

Status **Pending** PolicyStat ID **17727652**



Last Approved N/A  
Next Review 3 years after approval

Owner Theresa Leisure  
Document Area Vice President and Chief Financial Officer  
Applicability Saint Louis University Campus Wide

## Gift Card Policy

Responsible University Official: Vice President and Chief Financial Officer/David Heimburger

Policy Owner: Director Central Processing Center/ Theresa Leisure

Policy Contact: Director Central Processing Center/ Theresa Leisure

### 1.0 Reason for Policy

The purpose of this policy is to establish the process and governance for procurement and safeguarding of gift cards to ensure the University maintains compliance with all applicable tax laws.

### 2.0 Policy Statement

Gift cards, which include E-gift cards, gift certificates, and stored value cards, are considered a cash equivalent by the Internal Revenue Service and as such are a high-risk item. Their purchase requires a process of accountability to prevent misuse or theft and to comply with external tax reporting requirements.

When given to individuals (employees, non- employees, students, or student workers), cash equivalents create the same tax implications as a distribution of cash. The University and the IRS have complex rules governing the handling and reporting of cash equivalent transactions.

The University has standardized disbursement processes to comply with reporting rules, but the purchase of gift cards results in the distribution of cash equivalents to individuals outside normal controls and processes. Therefore, when a department/research area chooses to use gift cards, the department/research area must assume some of the accounting and reporting responsibilities normally handled centrally.

Use of these procedures allows for compliance with federal and state regulations as well as accurate and required reporting to the federal government for both 1099 and Payroll related reporting. Additionally, adherence to this policy and its processes advances compliance from an audit perspective, for both internal and external audit requirements. This policy applies to all University gift card purchases regardless of funding source used.

## Safeguarding & Accountability

1. Card Distributor must safely secure all physical gift cards in a locked space with limited access.
2. Gift card records must be maintained for cards received and distribution information logged by the Card Distributor. Gift Card Receipt & Distribution Log template (make it a hyperlink)
3. A gift card inventory should not be kept and instead gift cards should only be ordered on an as needed basis in an amount that will be distributed. Recommended timeframe for distribution is within 30-60 days after purchase.

## Tax Compliance

Because the IRS regards gift cards as cash equivalents, gift card distribution may create tax and reporting implications for both the recipient and the University. When such distribution occurs, it is important for the protection of the recipient, department personnel, and SLU that the appropriate processes are followed and SLU offices responsible for reporting have the needed information.

1. Employees & Student Workers: Gift cards provided to employees and student workers, regardless of dollar value, are reported to Payroll so that appropriate tax reporting can occur. Card recipient information is collected on the Workday Request>Gift Card screen and viewed by Payroll. If recipient information is not known at the time of the Workday Request then department is responsible for sending card recipient information to Payroll. Payroll@slu.edu
2. Non-Employees: Gift cards provided to non-employees in an aggregate amount per the IRS 1099 reporting threshold of \$600 or more per calendar year (January 1 through December 31) must be reported to Accounts Payable to ensure appropriate tax reporting. Card recipient information is collected on the Workday Request>Gift Card screen and viewed by Accounts Payable. If recipient information is not known at the time of the Workday Request then department is responsible for sending card recipient information to Accounts Payable. Accountspayable@slu.edu
3. Year End Documents to Accounts Payable: To ensure compliance with tax reporting obligations, gift cards provided to non-employees within the calendar year (January 1 through December 31) for individual payees reaching the \$600 threshold, the payee's completed W9

or Substitute W9 (Substitute W9 link will be inserted here) form must be reported to Accounts Payable as soon as possible but no later than January 5th of the following year in which the gift card has been distributed. Card Distributor or Purchaser should email completed W9 to [Accountspayable@slu.edu](mailto:Accountspayable@slu.edu) Please note: The \$600 threshold is a cumulative total of all payments received from the University by a recipient, in total, for the calendar year.

4. In all cases, the Card Distributor or Purchaser must maintain a Distribution Log for Payments of Gift Cards. Gift Card Receipt & Distribution Log. (The link will be added)
5. When it is necessary to collect taxpayer information, the information is to be collected by the Card Distributor or Purchaser prior to or at the time of distribution of the gift card and sent to [Accountspayable@slu.edu](mailto:Accountspayable@slu.edu) or [Payroll@slu.edu](mailto:Payroll@slu.edu) if not already included in the Workday Request.

## Research Participant Payments

Gift card purchases for research participant payments must first follow the guidelines of the University's Research Participant Payment Policy. If gift card payments for your purchase are allowed under the guidelines of the Research Participant Payment policy then the purchase of gift cards will follow this Gift Card policy and processes as stated. See Research Participant Payment Policy link here (policy link will be added when policy is approved).

For instruction on handling any number of participant payment gift cards that remain undistributed to participants by the close of the study, please consult the Post Award and/or Business Manager for direction.

### 3.0 Scope

This policy applies to all operating units of Saint Louis University, excluding Saint Louis University-Madrid, including all faculty, staff, students, volunteers, agents, and other workforce members not otherwise identified.

## 4.0 Procedures

### Authorization, Approval & Purchase

1. Purchaser to place gift card order through Blackhawk Network. New purchasers should contact Blackhawk Network. See link above for procedures. If you have placed orders previously login to [HawkMarketplace.com](http://HawkMarketplace.com) to place your order. Once order is placed and invoice received, a Supplier invoice Request is submitted in Step 3 below.

2. Submit information on the Workday Request>Create Request>Request Type=Gift Card Purchase. A Request # will be issued to you in Workday.
3. Using the invoice from Step 1 and the Request # from Step 2, Purchaser should submit a Supplier Invoice Request in Workday and enter the Request # from Step 2 on the Supplier Invoice Request transaction in the Internal Memo field. Be sure to request to purchase and pay for gift cards leaving enough advance time for the order to be received as needed. A Purchaser should start the process early to accommodate potential delays in the approval or purchasing processes. All should allow two weeks after the payment is received by BlackHawk Network for delivery of physical gift cards.
4. Gift card purchases require approval by the appropriate approvers in Workday. The gift card transaction/purchase will route for approval automatically to all applicable and required approver groups in Workday on the Supplier Invoice Request transaction.
5. Gift cards cannot be purchased using personal funds for reimbursement.
6. Gift cards can only be purchased from Blackhawk Network.
7. Billiken Bucks are recommended as an alternative option when buying for SLU employees, students or student workers.
8. Gift cards cannot be purchased on the University P card or T&E card.
9. Purchaser shall have physical gift cards shipped to a University address. E-Gift cards are sent directly by the card provider to the electronic address of the recipient submitted by the department/research area.
10. Purchaser may only purchase gift cards with a funding source that allows for the purchase of gift cards.

## 5.0 Sanctions

Individuals who fail to comply with this policy and the procedures associated with it may be subject to disciplinary actions guided by the University's Staff Performance Management Policy, SLU Faculty Manual (St. Louis Campus), or Student Handbook. Non-compliance with this policy may result in disciplinary action, up to and including separation from the University.

Failure to follow the procedures and information collection and reporting requirements outlined in this policy, may result in the department/research area purchasing the gift cards being responsible for all penalties and accrued interest assessed by the IRS for non-compliance.

## 6.0 Responsibilities

Purchaser places gift card order/purchases gift cards. Completes Workday Request for gift card Request #. Submits Workday Supplier Invoice Request for payment. Logs gift card receipt information on the Gift Card Receipt & Distribution log (including physical and E-gift cards). Ensures gift cards are stored in a secure location. Submits all necessary tax reporting information to Payroll

and/or Accounts Payable per policy.

Card Distributor distributes cards. Updates log with distribution information on the Gift Card Receipt & Distribution log (including physical and E-gift card info). Submits all necessary tax reporting information to Payroll and/or Accounts Payable per policy. Approver reviews and approves transaction in Workday as applicable.

## 7.0 References

### University Policies Including But Not Limited to:

[Non-Retaliation Policy](#)

[Reporting Concerns of Misconduct Policy](#)

[Staff Performance Management Policy](#)

### University Resources Including But Not Limited to:

[SLU Faculty Manual \(St. Louis Campus\)](#)

[Student Handbook](#)

### External Resources Including But Not Limited to:

IRS Reporting Payments to Independent Contractors  
IRS Publication 525

## 8.0 Definitions

**Cash Equivalent:** Cash equivalents are stored-value products such as gift certificates and gift cards. The IRS specifically defines these instruments as cash equivalents and states that their value is considered taxable income to the recipient, regardless of dollar value in some instances.

**Card Distributor:** A University employee distributing gift card(s) to the intended recipients.

**Gift Card, e Gift Card, or Gift Certificate:** A gift card, E-gift card or gift certificate entitles the recipient to receive goods or services of a specified value from the issuer, either in a physical gift card or digitally in an E-gift card.

**Gift Card Receipt & Distribution Log:** A document that captures data on gift card receipt & distribution information; recipient, date, dollar amount of card, card id#, etc to record and manage

gift cards on hand and distributed.

**Purchaser:** A University employee ordering or purchasing gift cards.

## 9.0 History

This is a new University policy.

### Approval Signatures

Step Description	Approver	Date
Policy Review Committee	Michael Reeves	Pending
Policy Review Committee	Theresa Leisure	Pending
Chief Policy Officer review before PRC	Michael Reeves	3/5/2025

---

### Applicability

SLUCare, Saint Louis University