



Title:	Employee Gifts and Entertainment Policy	Type:	Finance
No:	BU 6000	Approval Date:	June 2008
Responsible Office:	Finance	Approved By:	VP for Business and Finance, and Treasurer
Next Review:	2019	Revision No:	1 (12-2014)

I. Purpose/Introduction/Rationale

This policy establishes guidelines governing allowable employee entertainment and employee gift expenses paid with College funds.

II. Definition

Specific definitions for employee gifts, non-employee gifts, and employee entertainment appear in Section III.

III. Procedure or Application

Employee Gifts

General Guidelines - There may be occasions from time to time where a manager or department head chooses to recognize one or more employees with a gift. These gifts are generally provided in an effort to recognize a particular high level of performance or extraordinary service. This would also include recognizing exemplary past service with a going-away gift such as a memento or memorabilia-type item.

Any gift item to an employee under this policy must be a **non-cash** gift of minimal value (see *Limitations* below), such as flowers, a fruit basket, a book or similar item; movie tickets, or a plaque. Gift certificates should confer only the right to receive goods or services — not cash or cash for the difference between the purchase price and the value of the gift certificate. In all cases and situations, reasonableness and sound business judgment is required and expected, as well as proper approvals and auditable documentation.

Employee gift transactions must be approved by the immediate supervisor of the initiating manager or higher, regardless of the payment method used — e.g., Direct Pay/Check Request, Petty Cash Voucher, etc.

Existing Recognition and Reward Programs - The Human Resources Department manages the College's program for length of service awards, which encompasses milestone anniversaries and retirements. In addition, the College's Human Resources Department also administers other programs whose specific purposes are employee recognition and rewards. Please contact Human Resources with any questions on the availability and requirements of these recognition/reward programs.

Sympathy Gifts - Gifts such as flowers, or donations in lieu of same, may be presented as an expression of sympathy in the event of the death or major illness of an employee or a member of the employee's

family or household. The cost of such gifts is limited as described below under *Limitations and Exceptions and Reporting*.

Limitations - The College has established a maximum dollar amount for any gift to an employee paid with College funds. The gift amount to an employee, considering reasonableness, practicality, and IRS guidelines on taxability, has been set at a maximum of \$100. *Prohibited are actual cash awards and any gift certificate that may be redeemed for cash.*

It is not appropriate to spend any College funds in recognition of employees for non-work-related achievements or events. This prohibits gifts such as wedding/shower gifts, new baby or baby shower gifts, house-warming gifts, birthday gifts (not including celebratory departmental gatherings), or holiday/Christmas gifts.

See the *Employee Entertainment* section below for guidance on celebratory events (as opposed to gifts).

Exceptions and Reporting - *The value of any employee gift purchased with College funds over \$100 must be pre-approved by the department's Vice President, and communicated to the Finance Department Tax Accountant for income tax calculations. The payroll office in Human Resources then records the grossed-up amount of the gift as W-2 income to the employee. In other words, the total expense charged to the department budget/funding source will equal the specified award amount plus all applicable taxes. Please note: cash and gift certificates that are redeemable for cash are never excludable from personal taxes, regardless of the amount.*

Non-Employees Gifts

General Guidelines – In addition to the provisions in this section, *Non-Employees Gifts*, the presentation of gifts to a non-Rollins individual, group, or organization on behalf of the College is also governed by the guidelines in the *Travel and Business Expense Policy*. Reasonableness and sound business judgment is required, as are proper approvals and adequate supporting documentation.

General Scope – Non-employee gift examples might include gifts presented as a token of appreciation or in recognition of volunteer service to the College. Individuals or organizations considered may also include donors or potential donors, visiting dignitaries and scholars, and volunteers (including students). Gifts offered as an expression of sympathy would also be permissible.

Limitations - The presentation of cash or non-cash gifts to any individual, group, or organization with an announced political affiliation or seeking or supporting a political office or officeholder, is prohibited by the College. Similarly, a gift to any vendor providing goods or services to the College for compensation is prohibited.

Employee Entertainment

General Guidelines - The College recognizes there are many occasions to celebrate throughout the year—departmental birthday gatherings, significant work-related accomplishments, holiday festivities, etc. These types of celebrations, paid with College funds, should be modest in cost and respectful of the funding sources, as well as represent sound business judgment. The business reason for the expenditure should be full and clear, with appropriate approvals and supporting documentation.

Limitations - College funds should *not* be used to pay for dinners, retreats, or meetings at “luxury” restaurants or hotels. Retreats or gatherings based at entertainment theme parks or other similarly recognized entertainment/resort venues are generally discouraged and should be pre-approved by the department’s Vice President.

Celebratory events to honor an individual for personal reasons such as wedding showers, baby showers, housewarming parties, promotions, etc. may *not* be paid with College funds.

If in doubt as to the propriety of the expense you are considering, you should first check with your Vice President.

IV. Related Policies or Applicable Publications

For travel-related and other reimbursable business expenses not covered here, please see the *Travel and Business Expense Policy* (also on the Finance Department website at www.Rollins.edu/finance).

V. Appendices/Supplemental Materials

Not applicable.

VI. Rationale for Revision

Not applicable.