Gifts, Prizes & Awards, Donations and Raffles

Introduction
This policy states the requirements for Gifts, Prizes, Awards, Donations and Raffles.

Policy Statement
Brown University makes available to departments the ability to recognize employees and students through the use of gifts, prizes, awards, donations and raffles. The Internal Revenue Code stipulates that the value of some awards must be included in an employee's or student's income and provides exclusions for other awards. The following guidelines apply.

Gifts: University departments may incur an expense, in the form of a gift, on behalf of an employee or an employee's immediate family, for the following events:

- Recognition of a long-term employee leaving a department or retiring from the University. A general guideline is $10.00 for every year of service. Such gifts should not exceed $400, the maximum non-taxable limit established by the IRS, for gifts of recognition to long-term employees.
- Illness of an employee or student, requiring hospitalization. A recommended limit for this gift is $75.00.
- The death of an employee or an employee's immediate family member. Memorial gifts made on behalf of an employee may include flowers or a donation to a charitable organization. In such cases Brown University should be acknowledged as the sender, e.g., “from all your friends and colleagues at (University department)." In the case of a donation to a charity, the notation should indicate the donation is from the University department. A recommended limit for this gift is $75.00.

Gifts in recognition of employee work-related achievement or years of service are allowable as provided through official recognition programs authorized by the Human Resources Department. Any exception to this policy must be pre-approved at the senior officer level.

Holiday gifts for faculty, staff, students and volunteers purchased with any University funds are not allowed.

Gifts to an individual for personal reasons other than those indicated above (e.g. Administrative Assistant Day, birthday, wedding, baby shower, housewarming, promotion, etc.) may not be charged to University accounts.

Prizes & Awards

Employee Prizes and Awards: Prizes, awards, & raffle prizes received by employees are taxable and must be reported as additional earnings if their value exceeds the following dollar thresholds:

- Cash or gift certificates/gift cards of any amount (the IRS considers gift certificates to be equivalent to cash).
- Tangible personal property with a value greater than $100 (Tangible personal property less than $100 is considered “de minimus”).

Student Prizes and Awards: Prizes and awards received by students are taxable.
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**Donations:** The University is classified by the IRS as a tax-exempt charitable organization. As such, donations made by the University to other charitable organizations (with the exception of memorial gifts) are discouraged.

When necessary, payments to other charitable organizations must include documentation explaining the nature of the donation, the relationship to Brown University, and a copy of the organizations 501(c)3 certificate. All such payment request must be approved at the senior officer level.

**Raffles:** Operating raffles and other games of chance where a fee is required to enter the raffle is strictly forbidden by the State of Rhode Island unless licensed by the Division of the State Police. While educational organizations are eligible to obtain a license for such events, it is required that all proceeds of charges for admission or participation in such games, after expenses, must be applied exclusively for charitable or educational purposes.

**Responsibilities**

**Senior Officer Level.** Approve any exceptions to the policy.

**Procedures**

Initiate payment to suppliers for gifts and donations using the Create Supplier Invoice business process in Workday.

Cash prizes are paid in an employee's paycheck. The value of tangible personal property is added to an employee's W2 taxable income. The source of funds for employee prizes and awards should be unrestricted funds.

Cash prizes and awards are paid through Accounts Payable. Use the Supplier Invoice business process in Workday to initiate payment.

For student prizes, scan and attach a Student Fellowship, Prize and Award Payment Request form to the payment request.

**Forms/Instructions**

- [Student Fellowship, Prize & Award Payment Request](https://www.brown.edu/about/administration/policies/node/196)

**Related Policies**
- [Gift Cards](https://www.brown.edu/about/administration/policies/node/196)

**Related Information**
- [RI State Police Website](https://www.brown.edu/about/administration/policies/node/196)

**Policy Owner Approved by** Assistant Vice President and University Controller

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**Revision Date:** Fri, 2016-05-06 08:57

**Source URL (retrieved on 2018-Jan 03):**
https://www.brown.edu/about/administration/policies/node/196