** no later than January 31st of the following calendar year for tax reporting purposes covering the year in which the gift, prize, or award was received.
- Student Government Association (SGA) funds may **not** be used to purchase prizes due to the Personal Gain Clause.

Gifts, Prizes or Awards-Student Activity Funds

When Student Activity (SA) funds are used to purchase a gift, prize, or award of **any value** (tangible or non-tangible) for an employee, a **Purchase Approval of Gifts, Prizes, and Awards Request** must be submitted and approved **before** the purchase is made.

Purchase Approval of Gifts, Prizes, and Awards Request

Detailed instructions for submitting the Purchase Approval of Gifts Prizes and Awards Request form can be found in the FHSU Training Library https://mailfhsu.sharepoint.com/sites/FHSUTrainingLibrary/SitePages/Home.aspx .

Departments and student organizations must obtain **prior approval** when either of the following applies:

- A tangible gift, prize, or award has a value of **$100 or more per recipient**.
- Cash or cash-equivalent gifts, prizes, or awards (including gift cards) are being provided, **regardless of amount**.

The request must be submitted and approved **before** any purchase is made.

After the form has been fully approved, the submitter will receive a Workday notification indicating whether recipient tax documentation is required. Alternatively, the submitter may review the **VPAF Use Only** section at the bottom of the approved form to determine whether recipient tax documentation is required.

- **If "No" is indicated:** The department or student organization may proceed with the purchase. No additional tax forms are required from recipients.
- **If "Yes" is indicated:** The department or student organization must obtain the required tax documentation from each recipient **before** distributing the gift, prize, or award. Refer to the detailed form instructions found in the FHSU Training Library for special processing requirements for non-U.S. citizens. Recipient information and the required tax documentation must also be submitted to the Business Office for tax reporting purposes.

Gift Prize and Awards Recipient Form

Detailed instructions for completing the **Gift, Prize, and Award Recipient Form** are available in the FHSU Training Library https://mailfhsu.sharepoint.com/sites/FHSUTrainingLibrary/SitePages/Home.aspx .

After the Purchase Approval of Gifts, Prizes, and Awards Request has been fully approved, the submitter will receive a Workday notification indicating whether recipient tax documentation is required. Alternatively, the submitter may review the **VPAF Use Only** section at the bottom of the approved form to determine whether recipient tax documentation is required.

If tax documentation is required:

- Obtain a completed W-9 or W-8BEN from each recipient **before** the gift, prize, or award is distributed. Refer to the detailed instructions found in the FHSU Training Library to determine which form is required based on the recipient's residency status.
- Report each recipient on the **Gift, Prize, and Award Recipient Form**.
- Hand-deliver all completed W-9 and W-8BEN forms to the Business Office, Sheridan Hall 106.