



# INDIANA UNIVERSITY

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## Accounting Administration Policy I-590 Gifts to Employees or Non-Employees

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**Effective:** February 1, 2010  
**Last Updated:** February 1, 2010

**Responsible University Office:**  
*Financial Management Services (FMS)*

**Responsible University Administrator**  
*Vice President & Chief Financial Officer*

**Policy Contact:**  
*FMS, Campus Administration*

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## Scope

All university units and external agency funds.

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## Policy Statement

University funds are not allowed to be used for the purchase of gifts of any kind to any individual, including employees and those contributing to the academic mission.

Indiana University Foundation (IUF) funds may be used to purchase the following:

- (a) Retirement gifts to employees,
- (b) Gifts to non-employees that contribute to IU's academic mission. Donors qualify as individuals contributing to IU's academic mission.

The reimbursement for or direct purchase of a gift from IUF is not to exceed \$400 for retirement gifts to employees or \$600 for gifts to non-employees. Exception requests related to the dollar amount can be submitted in writing to the Vice President and Chief Financial Officer. Exception requests for the amount cannot exceed \$1,000. Any other exceptions to the policy are not allowed.

Allowable gifts must be tangible personal property and cannot be items such as travel certificates, gift cards, cash, or cash equivalents.

Recognition of years of service dates per University Human Resource Services (UHRS) or University Academic Affairs policies are allowed under this policy for the respective employee groups.

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## Reason for Policy

Indiana University is a public institution. Expenditures should be reasonable in dollar amount, related to the primary mission of the institution, and appropriate with institutional resources.

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## Procedures

Requests for exceptions to the dollar amount must be submitted in writing to the Vice President and Chief Financial Officer (VPCFO) 30 days previous to the proposed purchase of the gift. The VPCFO will respond in writing to the request. If permission is received for a higher amount the original written request and approval must be shared with IUF before purchase of the gift can occur.

Retirement gifts given to recognize employee length of service, with a value of up to \$400, are excludable from taxable income. Gifts with a value over \$400 are taxable to the employee and the value above \$400 will be added onto the employee's W-2. Gifts to non-employees contributing to the academic mission of IU exceeding \$600 could result in the recipient receiving a 1099-MISC from the university. Procedures for receiving this information for tax reporting will be maintained by IUF and FMS and are posted on the FMS Tax website at <http://www.fms.indiana.edu/tax/home.asp>.

Providing a gift to a non-employee who has contributed to the academic mission of the university who is a **non resident alien** could provide additional challenges. Please contact the tax department in FMS for guidance before giving the gift.

Purchases of the gift must occur using IUF processes. It is not appropriate to use any IU procurement process, including the p-card, to purchase gift items

Campuses are required to work with UHRS or University Academic Affairs to verify that campus programs for recognition of years of service meets university policy.

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## Definitions

A **gift** is a tangible item that is being provided to an individual where there is no expectation that something will be provided in return. This policy does not apply to promotional items used to promote a program or activity. Restrictions on promotional items are covered in Financial Policy I-050.

**Tangible personal property** refers to any type of property that can generally be moved (i.e., it is not attached to real property or land), touched or felt. These generally include items such as furniture, clothing, jewelry, art, writings, or household goods.

For purposes of this policy **retirement** only applies if the individual meets the UHRS standards for retirement status.

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## Sanctions

Gifts that are purchased outside of the IUF purchase process that require an exception due to the amount and did not receive prior approval by the VPCFO will not be reimbursed by IUF. The unit must find other avenues to cover the cost of the gift.

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## Additional Contacts

<b>Subject</b>	<b>Contact</b>	<b>Phone</b>	<b>Email</b>
Policy Interpretation	Joan Hagen	812-855-3657	<a href="mailto:jhagen@indiana.edu">jhagen@indiana.edu</a>
Policy Interpretation	Rozzie Gerstman	812-955-1123	<a href="mailto:gerstma@indiana.edu">gerstma@indiana.edu</a>
Policy Interpretation	Camy Broeker	317-278-2269	<a href="mailto:cbroeker@iupui.edu">cbroeker@iupui.edu</a>
Tax	Kristina Sparks	812-855-0142	<a href="mailto:kmsparks@indiana.edu">kmsparks@indiana.edu</a>

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## Web Address for this Policy

<http://www.indiana.edu/~vpcfo/policies/accounting/Gifts, I-590.docx>

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## Related Information

Financial Policy I-050, Allowable Hospitality Expenses,  
which also covers policy issues related to flowers,

<http://www.indiana.edu/~vpcfo/policies/accounting/i-50.html>

Financial Policy I-330, Inappropriate Use of University Funds,

<http://www.indiana.edu/~vpcfo/policies/accounting/i-330.html>

University Human Resource Services Policy, Reward Plans and Recognition Plans  
(currently suspended until further notice),

<http://www.indiana.edu/~uhrs/policies/uwide/rewards.html>

Indiana University Foundation policies,

<https://onestart.iu.edu/my2-prd/portal/102213>

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## History

Indiana University has a long history of not allowing gifts. Policy I-050, Allowable Hospitality Expenses, indicates that "Gifts of any kind, to any individual, whether or not they are university personnel" are not allowable. This policy on gifts is confirmation of the institution's position and in addition provides guidance on the types and cost of gifts that can be purchased using IUF funds.