

Wheaton College  
Gift Card Policy

Purpose and Scope

The purpose of this policy is to set forth the guidelines and procedures for the purchase and distribution of gift cards and gift certificates purchased with college funds to third parties. **The giving of gift cards to employees is always prohibited.**

Wheaton College wishes to comply with IRS regulations addressing tax implications surrounding gift cards and gift certificates. *Under Internal Revenue Code 132 a gift card, gift certificate, store-value card or a prepaid Visa/MasterCard, collectively referred to as a gift card, is considered a cash or cash equivalent that is subject to taxes regardless of the face value.* In addition, gift cards can be susceptible to fraud or misappropriation because they lack the audit trail that exists with check or ACH payments. As a result, the college wishes to limit the purchase and giving of gift cards in the course of business.

The college recognizes that it may sometimes be appropriate to present a gift card to a third party. The preferred form of recognition is a non-cash item (i.e. flowers or Wheaton paraphernalia), as these do not have the same tax implications. The college recognizes, however, that faculty and staff may want to use gift cards for awards, incentives or as a thank you gesture to individuals such as volunteers or research subjects.

Policy

Gift cards may be purchased using the college p-card or through reimbursement of personal funds. Gift cards purchased with college funds should not be given to active college employees, including student workers, or college consultants. Gift cards should not be purchased with federal grant funds.

A gift card may be purchased for a non-employee as a thank you for volunteering, to compensate research subjects (to maintain confidentiality), or as a prize for survey or raffle participants. Gift cards should be valued at \$50 or less unless a special exception is approved by the Division Officer and the Controller.

The following documentation must be included with the receipt for the gift card:

- Name of the recipient of each gift card. If the recipient is a research subject, the name should be maintained by the researcher in a secure location.
- Reason for the gift card.
- E-mail approval of the Division Vice President and the Controller if the amount is over \$50

Gift cards should only be purchased as needed to avoid a surplus gift card inventory. Gift cards must be secured at all times (i.e. in a locked cabinet or drawer) until distributed.

Failure to follow this policy and maintain appropriate supporting documentation could result in the suspension of the privilege for you and possibly your department.