



# Prize, Award & Gift Procedures

**Effective Date: 2/8/2021**

**Last Revision Date: 5/15/2019**

## **I. Introduction**

The procedures have been developed to provide guidance to faculty, staff and students on issuing prizes, awards and gifts.

## **II. Documentations for Payments**

For payment or reimbursements of prizes, awards & gifts, the following items must be submitted to Financial Services:

- A completed *Disbursement Request* with supporting documents (detailed receipts) must be submitted with the appropriate approval.
- A list of recipients with information listed below, must be attached to the *Disbursement Request*. Select the appropriate form based on the value of the prize, award or gift.
- If the recipient information is not available at the time of purchase, the holder must collect the information after the prize, award, or gift is given out, then submit the information to Financial Services within 10 days.

Raffles must be registered with the California Attorney General's Office at least 90 days before each September 1 to August 31 cycle. ASI Financial Services can assist with the process.

### **A. Prizes, awards, & gifts for ASI employees**

ASI requires a completed Prize, Award, & Gift Form for ASI Employees regardless of the fair market value of the item. Prizes, awards, and gifts are taxable to the ASI employee at any amount. The form will be provided to ASI Payroll, and tax will be withheld from the employee's paycheck based on the value of the item received. It is the employee's responsibility to report the prize, award, or gift as income.

### **B. Prizes, awards & gifts over \$50**

ASI requires a completed *Prize, Award & Gift form* for all prizes, awards & gifts over \$50 in value.



- a. The *Prize, Award & Gift form* must be completed with the recipient's name, Bronco ID, address, email, telephone #, employment status, and signature, if over \$50 in value.
- b. Prizes, awards & gifts are reported as taxable income as follows:
  - If the recipient is an employee of University, or Foundation, this will be taxed and reported on the employee's W-2 Form if the amount is over \$50.
  - If the recipient is not an employee, a Vendor Data Form is required. 1099 will be issued to the recipient after the end of the calendar year if more than \$600 per year is paid.

### **C. Prizes, awards & gifts \$50 or less**

*Prize, Award, and Gift form* is not required for prizes, awards, and gifts **\$50 or less** in value; however, for audit purposes, the following information is required for purchases made (this information is not required for promotional items or door prizes):

- the recipient's name
- what was given
- the purpose
- the date given
- the value (amount) of each prize, award or gift

A *Prize, Award & Gift Recipients form* is available from Financial Services to aid in the recording.

### **Definitions:**

Award: Something of value given for merit.

Fair Market Value: The price an asset would sell for on the open market. Generally, a purchaser can list the purchase price including sales tax as the value of the prize, award, or gift.

Holder: The person responsible for collecting the recipient's information. This is usually (but not required to be) the person responsible for safeguarding the prize, award, or gift until the item is given out.

Prize: Something of value given to a winner of a contest, competition, raffle (see policy SB 2015-2016:06) or free drawing.



Promotional Items: Items that display the name, logo or other icon identifying ASI and given away to individuals as a gift with no participation. Anyone can receive it without restrictions.

Raffles: Per ICSUAM 15701, raffles are also known as opportunity drawings or basket auction. A raffle is a scheme for the distribution of prizes by chance among persons who have paid money for paper tickets that provide the opportunity to win these prizes. Each ticket is sold with a detachable coupon or stub and both the ticket and its associated coupon or stub are marked with a unique and matching identifier. 90% of raffle revenue must be used for a charitable purpose or program. The law requires charitable organizations to register with the Registry of Charitable Trusts. Registration must be submitted to ASI Financial Services at least 90 days prior to September 1 for each reporting cycle from September 1 to August 31. See Policy SB 2015-2016:06 for more detail.