

Gifts & Awards for Non-Employees

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Background and Purpose

This policy establishes the standards and procedures governing the manner and extent to which gifts are presented on behalf of the Associated Students, Incorporated (ASI) to organizations or individuals who are not employees of ASI. This policy also provides the maximum amounts authorized for each type of gift.

For the purpose of this policy, the recipient must be an organization or individual not employed by ASI. Refer to the Policy on Employee Gifts and Awards for additional information.

The guidelines of this policy, including maximum allowable costs, are based on CSULB policy; however, ASI reserves the rights to implement more restrictive provisions.

This policy does not apply to Scholarships.

Policy Statement

It is the policy of the ASI that gifts or contributions to outside individuals or organizations will be permitted only if it can be demonstrated that the gift or contribution will benefit ASI or is clearly seen as needful to ASI in helping meet its role as a good community citizen. To avoid any appearance of favoritism, no officer or employee should present a gift that appears to be offered because of the position held by the recipient.

Gifts are presented when tradition, commonly accepted institutional practice, or social custom dictates such an occasion. A gift of moderate expense as described herein may be presented to non-ASI individuals or organizations when the gifts are made on behalf of the ASI.

The procedures set forth in this policy are intended to conform to the Internal Revenue Service regulations related to gifts. Any gift made to outside individuals or organizations must not result in taxable income to the recipient or it is not a gift. In addition, the expenditure of funds for gifts should be cost effective and in accordance with the best use of public funds.

When determining if a gift is appropriate, the occasion must, in the best judgment of the approving authority, be infrequent, based on objective criteria and serve a clear ASI business purpose. The approving authority must also evaluate the importance of the occasion in terms of the costs that will be incurred; the benefits to be derived from such an expense; the availability of funds; and any alternatives that would be equally effective in accomplishing the desired objectives

This policy applies to all expenses incurred by ASI for gifts to organizations or non-employees regardless of the funding source.

This policy does not apply to Scholarships.

Who Should Know This Policy

- Budget Area Administrators
- Elected/Appointed Officers
- Grant Recipients
- Management Personnel
- Program Advisors
- Staff
- Supervisors
- Volunteers

Definitions

For purposes of this policy, the terms used are defined as follows:

Term	Definition
Approving authority	The person to whom authority has been delegated in writing to approve hospitality expenses and to approve exceptions to the hospitality policy and the limitations outlined in this policy.
Business expense	An expense that has an appropriate business purpose and where a clear ASI-related objective is demonstrated instead of a personal or social one.
Exceptions	Gifts and awards that are not in accordance with this policy. Examples include but are not limited to expenses that exceed the maximum rates specified in this policy, items missing appropriate documentation, and any other type of gift expense that is not specifically included in this policy.

Term	Definition
Gifts	A non-cash item of tangible personal property given directly or indirectly to a person. A gift given to a company that is intended for the eventual personal benefit of a particular person is considered an indirect gift to that person. A gift given to a person's family is generally considered to be a gift to that person.
Incidental costs	A cost that does not add substantial value to the gift such as engraving, packaging, insuring, mailing and gift-wrapping.
Itemized receipt/invoice	A written acknowledgment of money received. For substantiation of a gift expense, a receipt provides the name of the vendor; a detailed list of charges; the date and the total amount of the purchase.
Negotiable gift certificate	A gift certificate that can be converted to cash and for which the recipient can receive change in the form of cash for the difference between the price of a purchase and the value of the gift certificate
Official presenter	An employee representing ASI who presents the gift to the recipient.
Promotional items	Items having a non-material value (not exceeding \$50) that bear the logo, icon or other information identifying the ASI or the University and are one of a number of identical items distributed by ASI or the University. Examples include, but are not limited to pens, mugs, folders, calendars or clothing.
Recipient	For purposes of this policy, the recipient must not be employed by ASI. Individuals or organizations eligible to receive gifts include, but are not limited to, donors or potential donors; visiting dignitaries and/or scholars; volunteers (including students); clientele; independent consultants; and members of the local community.
Congratulatory or sympathy gift	Gift of tangible personal property, such as flowers, presented as an expression of congratulations or sympathy in the event of a birth, death, or major illness
Tangible personal property	Personal property that can be seen, weighed, measured, felt, or touched or is in any other way perceptible to the senses, such as books, plaques, trophies, etc.

Regulations

1.0 Allowable Gifts

Gifts in the following categories are allowable under this Policy. Gifts of cash are **not** permitted. The maximum rates identified below include the cost of the gift and all related taxes. They do not include incidental costs as defined above.

1.1 Promotional items

A gift of tangible personal property distributed to promote the name, image and programs of ASI or the University; to provide information; or encourage good customer relations. The value of these gifts must not exceed \$50. No exceptions.

1.2 Appreciation or Recognition

Gifts of tangible personal property presented to express appreciation; acknowledge a contribution, goodwill, or other resources; or recognize service to ASI.

Appropriate gifts include items such as books; tickets to a sporting, theatrical, or musical event; a non-negotiable gift certificate; mementos such as a plaque, watch, or logo item of more than minimal value. The cost of gifts in this category may not exceed \$325.

1.3 Congratulatory or Sympathy Gifts

Gifts of tangible personal property, such as flowers, may be presented as an expression of congratulations or sympathy in the event of a birth, death, or major illness. The cost of such gifts is limited to \$90 per department/office, unless exceptional approval is obtained.

2.0 Unallowable Gifts

Any gift that is taxable is not allowable. Expenses for such gifts cannot be reimbursed from any funding source or approved as an exception to policy. Unallowable gifts include, but are not limited to, the following:

- Gifts of cash
- Gifts of bottled alcoholic beverages or tobacco products
- Negotiable gift certificates (those that can be exchanged for cash)
- Gifts in excess of policy limits
- Lavish or extravagant expenses
- Expenses not substantiated with appropriate supporting documentation

Gifts governed by this policy may not be presented:

- To ASI employees or their near relatives
- To any individual or organization associated either directly or indirectly with a political party, campaign, candidate, or a group engaged in an attempt to influence legislation, elections, referendums, or the like.
- When any conflict of interest exists. For example, a personal or social relationship exists between presenter and/or approving authority and recipient.
- When the business reason for making the gift or the nature of the business benefit ASI derived or expects to derive is not documented in writing.

3.0 Presentation of Gifts

Generally, gifts are presented when tradition, commonly accepted institutional practice, or social custom dictates gift giving. To prevent the appearance of favoritism, gifts presented to a particular individual or entity will be given infrequently, based on objective criteria.

Examples of individuals and organizations that may be presented with a gift on behalf of the ASI include, but are not limited to, the following:

- A visiting dignitary or scholar, to express appreciation, e.g., a distinguished lecturer;
- A donor or potential donor, to acknowledge a contribution, recognize service, or express sympathy in the event of the death or major illness of a family member;
- A volunteer, to honor the contribution of time or other resources;
- A potential donor, to promote the ASI's programs or to express the ASI's goodwill toward the community;
- An organization, to promote goodwill;

- A client, to promote good customer relations;
- A foreign dignitary or foreign government official, to promote goodwill.
- Students

4.0 Approval of Transactions

The Executive Director has sole authority to approve requests to remit payment or reimburse expenses for non-cash gifts presented on behalf of the ASI. This authority may not be delegated to other administrators under his/her supervision.

The Executive Director is responsible for determining whether Gift Expenses serve a bona fide ASI business purpose.

The Executive Director will not approve his/her own request for payment or reimbursement of gift expenses. All such requests will be approved by the ASI President.

5.0 Exceptions to Policy

Approval of exceptions to this policy must be obtained from the Executive Director. Each request for an exception must include a written justification as to why non-compliance with this policy was unavoidable and necessary to achieve a legitimate ASI business purpose. The fact that actual costs exceed the authorized rates is not, in itself, adequate justification for an exception request. The request should also specify the type of gift, the purpose of the gift, the special circumstances that require such an exception, and the name of the non-ASI individual or organization on whose behalf the exception is sought.

If adequate justification exists and provided such costs are deemed to be ordinary and necessary under the circumstances, an exceptional expense may be approved. Reimbursements/payments for the purchase of gift expenses will be limited to the actual costs incurred.

In the event of a conflict between the terms of a funding source and ASI policy, the stricter of the two policies will apply.

6.0 Tax Considerations

Under Internal Revenue Service regulations, a gift will be considered taxable income to the recipient if:

- The gift is presented to the same recipient on a regular or routine basis
- The gift is cash
- The gift is a negotiable gift certificate
- The expense is lavish or extravagant under the circumstances
- The gift is presented on a discriminatory basis
- The official presenter or other ASI employee is not present when the gift is given

The above types of expenses are not allowable under this policy.

7.0 Payment or Reimbursement Procedures

The procedures that follow are required in order to conform to the Internal Revenue Service Regulations.

7.1 General

A Check Request or Cash Reimbursement Request must be submitted to the Associated Students Business Office.

To assure compliance with Internal Revenue Service regulations, the completed form must include the following information:

- Name and title of ASI official presenting the award/gift
- Recipient name (individual, group or organization), title (if applicable) and affiliation
- Occasion for which the gift is being presented
- Date and location of the event
- Description of the gift presented, including cost
- Original supporting documentation

7.2 Documentation of Business Purpose

ASI policy requires that the business purpose for presenting a gift be documented. A transmittal letter on official ASI letterhead stating that the gift was made on behalf of the Associated Students, Incorporated should accompany all gifts except those of minimal value (promotional gifts). A card containing the same information may be substituted. A copy of the letter or card must be attached to the check request or cash reimbursement request.

When, in the judgment of the Executive Director, it is not practical or appropriate to accompany the gift with a formal letter the Executive Director should prepare a statement to this effect and attach it to the check request or cash reimbursement request. The statement should include the reason why a formal letter or card could not accompany the gift.

7.3 Receipts

An original itemized receipt or invoice for expenses must be submitted per occasion. A credit card receipt alone is not sufficient.

7.4 Supporting Documentation

All original documentation supporting the business purpose of the expense must be attached to the request.

The business purpose for making the gift or the nature of the business benefit the University derived or expects to derive must be documented in writing.

7.5 Certification

The request must include a certification by the approving authority that the expenses were incurred for official ASI business purposes and are in accordance with Internal Revenue Service guidelines and ASI policy.

7.6 Business Office

It is the responsibility of the A.S. Business Office to review all supporting documentation and to verify that the amounts claimed are allowable, that the appropriate accounts are charged, that the documents were properly approved prior to payment (or that adequate post audit reviews are performed), and that payments are tax reported appropriately.

In addition, the Business Office is responsible for ensuring that supporting documentation is being retained in accordance with the requirements specified in the ASI Policy on Records Management and other applicable policy and procedures.

Administration

The Director of Administrative Services is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed triennially and revised as needed, unless earlier revisions are necessitated by changes in the regulations of the IRS, CSULB, or the California State University Office of the Chancellor.

Forms

The following forms are to be used in the execution of this policy.

Form Name	Purpose	Responsible Office	Approved By	Timeline for Submission
Cash Reimbursement Request	To request cash reimbursement for the purchase of goods or services totaling less than \$100, excluding sales tax	A.S. Business Office	Authorized budget area signatory	Between 9 a.m. and 4 p.m., Monday through Friday (except holidays). Only one filing per person per day
Check Request	To request a check for payment to a vendor or as reimbursement to an authorized purchaser	A.S. Business Office	Authorized budget area signatory	At least four (4) business days before desired date of disbursement