



<b>Policy Name:</b>	Gifts, Awards and Prizes from College Funds		
<b>Associated Form(s):</b>	N/A	<b>Policy Number:</b>	2022-7
<b>Reviewed:</b>	Non-Academic Policy Review Committee	<b>Approved:</b>	May 13, 2022
<b>Approval Authority:</b>	President <i>Timothy L. Hall</i>	<b>Adopted:</b>	June 10, 2022
<b>Responsible Executive(s):</b>	Vice President for Finance	<b>Revised:</b>	N/A
<b>Responsible Office(s):</b>	1) Finance 2) Human Resources	<b>Contact(s):</b>	1) Assistant Director of Finance 2) Assistant Director of Human Resources

## **I. Purpose**

Mercy College's mission is to transform students' lives through higher education, in an affordable manner. Consistent with that mission, the College must always seek to be judicious in the use of its resources. In addition, the College must remain compliant with federal and state tax laws relating to gifts. As such, while the administration wants to show support and sympathy to its community members in certain situations, it cannot do so in an unlimited fashion. This Policy discusses the limitations placed on expressions of sympathy, employee recognition and gifts, prizes and awards to employees, development gifts and institutional gifts.

## **II. Policy**

The IRS requires that gifts, prizes and most awards above a nominal amount be reported as taxable income. The College must therefore provide for proper accounting treatment in the limited instances where such gifts, prizes and awards are allowable. This Policy allows for modest occasional gifts to be made to students, employees, or immediate family members in expression of sympathy.

College funds may not be used to purchase gifts for any individual in recognition of events such as Administrative Professionals Day, Long-term Service Awards, birthdays, weddings, housewarmings, births, or holidays.

### **A. Expressions of Sympathy**

Expenses incurred in connection with expressions of sympathy or support toward employees and students are allowed only as modest and occasional expressions; not to exceed a value of \$75 and with a limit of one gift per occasion. Examples of such support would include death, serious illness or hospital stays for employees, students, or immediate family members.

### **B. Employee Recognition and Gifts**

Expenses incurred in connection with expressions of congratulations toward employees or students are allowed only as occasional, modest expressions of support and recognition on behalf of the College. These gifts must be tangible personal property (not gift cards) and should not exceed \$75 in value to any individual, unless approved in advance by the area Vice President (VP) or Provost (although gift cards issued at the College Bookstore will be allowed up to \$20).

### **C. Employee Gifts, Awards and Prizes**

In almost all circumstances, gifts, awards and prizes are included in the recipient's gross income if the prize is paid for by the College. Gifts, prizes and awards of tangible personal property of \$25 or less can be excluded from gross income.

### **D. Development Gifts**

Gifts to donors using institutional funds cannot exceed \$75 in value unless approved by the President or Vice President for Institutional Advancement. Likewise, when College officials are traveling abroad or hosting visitors, College funds may be used to provide gifts (value of \$75 or less) as a sign of appreciation or gratitude.

E. Institutional Gifts

In a limited number of instances, the College may want to make a contribution or sponsorship to another organization, in all such cases the contribution needs to be approved in advance by the President or VP or Provost, in consultation with the VP of Advancement. Gifts to valid charitable organizations from custodial funds will not require additional approval if the source of funds is not institutional funds.

F. College Reimbursement

In the event that the limits for gifts, awards and prizes set forth above are exceeded, the department shall be responsible for reimbursing the College the requisite amount.