



CALIFORNIA STATE UNIVERSITY, LONG BEACH

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I. PURPOSE

This Bulletin establishes the policy and procedures governing the manner and extent to which gifts and non-cash awards are presented on behalf of the University to its employees. This Bulletin also provides the maximum amounts authorized for an award and specifies the University funds that may be used for such purposes.

II. SCOPE

This policy applies to all expenses incurred by the University and Foundation for gifts and non-cash awards to employees regardless of the funding source. The Forty-Niner Shops and Associated Students Inc are expected to follow the guidelines in this policy. The Auxiliaries and departments may choose to implement more restrictive policies.

For the purpose of this bulletin, the recipient must be an employee of the University or Foundation. Refer to the Administrative Bulletin on Gifts Presented to Non-Employees for additional information.

This policy does not apply to scholarships.

III. DEFINITIONS

- Approving Authority - a person to whom authority has been delegated in writing to approve gift and award expenses and to approve exceptions to the Employee Award and Non-Cash Gift policy and the limitations outlined in this Bulletin.

The Approving authority is responsible to determine whether the award or non-cash gift expense serves a bona-fide University business purpose.

- Auxiliaries - CSULB-Foundation Inc., The Forty-Niner Shops Inc., and Associated Students Inc.
- Award - a non-cash item of tangible personal property meant to be occasional and presented on an infrequent and non-discriminatory basis to an employee
- Business Expense – an expense that has an appropriate business purpose and where a clear University-related objective is demonstrated instead of a personal or social one.



CALIFORNIA STATE UNIVERSITY, LONG BEACH

- Exceptions – awards or non-cash gifts that are not in accordance with this Bulletin. Examples include but are not limited to expenses that exceed the maximum rates specified in this policy; missing appropriate documentation, and any other type of award or non-cash gift expense that is not specifically included in this policy.
- Funding Source

Expenses for awards and non-cash gifts presented to employees may be paid from various University funding sources. The Table in Appendix B summarizes funding sources for payment of expenses incurred for employee awards and non-cash gifts

If Federal funds are to be charged, directly or indirectly, campus procedures and controls must be in place to ensure that the requirements of OMB Circular A-21 Cost Principles for Educational Institutions are met.

In the event of a conflict between the terms of the fund (eg. funding source) and University policy, the stricter of the two policies shall apply.

Allowable Funds

Funds allocated to the University to be used in conjunction with the University's instructional mission. Funds include the CSU Operating Fund (GF001) and Reimbursed Activities (RA001).

Other eligible funding sources for use with employee awards and non-cash gifts are Housing, Parking, Miscellaneous Trust and UCES Trust funds.

Auxiliary Organization Funds

Funds maintained by the Auxiliary Organizations

Unallowable Funds

Funds not listed above are excluded from use with employee award and non-cash gift expenses.

- Gift - a non-cash item of tangible personal property given directly or indirectly to a person. A gift given to a company that is intended for the eventual personal benefit of a particular person is considered an indirect gift to that person. A gift given to a person's family is generally considered to be a gift to that person.
- Incidental Cost - a cost that does not add substantial value to the gift. Examples are engraving, packaging, insuring, mailing and gift-wrapping.
- Itemized Receipt/Invoice - A written acknowledgment of money received. For substantiation of a gift or award expense, a receipt provides the name of the vendor; a detailed list of charges; the date and the total amount of the purchase.
- Non-Negotiable - confers only the right to receive tangible personal property, not cash or cash for the difference between the purchase price and the value of the gift purchase.
- Official Presenter – an employee representing the University or Foundation who presents the gift or award to the recipient.
- Promotional Items - items having a non-material value (not exceeding \$50) and
 - Bears the logo, icon or other information identifying the University
 - Is one of a number of identical items distributed by the University
 - Examples include, but are not limited to: pens, mugs, folders, calendars or clothing
- Recipient - for the purpose of this bulletin, the recipient must be an employee of the University or Foundation. This definition does not include independent consultants. Refer to Administrative Bulletin on Gifts to Non-University Employees
- University – employees of the campus and the auxiliaries



CALIFORNIA STATE UNIVERSITY, LONG BEACH

IV. UNIVERSITY POLICY

A. AUTHORITY

This policy is adopted pursuant to Executive Order 761 issued by the Chancellor's Office.

The policy set forth in this Bulletin is issued under the authority of the Vice President for Administration and Finance. Implementing procedures are delegated to the Associate Vice President of Financial Management.

1. External

- a. California Constitution, Article 16, Section 6
- b. California Code of Regulations, Title V, Division 5, Chapter 1, Subchapter 5, Article 1; Sections 41600, 41601
- c. California Education Code Sections 66600, 89030, 89035, 89044

2. Internal

- a. Authority of the President to establish CSULB policy that governs expenses for gifts and awards.
- b. President's Delegation of Authority to the Vice Presidents, Director of Athletics and Auxiliaries Executive Officers to approve exceptions to the policy.
- c. President's Delegation of Authority of the Vice President for Administration and Finance to make appropriate revisions to the University policy

B. ALLOWABLE EXPENSES AND EVENTS

University employees may be acknowledged by the presentation of a non-cash gift or award for the recognition of length of service, work accomplishment or retirement purposes.

An item of tangible personal property may be presented to an employee for work related accomplishments. The selection of the staff or faculty who will be awarded must be made in accordance with the established procedures.

The procedures set forth in this Bulletin are intended to conform to the Internal Revenue Service regulations related to awards. Any gift or award made to an employee must not result in taxable income to the recipient or it is not an award or gift. In addition, the expenditure of funds for gifts and awards should be cost effective and in accordance with the best use of public funds.

When determining if a gift or award is appropriate, the occasion must, in the best judgment of the approving authority, be infrequent and serve a clear University business purpose. The approving authority must also evaluate the importance of the occasion in terms of the costs that will be incurred; the benefits to be derived from such an expense; the availability of funds; and any alternatives that would be equally effective in accomplishing the desired objectives

The following meet the requirements of this policy:

1. Work Related Events

Recognition of Length of Service, Work Achievement and Retirement awards, and non-cash gifts must be awarded as part of a meaningful ceremony and should be awarded under conditions and circumstances that do not constitute the likelihood of disguised pay. These awards and gifts must conform to the requirements and dollar limits listed below.

a. Length of service awards must meet either of the following criteria:

- The employee may be eligible to receive an award after five years of employment with CSULB or Foundation.
- The employee must not have received another length of service award during the same year or in any of the prior four years. This award may only be presented in increments of 5 years.



CALIFORNIA STATE UNIVERSITY, LONG BEACH

- b. Work Achievement awards, including Employee of the Month, Employee of the Year, and Distinguished Faculty Awards must meet the following criteria:
 - Awards must be occasional, infrequent and presented on a non-discriminatory basis
 - Awarded under conditions and circumstances that are not for services rendered or to be rendered so as to appear as compensation.
- c. Retirement Awards
An item of tangible personal property may be presented to an employee upon his or her retirement.
- d. Allowable Amounts
Awards and gifts for the work-related events listed above may not exceed \$400.00.

2. Promotional Gifts

An employee may receive a gift of tangible personal property that is distributed to promote the name, image and programs of the University, to provide information, to enhance university morale or encourage good customer relations. The value of these gifts must not exceed \$50. No exceptions.

3. Congratulatory or Sympathy Gifts

Gifts of tangible personal property, such as flowers, may be presented as an expression of congratulations or sympathy in the event of a birth, a death or major illness of an employee or a member of the employee's family or household. The cost of such gifts is limited to \$90 per department/office, unless exceptional approval is obtained.

C. RESTRICTION ON THE USE OF THE CSU OPERATING FUND

Expenditures for employee awards and non-cash gifts shall not be charged to the CSU Operating Fund. The CSU Operating Fund or Federal funds may not be used to pay for congratulatory or sympathy gifts

D. UNALLOWABLE AWARDS AND GIFTS

1. Any award or gift that is taxable is not allowable. Expenses for such awards and gifts cannot be reimbursed from any funding source or approved as an exception to this policy. Unallowable awards and gifts include, but are not limited to, the following:
 - Gifts or awards of cash
 - Negotiable gift certificates (those that can be exchanged for cash),
 - Parking permit in excess of \$195
 - Transit passes in excess of \$100
 - Length of service or retirement awards in excess of \$400
 - Season tickets to sporting or cultural events
 - Holiday, Birthday, Shower, etc. gifts
 - Lavish or extravagant expenses
 - Expenses not substantiated with appropriate supporting documentation
2. Gifts may not be presented:
 - a. To any individual or organization associated either directly or indirectly with a political party, campaign, candidate, or a group engaged in an attempt to influence legislation, elections, referendums, or the like.
 - b. When any conflict of interest exists. For example, a personal or social relationship exists between presenter and/or approving authority and recipient.



CALIFORNIA STATE UNIVERSITY, LONG BEACH

- c. When the business reason for making the gift or the nature of the business benefit the University derived or expects to derive is not documented in writing.

E. AWARDS AND GIFTS EXEMPT FROM THIS POLICY

The following types of awards are not covered under this policy:

- President's Service Award and Retirement Gift Program
- Professional Development program awards
- Outstanding Professor Awards
- System-wide incentive award and retirement programs
- Financial Aid awards

F. APPROVAL OF TRANSACTIONS

Approval for all Official University Employee Awards and Non-Cash Gift expenses must be obtained at the appropriate level. Individuals with delegated approval authority shall not approve requests for expenses of events for which they were the Official Presenter.

In order to ensure that the approval of employee awards and non-cash gifts is entirely independent, individuals with delegated approval authority shall not approve the expenses of a person to whom they directly report. The approving authority is the next highest level of the Official Presenter.

1. Delegation of Approval Authority

The approving authority is the Vice President, Associate Vice President, College Dean, Executive Assistant to the President (or higher level), the Director of Athletics and the Auxiliaries Chief Executive Officers.

The Associate Vice President of Financial Management Delegation of Authority allows College Deans to delegate approval authority only to the Associate Dean and/or Administrative Services Manager. Division Heads may only delegate approval authority to their Fiscal Officer. This authority may not be delegated any further.

Any delegation of approval authority must be in writing, with copies provided to the Office of the Associate Vice President of Financial Management. A Signature Authorization or Cancellation Form, or equivalent, must be on file for each individual to whom approval authority for employee awards and non-cash gifts has been delegated.

Principal Investigators or Project Directors of the Foundation do not have authority to approve employee award and non-cash gift expenses. This is applicable for both discretionary accounts and grant accounts. A Dean may not delegate signature authority to a Principal Investigator or Project Director.

A Principal Investigator or Project Director, who is also a Dean, may approve project or grant expenditures other than their own. The next highest level of approval is required for expenses incurred by a Principal Investigator or Project Director that is also a Dean

ASMs who are a Principal Investigator or Project Director may not approve expenses for their own project or grant. A Dean or higher approval is required.

2. Approval Authority for Exceptions to the Policy

The President has delegated the authority to approve exceptions to this policy to the Vice Presidents, the Director of Athletics and the Auxiliaries Chief Executive Officer/General Manager. This authority may not be delegated any further.

This delegation does not extend to the following:



CALIFORNIA STATE UNIVERSITY, LONG BEACH

- Payment or reimbursement of expenses that are not allowed by University policy
- Expenses that are lavish or extravagant under the circumstances
- Expenses that are not in compliance with IRS regulations
- Expenses that constitute taxable income to the recipient.

G. AUTHORIZED RATES

Award and Non-Cash Gift rates are recommended by the Associate Vice President of Financial Management and are authorized by the Vice President for Administration and Finance. The current maximum amounts allowed for employee awards and non-cash gifts may be found in Appendix A.

The maximum rates include the cost of the gift and all related taxes. They do not include incidental costs such as engraving, gift wrapping or mailing.

The maximum rates will be reviewed periodically by the Office of the Associate Vice President of Financial Management and adjusted as necessary.

H. EXCEPTIONS TO THE POLICY

Approval of exceptions to the policy has been delegated to the Vice Presidents, the Director of Athletics and the Auxiliaries Executive Officer/General Manager. This authority may not be delegated any further.

The Request for Payment/Reimbursement of Exceptions to this policy must include a written justification as to why adherence to policy was unavoidable and necessary to achieve a University business purpose. The fact that actual costs exceed the authorized rates is not, in itself, adequate justification for an exception request.

If adequate justification exists and provided such costs are deemed to be ordinary and necessary under the circumstances, an exceptional expense may be approved. Reimbursements/payments for the purchase of employee awards and non-cash gift expenses shall be limited to the actual costs incurred.

I. TAX CONSIDERATIONS

Under Internal Revenue Service regulations, an award or gift will be considered taxable income to an employee if:

- The award/gift is presented to the same employee on a regular or routine basis
- The award/gift is cash
- The award/gift is a negotiable gift certificate
- The expense is lavish or extravagant under the circumstances
- The award/gift is presented on a discriminatory basis
- The award/gift is not provided within an established recognition program

The above types of expenses are not allowable under this policy.

V. RESPONSIBILITIES

- A. The Vice Presidents, Director of Athletics and Auxiliaries Chief Executive Officers are responsible for the justification and approval of all exceptions to this policy.
- B. The Associate Vice President of Financial Management is responsible for recommending the maximum rates to the Vice President for Administration and Finance. The AVP is responsible for a periodic review of the maximum rates allowed for awards and non-cash gifts provided in Appendix A and making adjustments as necessary. The incumbent is also responsible for updating policy and issuing appropriate procedures for processing official employee award and non-cash gift expenditures.



CALIFORNIA STATE UNIVERSITY, LONG BEACH

C. The Vice Presidents, Associate Vice Presidents, Director of Athletics, College Deans, Auxiliaries Chief Executive Officers, Executive Assistant to the President (or higher), Division Heads or individuals delegated approval authority are responsible for ensuring:

- The award or non-cash gift conforms to the requirements of this Bulletin
- Requests submitted for payment or reimbursement are appropriate and include the required supporting documentation
- Awards and non-cash gifts are restricted to allowable expenses and occasions,
- The award/non-cash gift expense serves a bona-fide University business purpose.
- The appropriate host certification is submitted with requests for reimbursement or payment
- Requests have been signed by an authorized signer
- Expenses incurred are appropriate to the funding source.

D. The Accounting Office is responsible for ensuring that payment or reimbursement requests submitted by departments for employee awards or non-cash gift expenditures are made in accordance with the procedures set forth in this Bulletin.

VI. PAYMENT OR REIMBURSEMENT PROCEDURES

A. GENERAL

A Request for Payment/Reimbursement of Employee Award or Non-Cash Gift Expense form must be completed and submitted to the campus or Foundation Accounts Payable department. To assure compliance with Internal Revenue Service regulations, the completed form must include the following information:

- Requester Name and Department
- Payee Name and Address
- Amount of reimbursement/payment
- Type of Expense (Non-Cash Award or Sympathy)
- Funding Source
- Name & Title of the University Official presenting the award
- Name & Title of Employee receiving the award/gift
- Occasion for which the award/gift is presented
- Date and Location of the event
- Description of the award/gift presented including cost
- Original supporting documentation
- Signature approval

B. RECEIPTS

An original itemized receipt or invoice for expenses of \$50.00 or more per occasion must be submitted. A credit card receipt alone is not sufficient. Itemized receipts are not required for amounts less than \$50.00.

For direct payment of invoices, the vendor must supply an original itemized invoice

C. SUPPORTING DOCUMENTATION

All original documentation supporting the business purpose of the expense must be attached to the request.

D. CERTIFICATION

The request must include a certification by the approving authority that the expenses were incurred for Official University business purposes and are in accordance with Internal Revenue Service guidelines and University policy.



CALIFORNIA STATE UNIVERSITY, LONG BEACH

E. CHECK DISTRIBUTION

Checks will be distributed via the US mail. Exceptions will be granted in limited and emergency situations only.

Checks granted exception must be picked up by the Payee and will be distributed only upon presentation of appropriate identification (a valid driver's license or CSULB staff ID card.)

Individuals picking up a check for someone other than themselves must provide written documentation identifying the special circumstances and approval by their supervisor and/or the payee.

F. ACCOUNTING OFFICE

It is the responsibility of the accounting office to review all supporting documentation and to verify that the amounts claimed are allowable, that the appropriate funds are charged, that the documents were properly approved prior to payment (or that adequate post audit reviews are performed), and that payments are tax reported appropriately.

In addition, the accounting office is responsible for ensuring that supporting documentation is being retained in accordance with the requirements specified in the University Record Retention Policy and other applicable policy and procedures.



CALIFORNIA STATE UNIVERSITY, LONG BEACH

APPENDIX A

MAXIMUM AMOUNTS FOR EMPLOYEE AWARDS AND NON-CASH GIFTS

The maximum allowable amount for employee awards and non-cash gifts shall not exceed the following:

<u>Occasion</u>	<u>Maximum Amount Allowed</u> *
Length of Service; Work Achievement; Retirement Awards	\$400.00
Parking Permits	\$195.00
Promotional Gifts	\$ 50.00
Congratulatory or Sympathy Gifts	\$ 90.00
Transit Passes	\$100.00

*Footnotes:

- (1) Reimbursement or payment for amounts greater than those listed is not allowed except for congratulatory or sympathy gifts.
- (2) Reimbursement or payment for congratulatory or sympathy gifts greater than \$90.00 requires exceptional approval.
- (3) These amounts include taxes but do not include incidental costs such as engraving, gift wrapping or mailing.



CALIFORNIA STATE UNIVERSITY, LONG BEACH

APPENDIX B

FUNDING SOURCE CHART

EMPLOYEE AWARDS AND NON-CASH GIFTS	Paragraph Reference	CSU Operating Fund	Special Funds*	Auxiliary Organization Funds*
Awards to University Employees - Cash	4,6	NO	NO	NO
Awards to University Employees - Non-Cash	3-4	NO	YES	YES
Awards not directly related to employee's job (no business purpose)	3	NO	NO	NO
Birthday Gifts	4	NO	NO	NO
Congratulatory Gifts	4	NO	YES	YES
Exceptions Due to Overage of Rates	6	NO	YES	YES
Exceptions to Policy other than Overages	6	NO	YES	YES
Expense with no supporting documentation	6	NO	NO	NO
Gifts presented on a frequent or routine basis	4,6	NO	NO	NO
Gifts to University Employees – Cash	4,6	NO	NO	NO
Gifts to University Employees – Non-Cash	3-4	NO	YES	YES
Gifts not directly related to employee's job (no business purpose)	3	NO	NO	NO
Holiday Gifts	4	NO	NO	NO
Incidental Costs	6	NO	YES	YES
Lavish or extravagant expense for the circumstances	4	NO	NO	NO
Length of Service Awards or Gifts	3-4	NO	YES	YES
Negotiable Awards or Gifts	4,6	NO	NO	NO
Non-Negotiable Awards or Gifts	2	NO	YES	YES
Overages in Excess of Maximum Amounts	4,6	NO	NO	NO
Promotional Gifts	4	NO	YES	YES
Retirement Gifts	4	NO	YES	YES
Shower Gifts	4	NO	NO	NO
Sympathy Gifts	4	NO	YES	YES
Work Achievement Awards or Gifts	4	NO	YES	YES

*Footnotes

- (1) The CSU Operating Fund or Federal Funds may not be used for congratulatory or sympathy gifts.
- (2) Employee Award and Non-Cash Gift expenses may be charged to Trust Funds only if they are permitted by the Trust Fund Agreement and to Auxiliary Funds only if there are no restrictions within the Grant and/or Contract for these expenses.



CALIFORNIA STATE UNIVERSITY, LONG BEACH

REFERENCES:

1. President's letter delegating authority to the Vice Presidents and Auxiliaries Chief Executive Officer/General Manager to approve exceptions to the University's policy.
2. President's letter delegating the authority to the Vice President for Administration and Finance to make appropriate revisions to the University's policy.
3. Internal Revenue Service Publication 15-B: Employer's Guide to Fringe Benefits
4. Internal Revenue Service Publication 463: Travel, Entertainment, Gift and Car Expenses
5. Internal Revenue Service Publication 535: Business Expenses
6. Applicable Policies and Procedures
Chancellor's Office Executive Order 761: Hospitality, Payment or Reimbursement of Expenses
CSULB Administrative Bulletin Governing Hospitality Expenses
CSULB Administrative Bulletin Governing Gifts to Non-University Employees
Internal Revenue Code
 - Section 132, Certain Fringe Benefits
 - Section 274(b), Gifts
 - Section 274(j), Employee Achievement AwardsOffice of Management and Budget (OMB) Circular A-21, Cost Principles for Educational Institutions

FORMS: REQUEST FOR PAYMENT/REIMBURSEMENT OF NON-CASH AWARD OR GIFT TO UNIVERSITY EMPLOYEE