



**Campus Administrative Policy**

**Policy Title:**       **Gift Cards**

Policy Number:    2007                    Functional Area: **Finance**

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Effective:                                 July 1, 2013  
Date Last Amended/Reviewed:         July 1, 2013  
Date Scheduled for Review:             July 1, 2020  
Supersedes:                               Gift Cards (July 1, 2010)

Approved by:                              Vice Chancellor of Administration and Finance

Prepared by:                              Assistant Vice Chancellor for Finance and Controller  
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Senior Vice Chancellor for Administration and Finance, CU Denver

Responsible Officer:                     Executive Vice Chancellor for Administration and Finance, CU Anschutz  
Senior Vice Chancellor for Administration and Finance, CU Denver

Applies to:                                University of Colorado Denver | Anschutz Medical Campus

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**A. INTRODUCTION**

This policy establishes the procedures and methods of purchasing, distributing and accounting for gift cards, including Internal Revenue Service (IRS) tax reporting requirements.

CU Denver | Anschutz employees and affiliate fiscal staff who purchase or distribute gift cards using University funds or who are involved in the related fiscal transactions shall be responsible for compliance with this policy.

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### C. APPLICABILITY AND DEFINITIONS

#### 1. Applicability

This policy applies to the procurement and distribution of gift cards at CU Denver | Anschutz using University funds. Common uses of gift cards include, but are not limited to study subject compensation, survey incentives, recognition and honoraria.

#### 2. Definitions

- a. Gift cards: Cash-like instruments used at CU Denver | Anschutz as study subject payments, or for recognition of employees and associates as awards, rewards, or prizes, in lieu of cash or check. Throughout this policy the term “gift card” shall include gift certificates and electronic gift cards except where specified otherwise.
- b. Study Subject: An individual about whom an investigator conducts research and obtains data through intervention or interaction with the individual.
- c. Recognition Categories: Four categories of awards, rewards, and/or prizes that can be given to employees and non-employees (university associates and other individuals) in the form of gift cards. They are: length of service, merit, safety, and participation, and are defined further in the PSC Procedural Statement, Recognition and Training.
- d. Petty Cash: Monies used for small payments to study subjects or for incidental expenses when not otherwise obtainable by procurement card or other convenient means.

### D. POLICY STATEMENTS

1. **Approval.** All gift card purchases must be approved by the Finance Office prior to payment. Such approval request should occur only after a careful review of the Tests of Propriety; specifically the costs in relation to the benefits and availability of funds, and must be in compliance with the PSC Procedural Statement,

Recognition and Training. The Finance Office requires a two week turn-around time for approvals.

2. **Student Awards.** Gift cards may not be used for student academic awards because all student awards must go through the Financial Aid & Scholarships Office for purposes of student financial aid tracking requirements and through the Bursar's Office for tax reporting purposes. Students may participate in a study; payment for which is compensation. Therefore, such payments do not affect financial aid.
3. **Dollar Limits.** Study subject payments via gift card must be \$100 or less. Payments of more than \$100, or payments in any amount made to foreign nonresidents subject to tax withholding, must be made via Study Subject Payment Voucher (SSP form). Recognition awards, rewards, or prizes made via any payment method, including gift cards, must also comply with the PSC Procedural Statement Recognition and Training.
4. **Tax Reporting.** Study subject payments are considered "compensation" for time and inconvenience and are considered taxable income to the recipient per the Internal Revenue Code, regardless of the payment method or amount. See Study Subjects policy for details on the custodian's responsibilities regarding tax reporting.

Recognition awards, rewards, or prizes made via gift card are generally tax reportable. See the PSC Procedural Statement Recognition and Training for details on the custodian's responsibilities regarding tax reporting.

5. **Required Documentation.** All gift card purchases must be authorized via the "Request for Gift Card Purchase Authorization" form (see Exhibit A), and accompanied by the "Statement of Responsibility" (see Exhibit B).

Additional documentation requirements for study subject payments are detailed in the CU Denver | Anschutz Study Subjects policy.

Additional documentation required for recognition awards, rewards, or prizes are detailed in the PSC Procedural Statement Recognition and Training.

6. **Single Purpose.** Gift cards should never be used for any reason other than their originally stated purpose, as specified in the project's budget narrative, protocol, recognition program. Gift card programs for differing projects or purposes shall not be commingled.
7. **Internal Controls.** Internal Controls over gift cards are required at all times. Each organizational unit must have written procedures in place that provide for the proper safeguarding of gift cards. The following internal controls at a minimum must be addressed and in place:

- a. Custody.
  - i. For each purchase, a single individual must be the designated custodian of the gift cards. This individual will be responsible for ensuring that all purchasing, security, dispensing, tracking, and replenishing procedures are followed. Contact the Finance Office to permanently change designated custodian.
  - ii. Custody may be transferred temporarily from the designated custodian to other departmental personnel. A receipt acknowledging the transfer of responsibility should be prepared, signed, and dated by both parties stating that the recipient agrees to be held accountable for the safeguarding of the gift cards and will dispense the payment in accordance with the business purpose of the clinical trial, protocol, survey, or recognition event. Each party to the agreement should receive a copy of the agreement, and a copy should be kept with the inventory. This process will ensure that responsibility rests with a single individual at any point in time.
- b. Security. Gift cards must be secured at all times (e.g. in a locked box in a locked cabinet or drawer). The custodian should have the primary set of keys; a second person should have a duplicate key for the box, and a third person should have a duplicate key for the cabinet, so that two people are required to unlock the box when the custodian is absent. Key owners should be documented in the audit log.
- c. Audit Log. The custodian must keep an audit log of gift card purchases and disbursements for audit purposes. This log must tie to the purchases of gift cards recorded in People Soft (e.g. by journal ID). This log will be used by the Finance Office to audit the accuracy and adequacy of the gift card recordkeeping. In cases of grant funding, this is particularly critical in demonstrating that the gift cards are reasonably allocable to a grant. The log may also be used to document issuance by having the recipient initial the line for the card number they received. Alternatively, gift card issuances may be documented by a pre-numbered receipt book (two-part form receipt books are available at office supply stores). If a receipt book is used, receipt numbers must be recorded in the audit log. Regardless of the tracking method used, information to be included for each card shall include at a minimum:
  - i. Recipient name or study subject ID (the study subject ID is any number assigned by the department to identify the individual in order to protect their confidentiality),
  - ii. Date,
  - iii. Purpose of the payment,
  - iv. Serial number of the gift card,
  - v. Payment Amount,
  - vi. Signed or initialed by the recipient.

- d. **Non-Study-Subject Records.** The Finance Office will provide individual guidance on appropriate record keeping for programs using gift cards for purposes other than study subject compensation.
- e. **Record Retention.** All records related to gift cards, including audit logs, receipts, temporary custody agreements, and inventory reconciliations signed by the supervisor shall be kept in accordance with the Record Retention APS (currently, 9 years after termination of the grant, or 3 years for non-grant funds).
- f. **Surplus Card Inventory.** Gift cards should only be purchased as needed to avoid a surplus card inventory if the study ends up not using as many cards as anticipated.  
If a surplus card inventory occurs, contact the Finance Office for guidance on appropriate disposition.
- g. **Lost cards.** The value of receipts and gift cards must total the authorized amount approved by the Finance office. Employees are held responsible for any gift cards in their possession that are lost or misplaced. Any shortage must be reported immediately to the Finance Office and the campus police department.
- h. **Reconciliation.** Reconciliation of the gift cards should be conducted every time gift cards are purchased or on at least a monthly basis. This reconciliation should consist of verifying that the number of cards purchased minus the number of cards disbursed agrees to the number of cards on hand. In addition, the value of the cards purchased should agree to the amount recorded in PeopleSoft. Also, a quarterly reconciliation shall be observed by the custodian's supervisor and documented by a signed statement.

8. **Procurement.** Gift cards may be purchased using procurement card or PO.

9. **Accounting Entries.** The expense for gift cards purchased in order to pay study subjects should be recorded as a debit to account 495102 "Study Subjects".

The expense for gift cards purchased in order to pay for recognition awards, rewards, or prizes should be recorded as a debit to account 550108 " Non Cash Participation/ Recognition Non-Employee".

10. **Audit.** Accounting Services will periodically audit records related to gift cards, including:

- a. Payment vouchers or vendor receipt if purchased via procurement card,
- b. Receipts issued to recipient and log,
- c. Inventory of unused gift cards.
  - i. Minimization of card inventory at any one time.
  - ii. Record of card inventory.
  - iii. Security of card inventory.
  - iv. Appropriate disposition of unused cards at end of study.

- v. Quarterly inventory reconciliation signed by supervisor.
  - d. Whether receipts and logs support the gift card purchase transactions.
11. **Changes to a Gift Card Program.** Requests for changes to a Gift Card Program custodian, speedtype, or amount must be made in writing to the Finance Office.
  12. **Closing a Gift Card Program.** When a gift card program is completed or no longer needed, the Finance Office shall be notified in writing.

**E. PROCEDURES**

<b>Performed by:</b>	<b>Action:</b>
Campus Department	<ol style="list-style-type: none"> <li>1. Fill out Exhibit A, Request for Gift Card Purchase Authorization.</li> <li>2. Read carefully and sign Exhibit B, Statement of Responsibility.</li> <li>3. Send these forms to Accounting Services at campus BoxA005/129. See the Accounting Services <a href="#">contact list</a> on the Accounting Services web site for the accountant currently coordinating gift cards.</li> </ol>
Accounting Services	<ol style="list-style-type: none"> <li>4. Accounting Services will obtain the necessary approvals, including that from Grants and Contracts if appropriate.</li> </ol>
Campus Department	<ol style="list-style-type: none"> <li>5. Upon receipt of an approved "Gift Card Purchase Authorization" form, proceed to acquire the gift cards.</li> </ol>

**Notes**

1. Dates of official enactment and amendments:  
July 1, 2013: Adopted by Vice Chancellor of Administration and Finance
2. History:  
December 7, 2018: Modified to reflect a 2018 Campus-wide effort to recast and revitalize Campus policy sites into a standardized and more coherent set of chaptered policy statement organized around the several operational divisions of the university. Article links, University branding, and formatting updated by the Provost's office.
3. Initial Policy Effective Date:  
July 1, 2013
4. Cross References/Appendix:

- [Board of Regents Policy 3B: Officers of the University and Administration](#)
- [IRS 1099 Reporting](#)
- [CU Administrative Policy Statement – Propriety of Expense](#)
- [PSC Procedural Statement – Petty Cash & Change Funds](#)
- [CU Denver | Anschutz Fiscal Policy – Study Subject Payments](#)
- [PSC Procedural Statement – Recognition and Training](#)
- [APS 2006, CU Administrative Policy Statement – Retention of University Records](#)

UNIVERSITY OF COLORADO DENVER  
**Request for Gift Card Purchase Authorization**

Exhibit A

Date: \_\_\_\_\_

1. Department name: \_\_\_\_\_
2. Name of custodian: \_\_\_\_\_ Phone #: \_\_\_\_\_
- Custodian E-Mail address: \_\_\_\_\_ Campus Box #: \_\_\_\_\_

**All card inventories are subject to unannounced audits.**

Campus, building and room where cards  
will be located: \_\_\_\_\_

Indicate the normal hours of operation for this activity, i.e., when will someone most likely be in  
the office for audit purposes? \_\_\_\_\_

3. Cards to be used for: \_\_\_\_\_

4. Card denomination \$ \_\_\_\_\_ Average number dispensed per week: \_\_\_\_\_

Type of Card to be purchased (Source): \_\_\_\_\_

5. Total Amount to be purchased: \$ \_\_\_\_\_ Amount to be purchased on a weekly basis: \$ \_\_\_\_\_

Period of time over which cards will be purchased: From \_\_\_\_\_ to \_\_\_\_\_

The Cards will be purchased from the following:

Speedtype \_\_\_\_\_ Fund \_\_\_\_\_ Organization \_\_\_\_\_ Program or Project # \_\_\_\_\_

What is the total amount an individual can be paid in a calendar year? \_\_\_\_\_

6. To be completed if paying study subjects.

Type of protocol:  Exempt (Anonymous)  Expedited (Minimally Invasive)  Full-Board (Invasive)

Will any of the study subjects be non-resident aliens?  Yes  No  Unknown

***I certify that the above information is correct and that the fund requested will be used in accordance with all fiscal rules governing its use. I have read and understand Gifts Certificates, Gift Cards & Money Orders Process Management and Internal Controls.***

\_\_\_\_\_  
Custodian Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Authorization

\_\_\_\_\_  
Date

***Submit this form along with the Statement of Responsibility to Finance at Mail Stop D129***

Approvals:

\_\_\_\_\_  
UCD Controller

\_\_\_\_\_  
Date

\_\_\_\_\_  
UCD Office of Grants and Contracts (when applicable, i.e. Funds 30 and 34)

\_\_\_\_\_  
Date



**UNIVERSITY OF COLORADO DENVER**  
Statement of Responsibility and Instructions to Designated Gift Card Custodians

Reason for Form (check one)       New Request     Change In Custodian

Speedtype # \_\_\_\_\_

Date: \_\_\_\_\_

By accepting custody of gift cards, I agree to be personally accountable to the University of Colorado Denver (UCD) and the State of Colorado for the appropriate care and disposition of the cards issued. I am familiar with the physical security arrangements available to me for the care of the cards and hereby agree that the arrangements are adequate for me to accept the responsibility as custodian of the cards. (If I did not believe that I had appropriate storage and working security available, I would not accept the cards.) I further agree that if these cards are lost or stolen due to my negligence, then the UCD may require reimbursement from me for the amount lost, stolen, or otherwise improperly handled.

I understand that all expenditures of UCD controlled funds will be for official UCD business only, will be reasonable for the specific program or project to which they are charged, and must contribute directly to the accomplishment of the University's mission.

By accepting responsibility of these cards I will comply with the following provisions:

1. I will establish controls over the gift cards so there is limited access to them and maintain the minimum quantity of inventory on hand for issuing gift cards during a two-week period.
2. When the project is nearing completion, I will reduce gift card inventory to a sufficient level in order to ensure there are no left over cards when the study has ended (gift cards are often difficult to return).
3. I will maintain adequate records on who gets gift cards so the process could successfully undergo an audit. I will have study subjects sign a receipt form acknowledging receipt of the gift card, or to protect patient confidentiality, I will maintain a list showing for each card issued, the date, patient number, card number, amount of the card, and have the patient initial the line.
4. For study subject payments in full-board protocols (invasive), if payments to a single individual will equal \$100 or more per year, I will have them fill out and sign a form W-9 (<ftp://ftp.irs.gov/pub/irs-pdf/fw9.pdf>) to collect identification for IRS reporting. Reporting this information will be via a secure method as directed by the Finance Office at the end of the tax year. In the event of an audit by IRS, I will be able to produce supporting records.
5. For reporting requirements on recognition payments to employees or associates, I will comply with the PSC Procedural Statement Recognition and Training ([https://www.cusys.edu/psc/policies/downloads/PPS\\_Recognition\\_and\\_Training.pdf](https://www.cusys.edu/psc/policies/downloads/PPS_Recognition_and_Training.pdf)).
6. I have read and understand the requirements and responsibilities delineated in the UCD Gift Certificates / Cards policy (<http://administration.ucdenver.edu/admin/policies/fiscal/GiftCert-Cards.pdf>).
7. If the cards are being charged against a sponsored project or a gift, I certify that this is an allowable expense, complies with sponsor or donor restrictions, and is within approved budgets and available funding.
8. I will make cards available for audit by properly identified Finance Office personnel or external auditors.

If this request is for a Custodian change, I have verified the existing card balance and it is accurate.

I, \_\_\_\_\_, certify that I have read, understand, and agree to abide by the above.  
 (Printed Name)

\_\_\_\_\_  
 Custodian Signature                      Date                      Phone No.                      Campus Box No.

\_\_\_\_\_  
 Email address