



Prize, Award & Gift Procedures

Effective Date: 1/1/2024

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 and 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 Prize, Award & Gift form for each recipient must be attached to the *Disbursement Request*.
- 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. Recipient Status

Employee: If the recipient is an employee of ASI, Foundation, Philanthropic Foundation, or University, prizes, awards and gifts are taxable to the employee at any amount. The form will be provided to 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.

Not Affiliated: If the recipient is not an employee, a Vendor Data form is required for items over \$50 in value. A 1099 will be issued to the recipient after the end of the calendar year if more than \$600 per year is received.



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 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.