Awards and Gifts - UTDBP3117

Purpose
To provide guidance on the appropriate methods of providing gifts and awards on behalf of the University.

Policy Overview
The University of Texas at Dallas has an obligation to use its resources responsibly and to apply its resources toward fulfilling its primary mission. The University allows the reasonable use of University funds to provide modest gifts for a valid business reason consistent with the University's mission of instruction, research, and public service. These may include awards for employee service and achievement, expressions of sympathy, or acknowledgement of distinguished visitors in furtherance of the University's mission.

Awards and gifts provided to employees are not an entitlement and may be awarded on an infrequent, ad hoc basis to recognize significant events or accomplishments.

Guidelines for Awards and Gifts

Employee Awards and Gifts: In accordance with IRS regulations on de minimis fringe benefits, all employee cash awards and gifts are taxable and will be reported on the employee's W-2. Non-cash employee awards and gifts of tangible personal property with value greater than $100 will be reported on the employee's W-2 as taxable income. Departments must notify the payroll office of the amount of the gift/award for appropriate processing.

Employee Awards: Includes cash or noncash items given for meritorious performance, productivity, or service milestones. Award recipients must be determined through an objective, documented evaluation process (i.e., the University's annual service award program) and award amounts must be predefined in the guidelines for administering the award. Award programs must be approved by the President or a designee. Cash award payments to employees must be processed through the UTD payroll office.

Employee Gifts: Includes noncash items of nominal value given in conjunction with a significant event, such as an employee's retirement, to express appreciation or gratitude. Gifts are not related to job performance or the result of negotiation.

Expression of Sympathy: In the case of serious illness or death, University funds may be used to send cards and modest gift baskets or floral arrangements of nominal value to students, employees, and friends of the University or their immediate family members. Gifts should be consistent with the type of recognition being given.

Staff/Personal Celebrations: University funds may not be used for gifts for employee birthday celebrations, weddings, baby showers, anniversaries, holiday celebrations, or other similar events.
**Student or Prospective Students Awards**: Includes tangible personal property given to students for academic achievement, recognition or a competition. It also includes tangible property given to prospective students during a student recruitment event. The value of awards of this nature may be taxable to the recipient and reportable by the University to the recipient and to the IRS to the extent they exceed IRS thresholds.

Gift or award payments to students or prospective students must be approved by the School Dean or Division Head and the Vice President for Budget and Finance or a designee. These payments must be properly substantiated with appropriate documentation. Gift or award payments to students must always be coordinated with the Office of Financial Aid and may impact the student's financial aid package.

**Student Employees**: Gifts or awards to student employees should follow the above guidelines for employee gifts and awards if the gifts or awards are given to the student employees in their role as employees. Gifts or awards to student employees should follow the above guidelines for student gifts and awards if the gifts or awards are given to the student employees in their role as students.

**Distinguished Visitors**: UT Dallas frequently invites visitors to provide guest lectures, speak at conferences, or assist the University in other ways. In cases where the visitor is not otherwise compensated, it is appropriate to provide a non-cash gift of recognition of nominal value for their contributions. Gifts of tangible personal property should be consistent with the type of recognition being given.

**Restrictions**

The following restrictions apply to all types of gifts and awards.

**Purchase of Gift Cards Not Allowed**: The purchase of gift cards for distribution as recognition or awards is prohibited. (For information about use of gift cards to reward participation in research studies, please see UTDBP3036, Policy on Payment of Research Subjects.)

**Payment from State Appropriations, Tuition, and Mandatory Fees Not Allowed**: Employee awards and gifts may not be processed using State Appropriations, tuition, or mandatory fees. Departments may use other unrestricted funds, including designated funds not derived from tuition and fees, gift funds, endowed funds, and restricted funds if allowed by the sponsor/donor. For more information, please see the Use of Funds Guide on the Office of Budget and Finance website.

**Nominal Value**: Gifts and awards of tangible personal property should be consistent with the type of recognition being given and must be of nominal value. The University has established its nominal value to be $100 or less. The total value of any tangible personal property gift in excess of $100 may be taxable income to the employee recipient.

**Additional Information**

Specific procedures related to the processing of awards and gifts can be found in the Office of
Budget and Finance website or by contacting payroll.utdallas.edu.

Policy History

- Issued: 2021-12-14

Policy Links

- Permalink for this policy: https://policy.utdallas.edu/utdbp3117
- Link to PDF version: https://policy.utdallas.edu/utdbp3117/makepdf
- Link to printable version: https://policy.utdallas.edu/utdbp3117/makeprint