

<b>Subject: Gift Cards</b>	Author: Kerry Kohl
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Contact Name: Kerry Kohl	Contact Email: <a href="mailto:kekohl02@louisville.edu">kekohl02@louisville.edu</a>
Approved By: Larry Zink	Page 1 of 2

Gift cards are utilized at the University for a variety of reasons. Some of these reasons include:

- Payments to clinical trial participants
- Non-recurring tokens of appreciation for a non-employee's time and talent
- Non-recurring employee gifts of appreciation, special recognition, holiday/seasonal gifts

Cards may NOT be used:

1. To pay trade suppliers for goods and/or services received and/or rendered
2. To pay any type of wages for services rendered
3. To circumvent University purchasing, payroll or accounts payable procedures

Cards are the same as cash and must be handled accordingly. Only employees authorized to handle monies for University business should have access to cards. Employees are required to appropriately safeguard, account for and document all gift cards. Until disbursed, cards should be maintained in a secure, locked device or some other location appropriately approved by the Controller's Office for money storage.

We welcome departments to utilize the University's contracted bank to purchase these cards. [Instructions and guidelines on how to purchase these types of gift cards from PNC Bank.](#)

However in some cases, departments may decide to purchase gift cards from other sources (i.e. Target, Wal-Mart, Macy's, etc.). Please see the following steps in order to process payment:

1. Complete a Request for Disbursement form listing the payee as the retailer from whom we will be purchasing the gift cards. Please include the purpose of the gift card(s) in the description section of this form.
2. If the retailer is not already set up in the PeopleSoft Financials system as a vendor, please create a new vendor. (Please keep in mind that this type of transaction will require that the new vendor complete the University's W-9 form and vendor survey.)
3. Attach to the Request for Disbursement form a listing of all individuals who will be receiving a card. The following log can be used:  
<http://louisville.edu/finance/controller/forms/giftcardlog.pdf>
4. For employees, these transactions are taxable and must be reported on their W-2. [Additional information on employee taxable compensation](#) .
  - A. Gift Card compensation to an employee is reported to Human Resources using their "[Noncash Compensation Form.](#)"
  - B. Mark type of compensation as "Gift Cards" and enter the total amount of the Gift Card in Taxable Amount.

- C. Return the completed, signed, and dated original to the Controller's Office attached to the Request for Disbursement form. The form will be forwarded to Human Resources.

For non-employees, these transactions may be reported on a 1099-misc form at the end of the calendar year if the recipient meets the IRS' reporting threshold. Please have each non-employee complete a [W-9 form](#), and submit these forms to the Controller's Office along with the Request for Disbursement form.

5. Attach a yellow "[Request for Return Check](#)" card to the RFD so that the check can be picked up by the department when ready.
6. The department representative will pick up the check and take it to the retailer to obtain the gift cards.
7. The original receipt from the retailer showing the gift card purchase should be immediately returned to the Controller's Office so that it can be attached to the check documentation.
8. All gift card purchases shall be submitted on a Request for Disbursement form and will be paid to the merchant/store directly by the University. The University will not reimburse an individual for gift card purchases.