



LOYOLA UNIVERSITY MARYLAND

— 1852 —

GIFTS TO EMPLOYEES AND STUDENTS POLICY

DIVISION WITH PRIMARY RESPONSIBILITY: Business and Finance

OFFICE FOR ENSURING COMPLIANCE: Financial Services/Accounts Payable

CONTACT OFFICE: Accounts Payable, accountspayable@loyola.edu

EFFECTIVE DATE: May 2, 2016

REVISION HISTORY: N/A

SCHEDULED FOR REVIEW: Annually

POLICY SUMMARY

This Gift to Employees and Students Policy (Policy) provides guidelines for Loyola University Maryland's (Loyola's or University's) employees to follow when recognizing a student or employee.

REASON FOR POLICY

The University recognizes the services of its employees and students while complying with federal, state, and/or other sponsor guidelines.

STATEMENT OF POLICY

The Internal Revenue Code states that under certain circumstances the value of gifts to individuals is considered taxable income.

Loyola is committed to compliance in all areas of its operations. Accordingly, this Policy provides available options for recognizing employees and students while seeking to ensure compliance with Internal Revenue Service (IRS) regulations.

Table 1. Available Gift Options and Tax Implications

Gift Options	Non-Taxable	Taxable
Cash	Not applicable	Always taxable No minimum amount
Gift cards and gift certificates	Not applicable	Always taxable No minimum amount
Evergreen account credits	Not applicable	Always taxable No minimum amount
Tangible property (flowers, books, trophies, plaques, etc.)	Non-taxable <\$100 in value	Value ≥\$100 is taxable
Occasional tickets to events (theater, sporting, etc.)	Non-taxable <\$100 in value	Value ≥\$100 is taxable
Occasional group meals or refreshments for employee recognition events	Not applicable	Not applicable

Process for Reporting Taxable Income

Gifts should be purchased using a Loyola procurement card. If an employee does not have a Loyola procurement card, a cash advance or a check request may be used. Receipts for purchases made with either a Loyola procurement card or check request are to be submitted to Accounts Payable. Receipts for purchases made using a cash advance are to be submitted to Student Administrative Services.

Federally sponsored funds should never be used to purchase gifts for students or employees.

A Gift Recipient Form must be attached to all receipts if the gift is taxable, as per Table 1 above. Note: If a Gift Recipient Form is not submitted as support for a purchase, the full amount of the purchase will be taxed to the employee who purchased the gift.

Taxable earnings will be reflected in the recipient’s W-2 or a 1099-MISC Form for non-employees.

DEFINITIONS: None

CROSS-REFERENCED POLICIES AND PROCEDURES:

- Signature Authorization Policy
- Business Expenses Policy
- Gift Recipient Form