**Gift Cards**

**PURCHASING GIFT CARDS AND GIFT CERTIFICATES AS PRIZES AND AWARDS**  
(Account Code 3750)

The purchase and use of negotiable items, such as gift cards or gift certificates, require strict accountability and are to be used for prizes and awards only. Gift cards are not to be awarded to employees or Nonresident Aliens and cannot be used for the payment of services or other tax reportable transactions. Examples of appropriate gift purchases include an incentive for students to complete a survey or sell the largest number of tickets to an event.

The IRS considers gift cards and gift certificates to be cash equivalents, therefore control measures must be in place at the Dean’s Office level to ensure proper use and departmental accountability. The [Gift Card Approval Form](#) must be signed by the respective Dean’s Office prior to the gift card purchase. In signing off on the form, the Dean’s Office will review and ensure the following:

1. Participants are not frequent gift card recipients, minimizing the risk of non-compliance with IRS tax reporting regulations. Multiple gift cards should not be given to the same individual during a calendar year.
2. The individual making the gift card purchase is accountable for the safekeeping and appropriate documentation of the cards, including the distribution to the recipients.
3. Gift cards purchases are restricted to the purchasing card single transaction limit in amounts of $25.00 or less per individual gift card.
4. Unused Gift Card will be accounted for.
5. Academic based gift cards impact a student’s financial aid, therefore cards purchased are not to be distributed for that purpose. For further information see Accounting Services Policies and Procedures [101.A Departmental Scholarship Authorization](#).

Purchases on Grant money must be pre-approved by Research and Sponsored Programs prior to submitting the form into the Dean’s Office for final approval. The [Gift Card Recipient Log](#) is to be used to document the name and contact information of each recipient. All card documentation must be attached to the Purchasing Card Statement of Account Report that reflects the gift card purchase.

[http://www.bussvc.wisc.edu/acct/forms.html](http://www.bussvc.wisc.edu/acct/forms.html)