Policy 2.5
Employee Gifts and Celebratory Events Policy

This policy version was not current at the time of printing. Please see http://policies.emory.edu/2.5 for the current version.

Responsible Official: Vice President for Finance/Chief Financial Officer
Administering Division/Department: Payment Services
Effective Date: March 20, 2007
Last Revision: March 27, 2007

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Overview

The purpose of this policy is to define when it is appropriate to give gifts and have celebratory events paid for by Emory University funds.

Applicability

This policy applies to all Emory University Departments and Schools. This policy does not apply to gifts or celebratory events for donors or alumni who do not hold paid or unpaid Emory appointments.

Policy Details

2.5.1 Recognition of Faculty or Staff

On occasion a school or department may recognize faculty and/or staff for outstanding achievement, a significant contribution or a major milestone, such as a promotion or retirement. Occasions when it is appropriate to do so include:

- Work-related achievement.
- Holidays or faculty/staff morale-building events.
- Sympathy (death in family).

2.5.1.1 Restrictions

When these occasions arise, we are reminded that:

- Federally sponsored funds should never be used to charge faculty/staff gifts, morale building events, or celebratory/work-related achievement events.
- Non-federally sponsored funds may be used only if the sponsor approved budget specifically includes such an expense as part of program goals.
- Departmental restricted funds may be used only if within the fund terms.
- Departmental unrestricted funds may be used at the discretion of the department within the criteria of the policy.
2.5.1.2 Appropriate Use of Emory Funds
The following provides guidance regarding what is considered appropriate use of Emory funds in recognition of faculty/staff.
1. Work-related achievement.
2. Celebratory Events include a department-wide luncheon, dinner, or party and may be charged in circumstances such as:
   - To mark achievement of a major departmental goal.
   - To mark the end of the academic or fiscal year.
   - To honor a faculty/staff member in connection with a work-related employee recognition program.
   - To honor a faculty/staff member who is leaving the school, department or Emory.
   - To honor a retiree.

Gifts are defined as a transfer for which the dominant motive is detached or disinterested generosity, affection, respect, admiration, charity, or like sentiment. They may take the form of gift certificates or tangible personal property such as a watch, pen, or briefcase. Gifts may be charged in circumstances such as:
   - To honor a faculty/staff member for achievement of a work-related goal or objective (non-bonus).
   - To honor a long-service employee, outside of a University-wide recognition program (see Appendix A for definition of a long-service employee).
   - To honor a faculty/staff member departing the school, department or Emory.
   - To honor a retiree.

Holidays or Faculty/Staff Morale-Building Events may include a department-wide luncheon, dinner or party in connection with an established University-wide day off (e.g., Thanksgiving); or a department monthly practice of recognizing a group of employees whose birthdays fall within that month.

Sympathy may include a memorial gift, donation to a charity or flower arrangement upon the death or serious illness of a faculty/staff member or an immediate family member of a faculty/staff member. In such cases Emory University should be acknowledged as the sender (e.g., “from all your friends and colleagues at “EU’s Dept.”). In the case of a donation to a charity, the notation should indicate the donation is from “EU’s Dept.”

Note: $75 or greater requires Financial Dean (or equivalent) approval.

2.5.1.3 Inappropriate Use of Funds
It is not appropriate to spend any funds in recognition of faculty/staff for non work-related achievement or events such as weddings, baby showers, housewarming, etc.

Celebratory events and gifts to honor an individual for personal reasons other than sympathy (e.g., wedding, baby shower, housewarming, etc.) may not be charged. Personal funds may be used to pay for these and other kinds of staff parties and for gifts for such events. These personal funds will not be reimbursed by the university.

2.5.2 Gift Reporting
All gifts and celebratory events must be charged to sub code 8381 Employee Goods and Services. Gifts received by faculty/staff are taxable and must be reported in income if their value exceeds the following dollar thresholds:
   - Gift certificates of any amount.
   - Gifts of tangible personal property greater than or equal to $75.
   - Gifts of tangible personal property greater than $400 to a long-service or retired employee (see Appendix A for definition of long-service employee).

2.5.2.1 Payroll Form
A payroll form must be completed and forwarded to Payroll to document reimbursement for taxable gifts to faculty/staff.

2.5.3 Department Responsibilities
- Departments and Schools may have more restrictive guidelines and may also have their own internal approval
• Departments and Schools should use reasonable and prudent judgment and refer to IRS regulations (see Appendix A) when establishing dollar limits.

• Departments and Schools should establish reasonable and prudent dollar limits for both celebratory events and gifts and a monitoring and approval process (e.g. annual review of charges to sub code 8381).

• Departments and Schools should also strive to ensure that faculty/staff are treated in an equitable manner.

• From time to time the respective Executive Vice President may deem it appropriate to use discretion to approve exceptions to policy guidelines. In those circumstances supporting documentation to that effect must be included with the transaction.

2.5.4 Communication

Department and School Finance Offices are responsible for communicating this policy along with their internal policies to their employees annually.

2.5.5 Appendix A

Taxability of Gifts to Employees and Individuals Affiliated with Emory University

The tax rules shown below apply to gifts given to U.S. citizens, residents, and non-resident aliens.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Employee</th>
<th>Student</th>
<th>Emory Affiliation (e.g. Non-Salaried Appointment)</th>
<th>Fellowship Recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and gift certificates for any Amount (non-tangible personal property)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tangible personal property (*) - occasional and less than $75</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Tangible personal property (*) - equal to or greater than $75</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>(this category does not include a length of service or retirement gift)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible personal property valued in the range of $0 - $400 for length of service or retirement</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Tangible personal property valued greater than $400 (***) for length of service or retirement. (Only amounts greater than $400, none of the value $0 - $400, is taxable or reportable)</td>
<td>Yes</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(*) Cash and cash equivalents of any amount, including gift certificates of any amount, are NOT considered tangible personal property.

(**) Consult with Emory Tax Manager prior to making any payment.

YES = subject to all taxes (federal, state, FICA) and included in gross income
NO = not subject to tax withholding and not included in gross income

Long Service Employee

For the purpose of this policy, and per IRS code, a long service employee must have been employed for at least five years. A financial or tangible long-service award can be given to an employee no more than every five years. This refers to gifts not celebrations.
Definitions

**Gifts** are defined as a transfer for which the dominant motive is detached or disinterested generosity, or affection, respect, admiration, charity, or like sentiment.

Related Links

- Current Version of This Policy: http://policies.emory.edu/2.5

Contact Information

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Services</td>
<td></td>
<td>404-727-5400</td>
<td><a href="mailto:e-market@emory.edu">e-market@emory.edu</a></td>
</tr>
</tbody>
</table>

Revision History

*Emory University policies are subject to change at any time. If you are reading this policy in paper or PDF format, you are strongly encouraged to visit policies.emory.edu to ensure that you are relying on the current version.*