

BUSINESS OFFICE

Gifts Prizes and Awards Guidelines

Revision Date 8/20/19



FORT HAYS STATE
UNIVERSITY

Forward thinking. World ready.

The University Policy for Gifts, Prizes, and Awards can be found at:

<https://www.fhsu.edu/policies/documents/gifts-prizes-awards-and-promotional-items/index>

Use of State funds to purchase gifts, prizes, or awards for employees is not permitted under any circumstances. This includes the purchase of flowers or cards sent for illness or death. State funds cannot be used to purchase retirement gifts for employees, regardless of the price.

Purchase of gift cards (of any amount) or tangible items \$25 and greater for non-employees, require the Gifts, Prizes, and Awards Approval Form in the Workflow. This form must be approved by:

- Director or Department Chair
- Dean or other approver as required (may be same as line 1 if no other approver is required)
- Vice President (Academic Program – Provost) (Student Affairs Program Requires – Vice President of Student Affairs)
- Vice President for Administration and Finance

Once the form is completed and has gone through the approval process, the submitter will receive an email stating if the purchase is “Approved” or “Denied.” Follow the appropriate set of instructions.

- If the GPA form is **DENIED**, the purchase may not be made. Open the GPA Approval Form to review comments in the VPAF section as to why the form was denied.
- If the GPA form is **APPROVED**, open the GPA Approval Form to complete the following:
 - Make note of the GPA # found at the top right hand side of the form.
 - ◆ The GPA # must be provided in the memo field of the Workday transaction for the GPA expense.
 - ◆ The GPA # must be written on the bottom left hand corner of the W9 or W8BEN prior to submitting these forms to the Business Office.
 - Scroll to the bottom of the form to the ***VPAF Use Only*** section. Check the W9/W8BEN required field to see if it is marked “YES” or “NO.”
 - ◆ If marked “**NO**”:
 - Proceed with making the purchase.
 - Include the GPA # in the memo field of the Workday transaction for the GPA expense.
 - W9 and/or W8BEN do not need to be obtained.
 - GPA Recipient Form does not need to be completed.

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- ♦ If marked “YES”:
 - Proceed with making the purchase.
 - Include the GPA # in the memo field of the Workday transaction for the GPA expense.
 - The GPA Recipient Form located in the Workflow must be started. The recipient information is left blank until this information is determined.
- **PRIOR** to giving the gift, prize, or award to the recipient(s), the following steps must be completed:
 - Provide each prize recipient with the Taxpayer Acknowledgement Form to be signed and returned. The Taxpayer Acknowledgement Form will determine if an IRS Form W-9 or an IRS Form W-8 BEN should be completed. This form can be found on the Business Office webpage (<https://www.fhsu.edu/bus-off/w-9/>).
 - If U.S. citizen or Resident Alien (marked “YES”), give the W-9 form to the recipient for completion and signature. Upon receipt of signed W-9, the prize can be released. The W-9 must have complete address, social security number, signed, and dated.
 - If prize recipient is a non-U.S. citizen (marked “NO”): **Do not release prize at this time.**
 - ♦ Give copy of Taxpayer Acknowledgement Form to prize recipient and instruct them to contact Student Fiscal Services at 785-628-4459 to complete the nonresident alien tax compliance forms. Student Fiscal Services will obtain signed documentation from the prize recipient and contact the Event Host to pick up the documents once they are complete. Student Fiscal Services will also notify Event Host if withholding tax is required from the non-U.S. citizen. Even if the prize recipient has a Social Security Number, determination of tax withholding must be completed prior to the release of the prize.
 - ♦ Event Host/Department collects tax, if required (35% of value of prize) from prize recipient (if paying by check, payable to “Fort Hays State University”). Student Fiscal Services will give you the information for the tax withholding:
 - Submit tax by completing a Cash Sale in Workday
 - Cost Center for tax withholding only: Cost Center 10434
 - Revenue Category: 469090
 - Line Item Description: “Event number – {last name of recipient}”
 - If Department/State account is paying tax, submit an Interfund Request Form
 - Complete the Deposit Information with the following:
 - Cost Center for tax withholding only: Cost Center 10434
 - Revenue Category: 469090

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- Description of Deposit: "Event number – {last name of recipient}"
- ♦ Prize may be given to recipient once tax documents are obtained and applicable taxes have been paid.
- ♦ Keep all Forms W-9/W-8 BEN's in a secure location until they are hand-delivered to the Business Office.
- ♦ Complete the bottom portion of the Taxpayer Acknowledgement Form and hand-deliver along with the W-9/W-8 BEN's to the Business Office. The individual responsible for the safekeeping of the W-9/W-8 BEN's should call the Business Office to confirm the Business Office staff have received them.
- ♦ Do **NOT** keep copies of these forms.

If a monetary prize is awarded, a supplier invoice must be submitted for each recipient after the receipt of the W-9 or W-8 BEN. Include the GPA # in the memo field.

Policies:

- If a state employee (faculty, staff, or student employee) receives a prize at a function open to the public, a W-9 or W-8 BEN is required and it will be reported by Accounts Payable to Human Resources.
 - The amount will be added to the employee's wages on the following pay period. Taxes may be deducted from their paycheck.
 - The Cost Center to be charged for fringe benefits (must be a state account) will be assigned on the Gifts, Prizes, and Awards Recipient Form. The fringe benefits will be deducted from the department on the following pay period.
- The value of the purchase will be tracked for non-employees. If an individual receives \$600 or more in 1099 reportable transactions in one calendar year from any State Agency, they will receive an IRS Form 1099 at the beginning of the following year.
- **SGA** funds **cannot** be used to purchase gifts, prizes, or awards (Due to the Personal Gain Clause).