

DEPAUL UNIVERSITY



Gifts to Employees

Category: Financial Affairs

Responsible Department: Controllers Office

Responsible Officer: Controller

Effective Date: 4/17/2017

Policy Summary

This policy explains the basic guidelines and restrictions associated with the purchase of gifts for employees using university funds, and the acceptance of gifts offered by third parties to university employees and business units.

Scope

This policy affects the following groups of the University:

- Entire University Community

This policy affects all members of the University Community.

Policy

A. Gifts from the University to Employees

1. General Statement

In general, gifts for an employee or group of employees should not be purchased using university funds. Departments may take up voluntary collections of personal funds to purchase gifts for an employee or group of employees, when use of university funds is inappropriate. Examples might include holiday or wedding presents.

On occasion, a university department may find it appropriate to provide an employee or group of employees with gifts or tokens of appreciation from the university. In these instances, this policy requires that university departments must (1) obtain pre-authorization from the department's Academic or Administrative Officer for all cash or cash equivalent gifts ("cash gifts") of any value and non-cash gifts greater than \$75, and (2) report recipient information to the Controller's Office. Cash equivalents include gift cards and gift certificates.

Prizes awarded to employees, while similar to gifts to employees, are subject to different procedures and policies. For more information on awarding prizes to employees, see the university's [Prizes, Gambling Events, and Wagering policy](#).

For information, pertaining to gifts or donations made in the name of the university to non-affiliated individuals, groups, or organizations, see the university's [Gifts or Donations from the University to External Parties policy](#).

2. Cash Gifts from the University to Employees

Departments purchasing and distributing cash gifts to employees must first obtain written approval from their Academic or Administrative Officer using the Gifts and Prizes Pre-Authorization Form and forward a copy of the approved form to the Controller's Office. A cash gift is considered supplemental income to the employee and is subject to tax reporting and withholding and processed through the university's payroll system. As such, recipient information must be compiled and submitted to the Controller's Office using the Gifts and Prizes Reporting Form as soon as practicable.

For more information pertaining to gift cards and gift certificates, including university required controls and procedures, see the [Gift Card Guidelines](#) document located on the Financial Affairs website.

3. Non-cash Gifts from the University to Employees

De minimis gifts are non-cash tangible property of small value (\$75 or less) and accounting for them would be unreasonable and administratively impracticable. De minimis gifts purchased with university funds and given to employees are generally not taxable to the employee. Due to these factors, approval and reporting of de minimis gifts are not required by this policy.

University departments purchasing and distributing non-cash property with a value greater than \$75 to employees must first obtain written approval from their Academic or Administrative Officer using the Gifts and Prizes Pre-Authorization Form and forward a copy of the approved form to the Controller's Office. Gifts of non-cash property with a value of greater than \$75 are considered supplemental income to the employee and are subject to tax reporting and withholding and processed through the university's payroll system. As such, recipient information must be compiled and submitted to the Controller's Office using the Gifts and Prizes Reporting Form as soon as practicable.

4. Exception - Length of Service Awards (Retirement Gifts)

The Internal Revenue Service (IRS) Code allows for a statutory exclusion from taxable income for tangible personal property provided to an employee as a length of service award (retirement gift). In order to qualify for the length of service award exclusion, one of the following two conditions must be met: (1) the employee receives the award after his or her first five years of employment; or (2) the employee did not receive another length of service award (other than one of very small value) during the same year or in any of the prior four years. Additionally, the award must be made as part of a meaningful presentation and the exclusion is generally capped at \$400 per annum. For more information regarding length of service awards, see IRS Publication 535 or contact University Tax Services. For purposes of this policy, retirement is defined and determined by the university's Office of Human Resources.

5. Exception - Flowers Upon Death of Employee or Immediate Family Member

With Academic or Administrative Officer approval, a department may send flowers upon the death of an employee or an immediate family member of an employee. As a general guideline, the cost of the flowers should not exceed \$200. While no formal authorization form is required, evidence of Academic or Administrative Officer approval should be maintained by the department.

B. Gifts from External Parties to Employees

1. General Statement

In general, university employees are permitted to accept non-cash business gifts of nominal value (\$150 or less) offered by external parties, but shall not be influenced by the receipt of any gift nor imply that the receipt of any gift will influence a business decision.

Any actual or appearance of a conflict of interest that arises from such gifts must be reported in accordance with the university's Conflict of Interest policy. Generally, gifts accepted under the monetary ceilings and circumstances, noted below, will not create conflicts of interest for the employee recipients.

Employees should seek guidance from their supervisor, the Office of Compliance and Risk Management, the Office of General Counsel, or the Controller's Office when uncertain whether to accept a gift. Gifts shall not include any compensation, discount, or other benefit offered to an employee in exchange for services performed by that employee.

Employees shall not solicit gifts in connection with their employment under any circumstances.

2. Cash or Property Gifts from External Parties to Employees

University employees cannot accept gifts of securities, real property or cash (including gift cards and gift certificates) at any time and such gifts must be immediately returned to the donor.

3. Non-cash Gifts from External Parties to Employees

University employees are permitted to accept non-cash tangible gifts of a nominal value (\$150 or less), for example gift baskets or promotional items, offered by external parties. However, multiple gifts from the same source totaling more than \$300 in value during a single fiscal year cannot be accepted. If a gift of unknown value cannot reasonably and in good faith be determined to fall within the parameters stated above, it should be returned to the donor.

As an exception to the limits stated above, university employees are permitted to accept gifts of meals and entertainment offered by external parties under the following circumstances:

- They are a normal and customary business practice.
- They are used to develop or maintain business relationships.
- Their primary purpose is university business.
- They are occasional and non-repetitive.
- Their cost is modest and not excessive.

4. Gifts from External Parties to Business Units

University business units shall not accept gifts exceeding \$500 in value from a single source during a single fiscal year, including, for example, holiday gift baskets.

As an exception to the limit stated above, university business units are permitted to accept gifts of meals and entertainment offered by external parties under the following circumstances:

- They are a normal and customary business practice.
- They are used to develop or maintain business relationships.
- Their primary purpose is university business.
- They are occasional and non-repetitive.
- Their cost is modest and not excessive.

Donations or contributions of goods, services, securities, real property, personal property, or cash that are offered to the university are subject to the university's [Gift Acceptance and Processing policy](#) and accordingly must be reported to the Office of Advancement.

5. Gifts from External Parties - Additional Rules for Certain Employees Based on Their Job Functions

The following additional rules apply to certain employees based on their specific job functions:

- a. Office of Advancement and Fundraisers - Employees in the Office of Advancement, and any employees or administrators whose job duties include formal or informal fundraising efforts on behalf of the university, must exercise good judgment and meet the appropriate standards of professional responsibility when accepting gifts from current or potential donors, even when a gift is of nominal value (\$150 or less). Such employees are cautioned against accepting any gift from a current or potential donor that may be perceived as compromising the charitable nature of donations to the university.
- b. Employees with Purchasing Responsibility - Employees having authority or influence over matters regarding purchasing or contracting should exercise caution and good judgment in accepting gifts from individuals, entities, or key stakeholders of entities that are doing business or seeking to do business with the university, even if the gifts are of nominal value (\$150 or less). This is especially true if the employees have decision making authority over awarding business to the entities offering or providing the gifts.
- c. Decision Makers for Awarding University Business - Under all circumstances, decision makers for awarding business must practice and convey objectivity so that gift-giving entities understand that their gifts will not influence decisions to award or deny business to them. Decision makers can choose to disclose gifts to their supervisors and complete the Conflict of Interest Certificate of Compliance, located on the Financial Affairs website, pursuant to the university's [Conflict of Interest](#) policy. Disclosure of gifts that appear ill-timed or otherwise inappropriate helps protect the integrity of the contracting process by allowing supervisors the option of limiting or modifying the decision makers' authority for the particular contract or business. This can help avoid even the appearance of impropriety and ensure that contract awards are made purely on the merits and in the best interests of the university.

- d. Grants Administrators - Federal law prohibits employees involved in awarding or administering Federal grants or contracts from soliciting or accepting anything of monetary value from current or potential contractors or sub-contractors. Such employees are further subject to the [Conflict of Interest in Externally Sponsored Projects Policy](#), which requires disclosure of potential financial conflicts of interest involving external sponsors.
- e. Employees with Financial Aid Responsibility- Federal law prohibits employees with responsibility for administering financial aid or student loans from soliciting or accepting gifts regardless of value from lenders, guarantors, or servicers of educational loans. Refer to the [Financial Aid Code of Conduct](#), contained in the appendix section below, for further detail.

Individual departments may implement stricter internal guidelines that place additional limits on employees' rights to accept gifts from outside parties. However, departments may not develop internal guidelines that relax or undermine the requirements of this policy. Departments that choose to develop stricter guidelines are required to submit them to the Office of the General Counsel to be embedded as additional rules under this policy.

6. Exceptions - Gifts from External Parties

Employees seeking exceptions to this policy for gifts received from external parties must complete a Gift Policy Exception Form and submit it for approval to the Academic or Administrative Officer overseeing the involved employee's academic or business unit. Officers of the university seeking exceptions to this policy must complete a Gift Policy Exception Form and submit it to their respective executive-level management for approval. Exceptions involving the President must be approved in writing by the Chair of the Board of Trustees. Approved Gift Policy Exception Forms must include the approver's reason(s) for allowing the exception(s) and be forwarded to the Controller's Office.

7. Other Information

For purposes of this policy, the term gift does not include tickets for admission to DePaul sponsored events. For example, if a current or prospective vendor has purchased a table for a DePaul sponsored fundraising dinner, employees or business units can accept tickets without having to consider whether the face value of the tickets exceeds the amount ceiling for a gift or whether acceptance of the tickets creates a conflict of interest.

This policy is not intended to prevent employees from receiving compensation or other honoraria for work performed outside the scope of their employment with the university. Further, this policy shall not apply to gifts offered to an employee by relatives or by individuals on the basis of a personal friendship unless there is reason to believe that, under the circumstances, the gifts were provided because of the employee's position at the university.

Employees who are uncertain as to whether they may accept a specific gift are encouraged to complete a Gift Policy Exception Form, a Conflict of Interest Certificate of Compliance and/or confer with their supervisor, the Controller's Office, the Office of Compliance and Risk Management and/or the Office of the General Counsel.

Procedures

This policy requires that university departments (1) obtain pre-authorization from the department's Academic or Administrative Officer for cash gifts of any value and non-cash gifts greater than \$75 dollars using the Gifts and Prizes Pre-Authorization Form and copying the Controller's Office, and (2) report recipient information to the Controller's Office using the Gifts and Prizes Reporting Form.

This policy also requires that employees seeking exceptions for gifts received from external parties complete a Gift Policy Exception Form and submit it for approval to the Academic or Administrative Officer overseeing the involved employee's academic or business unit and copy the Controller's Office once approved.

Employees should seek guidance from their supervisor, the Office of Compliance and Risk Management, the Office of the General Counsel, or the Controller's Office when uncertain whether to accept a gift.

Divisional Collaborations

Office of the General Counsel

Office of Financial Aid

Financial Affairs (Accounts Payable and University Tax Services)

Contact Information

Controller's Office

(312) 362-6727

Office of the General Counsel

(312) 362-8865

University Tax Services

(312) 362-7187

Accounts Payable

(312) 362-5336

Appendices

[Appendix 1: Gift Policy Exception Form](#)

[Appendix 2: Financial Aid Code of Conduct](#)

[Appendix 3: Gift Card Guidelines](#)

[Appendix 4: Gifts and Prizes Pre-Authorization Form](#)

[Appendix 5: Gifts and Prizes Reporting Form](#)

History/Revisions

Origination Date: 11/19/1991

Last Amended Date: 04/17/2017

Next Review Date: N/A