

## Small Dollar Purchase Guidelines (under \$1,500)

*Revised 05/15/17*

Small dollar purchases are generally defined as purchases of goods and services costing less than \$1,500 and that do not otherwise require a purchase requisition in accordance with the College's purchasing policy and procedures. Budget Center Managers (BCM) are empowered to make small dollar purchases for the College for their areas of responsibility. Other individuals may be designated when properly instructed and approved by BCMs to also make small dollar departmental purchases. With this empowerment comes the responsibility to be certain that purchases are appropriate, reasonable, business related and comply with all internal or external restrictions. These guidelines apply to all small dollar expenditures made from College funds including grant/contract funds.

The following guidelines are intended to help users with their purchasing decisions to ensure that small dollar purchases are conducted in a consistent manner College wide and ensure that purchases are prudent, necessary and only for College purposes. Purchases must always be appropriate for the activity, be at a reasonable cost to the College and include a clearly documented business purpose. In addition, whenever grant or contract funds are used for purchases, care must be exercised to ensure all expenditures are allowable and in compliance with all grant, contract or donor restrictions (also see section XII.). The term "College funds" used in these guidelines includes all money received and used by the College regardless of the source of the funds.

The College's Procurement Card (P-Card) Program is designed to serve as the primary purchasing tool for all purchases under \$1,500. College travelers may apply for and receive a College-liability travel card (T-Card) for paying business travel expenses. If a P-Card is not accepted by a merchant, then a Payment Request through SLCCBuy (including the scanned vendor's invoice, expense reimbursement, etc) or a Limited Cash Draft check (LCD) may be used. P-Card and LCD check users must adhere to separately issued guidelines/procedures governing the use of both of these two payment tools. As a general rule, employees should not use personal funds (with the exception for travel) to make College purchases except in unusual circumstances since vendors are required to charge sales tax in such instances.

Typical small dollar items ideally suited and appropriate for purchase using the P-Card include:

- ✓ publications
- ✓ subscriptions
- ✓ memberships
- ✓ conference registrations
- ✓ supplies
- ✓ maintenance and repairs
- ✓ minor equipment under \$1,500

Note that the P-Card, and the other small dollar tools, **may not be used to purchase:**

- Furniture; all furniture requests must be approved by Facilities.

- Computers and software. However, netbooks/iPads/tablets may be purchased with small dollar tools after receiving Office of Information Technology (OIT) approval to purchase the device. (Refer to Appendix B, Netbook/iPad Purchasing Guidelines).
- The P-card is generally not allowed for Business travel related expenses, including lodging, rental cars, meals and transportation. Exceptions are granted for special circumstances by the Controller's Office. The P-card may be used to pay for conference registration fees and for business related hosted meals. Travelers may apply for and receive a College-liability T-Card for paying business travel expenses.

## I. Required Approvals

As a general rule, all College expenditures require two approvals (evidenced electronically or by signature) that attest that the purchased goods or services were actually received for College purposes. In most cases, the administrative assistant will be the first approver and the BCM will be the second, higher level approver. In other cases such as where employee expense reimbursements or LCDs are used, the involved employee may be the first approver and their immediate supervisor is the second approver. Yet in other instances, the BCM may be the first approver and his/her supervisor will be the second approver. But in all cases, ideally the BCM will be one of the approvers, and if the BCM is the first approver, then the second approver will be someone having specific knowledge that the purchased goods or services were actually received and his/her signature will signify such attestation. So in those instances where the BCM's supervisor is the second approver and may not have firsthand or specific knowledge about the purchase, the supervisor nevertheless should be a person who is in a "position to know" to reasonably question and determine that the purchase was necessary and proper for department purposes. The main principle is that an approver should not approve a purchase until they have taken steps to feel satisfied the purchase was valid.

BCMs are primarily responsible for the financial accountability and control of funds under their jurisdiction and should carefully review their monthly detail transaction reports to confirm all posted charges are valid, proper and were approved. These monitoring activities together with required approvals are part of the internal controls established to help ensure that all expenditures are for legitimate College purposes. Although it is preferred that the supervisor referred to below be the BCM, that may not be the case in all instances. The required approvals are to be documented in the following ways:

1. **All P-Card expenditures** must be approved by the cardholder's supervisor. The cardholder is first required to sign their monthly P-card Log attesting to the business validity of all the charges/transactions and verify that all transactions are properly included on the P-Card bank statement; and secondly, the log and statement must be reviewed and the charges approved by the cardholder's supervisor. For example, if a BCM possesses a P-Card, his/her supervisor must review the P-Card bank statement and approve all charges each month. Approval is indicated by the supervisor's signature and date on the P-Card Log.
2. **All purchases made via LCD** must be approved by a supervisor of the person writing and signing the check. After an LCD check has been used and the detailed purchase

receipt is available, the supervisor must indicate approval by signing and dating the check copy stub, which is then forwarded to Accounts Payable along with the receipt for processing.

3. **Travel Settlement forms** must be approved by the BCM of the person being paid. The employee requesting reimbursement must sign and date the form, and forward it to the BCM for final review and approval. The completed and signed form along with required receipts is forwarded to Accounts Payable for processing.
4. **Payment Requests (including vendor invoices, expense and mileage reimbursements) submitted through SLCCBuy.** These forms are typically submitted as attachments to the SLCCBuy Payment Request form by an administrative assistant, who is considered the first approver. The submitter is attesting that the requested payment is for actual goods or services received by the College when completing the form and sending it electronically to the next approver. The BCM is considered the second approver upon giving approval in SLCCBuy.

## II. Meals, Food and Refreshments

### 1. Business Meals

Business meals (breakfast, lunch, dinner), both internal and external, for College employees and College employees hosting external guests or constituents on behalf of the College, must have a direct business purpose where the main focus is the business activity and the meal is incidental. Business meals should be infrequent, and are to be appropriate to the hosted guest(s) and business purpose, while at a reasonable and modest cost. The cost of the meal should not exceed the current per diem amount without Provost/Vice President approval. Wherever possible, College facilities and food services should be utilized.

With the exception of extenuating circumstances, business meals require pre-authorization from a second, higher level approver whenever possible by using the Hosting Authorization Form. The Hosting Authorization Form serves to document the required business purpose, general identity of participants and supervisory pre-approval, and is to be used with all of the available payment tools (P-Card, T-Card, LCD, expense reimbursement, payment request or IDB from Food Services).

Alcoholic beverages associated with business meals are not to be purchased with College funds (not with College purchase cards or College checks) at any time.

### 2. Food Costs Associated With a Grant or Contract

In general, grant cost principles do not allow food expenditures except under certain conditions. Some grants may impose a total prohibition on food and others may restrict food to only being allowable as a need-based supportive service. Accordingly, the grant principal investigator (PI) is responsible for knowing what services and costs are allowable; and if food costs are allowed, care must be taken to fully justify and document food needs. For example, what is the justification for holding a meeting during a breakfast, lunch or dinner period instead of conducting the meeting during normal working hours? Cost principles do allow the reimbursement of meals for

employees on approved grant-related travel. However, food costs are not generally allowed for internal employee meetings.

3. **Food and Beverage for Internal College Functions, Employee-related**

Food and beverage may be purchased at College expense for internal College-related functions, including training, extended meetings, meetings that encompass the lunch hour, open house events, retreats, and other official gatherings (such as graduation and retirement receptions). Refer to II.2. above for restrictions on using grant funds for food.

The food and beverage should be appropriate to the function and at a reasonable cost. The cost of the meal should not exceed the current per diem amount without Provost/Vice President approval. Wherever possible, College facilities and food services should be utilized.

With the exception of extenuating circumstances, food and beverage for internal College functions require pre-authorization from a second, higher level approver whenever possible. The Hosting Authorization Form serves to provide the required business purpose, general identity of participants and supervisory pre-approval, and is intended to be used with all of the available payment tools.

With cognizant Provost or VP approval, food and beverage may be purchased in connection with an employee departing the College's employ for reasons other than retirement. However, education and general funds should not be used for such events.

Education and General funds should not be used for employee social events; however, infrequent socials are permitted using Institutional Investment Income (III) funds, subject to availability. When III balances are sufficient, each vice president will receive an annual social events allocation based on a modest monetary amount per employee.

4. **Food and Beverage for Student Functions**

Food and beverage may be purchased at College expense, where appropriate, for student functions. The food and beverage should be appropriate to the function and at a reasonable cost. The Hosting Authorization Form is not required for student-related events and functions.

5. **Candy, Treats, Bottled Water for College Business or Student Functions**

Candy, other similar treats and bottled water may be purchased at College expense for College or student functions. The candy and/or treats should be appropriate to the function and at a reasonable cost. The Hosting Authorization Form is not required for the purchase of candy, other treats and bottled water.

6. **Restrictions**

There are certain items that may be inappropriate or are prohibited to be purchased with College funds. If grant funds are involved, care must be taken to ensure that any food costs are allowable and are properly documented.

- a) **Food and/or Beverages for Employee Birthday, Other Personal Life Occasions, Professional Observance Days or Holiday Gifts**  
College funds may not be used to purchase food or meals for employee birthdays, other personal-life celebratory occasions, profession-specific observance days, such as Administrative Professionals Day, Bosses Day, etc. or for observing holidays.
- b) **Alcoholic Beverages**  
Alcoholic beverages, including those associated with business meals, are not to be purchased with College funds (not with College purchase cards or College checks) at any time.
- c) **Travel Meals (Travel Expense)**  
Qualifying meals during business-related travel are considered a travel expense and are not subject to the Small Dollar Purchase Guidelines. Business travel-related meals do not require a Hosting Authorization Form, as they are a travel-related expense based on established per diem rates.
- d) **Personal use or Benefit**  
Expenditures for personal use and benefit are prohibited.
- e) **Employee Non-Retirement Farewell Event**  
With cognizant Provost or VP approval, food and beverage may be purchased for a farewell event of an employee departing the College's employ for reasons other than retirement. However, education and general funds should not be used for such events.

### III. Flowers

#### 1. Funeral

- a) **Employee or Employee Immediate Family**  
Flowers/floral arrangements or plants may be purchased with College funds for the funeral of a current employee or a current employee's immediate family member. For the purpose of the Small Dollar Purchase Guidelines, "immediate family" is defined per the Funeral Leave Policy (SLCC Policies and Procedures, Chapter 2, Section 4.09, Funeral Leave). The purchase of such should be coordinated through the office of the employee's immediate supervisor.

There is no substitution in lieu of flowers/floral arrangement or a plant. College funds cannot be expended for an equivalent monetary donation to a not-for-profit organization, such as the American Cancer Society, nor can donations be made to a for-profit organization.

- b) **Student**  
Flowers/floral arrangements may be purchased with College funds for the funeral of a currently enrolled SLCC student. The purchase of such should be coordinated through the Office of the Vice President for Student Affairs or her/his designee. There is no substitution in lieu of flowers/floral arrangement or a plant.

c) **Dignitary**

Flowers/floral arrangements may be purchased with College funds for the funeral of a donor, trustee, board member or their spouse, or others at the President's discretion.

2. **Hospitalization**

Flowers/floral arrangements or plants may be purchased with College funds for an employee that is hospitalized (may be delivered while hospitalized or to employee's location of recovery). A non-monetary equivalent may be substituted where appropriate such as a balloon bouquet, cookie bouquet, or similar sentiment recognized as hospitalization-appropriate. The purchase of such should be coordinated through the office of the employee's immediate supervisor.

3. **Decorations**

Flowers/floral arrangements intended for use as decorations for College functions or events (i.e., graduation, holiday, retirement reception or open house events) may be purchased with College funds. This would include decorations associated with said functions and events in SLCC locations considered to be public areas and areas where the public is received, such as receptionist desks and lobbies. The flowers/floral arrangement should be appropriate to the function and at a reasonable cost.

4. **Retiring Employee**

Floral corsages/boutonnieres may be purchased with College funds for retiring employees being honored at an official College retirement reception. This provision does not apply to employees leaving the College's employ for reasons other than retirement.

5. **Restrictions**

a) **Profession-specific Observance Days**

Flowers/floral arrangements (including celebratory gifts and food) may not be purchased with College funds for the recognition of employees for nationally recognized profession-specific observance days, such as Administrative Professionals Day (formerly Secretaries Day), Bosses Day, etc.

b) **Personal-life Events**

Flowers/floral arrangements (including celebratory gifts and food) may not be purchased with College funds for employee birthday, wedding or anniversaries.

c) **Floral Décor of Employee Offices/Cubicles**

Flowers/floral arrangements may not be purchased with College funds for the decoration of individual employee offices or cubicles, with the exception of special purchases made by the Office of the President.

**IV. Gifts**

Special care should be taken if grant funds are being considered to pay performance incentive awards or purchase recognition gifts. If allowed under the particular grant stipulations, such costs must be adequately documented supporting how the costs directly

benefited the grant. In general, expenditures for items covered in 1. through 4. below are not allowed with grant funds.

1. **Cards**

a) **Birthday or Get Well Greeting Cards, Employee-related**

It is permissible for administrators to recognize employee birthdays or illness through cards purchased with College funds.

b) **Condolence Cards**

It is permissible for administrators to purchase condolence cards with College funds to accompany funeral-related floral arrangements (see Section III, 1. a., 1. b., and 1. c.).

c) **Holiday Greeting Cards**

Departments may purchase holiday greeting cards for external distribution where appropriate.

d) **Thank You Cards**

General thank you cards or notes for business purposes may be purchased with College funds.

2. **Thank You Gifts**

The purpose of the Thank You Gift provision is to thank individuals who have helped the College in a significant, meaningful or appreciative way. Thank you gifts may not be in the form of cash.

Thank you gifts may be purchased for College employees for contributions beyond normal work duties. However, thank you gifts may not be purchased strictly as a farewell thank you gift for employees leaving/terminating the College's employ except as provided for under the retirement section below.

Such thank you gifts from the College, where appropriate, should generally not exceed a value of \$50 per occurrence or per person.

Gift Cards or Certificates: Gift cards and certificates are allowable for thank you gifts. All gift cards, regardless of the dollar value, are defined as cash equivalents by the IRS and are considered as taxable compensation to recipients. The purchase of gift cards comes with inherent risks. Consequently, departments purchasing gift cards must adhere to the additional rules and responsibilities explained in Appendix A "Gift Card Purchasing and Distribution Reporting Guidelines" to ensure the proper use of cards and that the cards are properly safeguarded and accounted for.

Tangible merchandise gifts (e.g. clock, apparel, mugs, tickets, etc.) with a value of \$50 or less are not taxable to the recipient. Merchandise gifts valued at \$50 or more are considered taxable to recipients. Such gifts are accounted for and reported using the "Gifts, Prizes or Awards Recipient Information" form (see Appendix A-2). For employees, a copy of the form must be submitted to the Payroll Office in the pay period the gift was given. For students and non-employees, a copy of the form must be submitted to the Accounts Payable Office within 10 days of giving the gift.

3. **Prize Giveaways**

Individual gifts intended as prize giveaways at College events and functions may be purchased with College funds. Individual gifts must be appropriate to the event or function, and the cost of each gift must be modest and reasonable. See IV.2. above for the reporting of gift cards or tangible merchandise given as prizes.

*Note: An item that was originally purchased for College use regardless of the funding source or value cannot subsequently be given away as a gift or prize without approval from the Surplus Property Office. Such items are property of the College and the disposal of all College property is subject to surplus property rules. The appropriate surplus property form must be completed and the Surplus Property Office consulted if there is a desire or intent to dispose of College property by way of a gift or prize.*

4. **Retirement Gifts**

Departments may use a check (through Payroll), savings bond, gift card or a tangible merchandise gift (such as a watch or clock) to honor employees who are retiring. A retirement gift may not exceed \$200.00 in total value.

a) **Cash Gifts**

To issue a “direct monetary” gift, a department must process the award and make all payment requests through Human Resources and the Payroll System. The Payroll System automatically withholds the Social Security, federal and state income taxes from the payroll check. The gross amount of the gift is included as taxable income on the employee’s W-2.

b) **Cash Equivalent Gifts**

Items such as gift cards, certificates or savings bonds that are given as retirement gifts are considered taxable income to the employee regardless of the monetary value and must be reported to the Payroll Office in the pay period issued. Additional employee benefit expenses with such awards will also be charged to the department making the award. See Appendix A for gift card purchasing and distribution reporting guidelines.

c) **Non-Cash Gifts**

Retirement gifts of tangible merchandise valued at \$200 or less are not taxable to the employee.

5. **Employee Incentive Awards, Rewards and Recognition Gifts**

Special care should be taken if grant funds are being considered to pay performance incentive awards or purchase recognition gifts. Such costs may be considered allowable to a grant if the cost is charged equitably and consistently to all funding sources and is adequately documented supporting how the costs directly benefit the grant.

a) **Individual incentive awards, rewards, or recognition gifts**

These should generally not exceed a value of \$50 per occurrence and/or a cumulative annual value of \$200 per employee in any fiscal year. Individual awards may not be in the form of cash, but gift cards or certificates are

permissible. However, all gift cards regardless of their monetary value are taxable to the employee and must be reported to the Payroll Office in the pay period they were issued. See IV.2. above for the reporting of gift cards or tangible merchandise given as rewards or gifts

Recognition or reward gifts may not be purchased strictly as a farewell departure gift for employees leaving the College's employ for reasons other than retirement.

b) **“Years of Service” Awards**

These awards are governed and presented to employees by SLCC Human Resources and are not to be given by departments.

*Note: The dollar limits in this section do not apply to the annual College/Foundation Outstanding Faculty and Staff awards.*

6. **Restrictions**

a) **General Personal Occasion Greeting Cards**

General personal occasion greeting cards may not be purchased with College funds. Card topics include wedding, baby, special occasion and profession-specific observance days.

b) **Profession-specific Observance Day Gifts**

Gifts and cards of any kind may not be purchased with College funds for the recognition of employees for nationally recognized profession-specific observance days, such as Administrative Professionals Day (formerly National Secretary's Day), Bosses Day, etc.

c) **Holiday Gifts**

Holiday gifts of any kind intended for employees may not be purchased with College funds, with the exception of special gifts provided through the Office of the President.

d) **Personal Event/Occasion Gifts**

Gifts in recognition of personal-life events or occasions may not be purchased with College funds. Personal-life events or occasions include birthday, sympathy, condolence (except for floral arrangements for immediate family members as noted under Section III), wedding, baby, employment farewell for other than retirement, special occasion, congratulatory or encouragement.

V. **Printing and Copy Services**

All printing and copy services including banners are to be purchased from SLCC Printing Services. Printing Services has a right of first refusal so if it is unable to complete any orders, they may engage outside service providers or give permission for a department to purchase the service with an outside vendor. However, the department must follow the College's purchasing procedures if the purchase will exceed \$1,500.

## **VI. Honorarium**

An honorarium is defined as a voluntary cash payment given to a non-employee professional person for a service(s) for which fees are not traditionally or legally required. An Independent Contractor Form must be completed for every honorarium payment to capture necessary payee and tax information. All honorarium payments are considered as taxable compensation to recipients and the “Agreement to Pay an Individual (Non-Employee) for Stipend/Award” form (see Appendix A-3) must be completed to capture necessary recipient information and be submitted as a Payment Request in SLCCBuy to process the payment.

## **VII. Decorations**

Decorations, including balloons, banners, floral arrangements, and other event-specific or festive items may be purchased with College funds for College functions or events (i.e., graduation, holiday, retirement reception, open house events and conferences) and for decoration of SLCC public areas and areas where the public is received, such as receptionist desks and lobbies. The decorative item(s) should be appropriate to the function and at a reasonable cost. Grant funds may be used only with documentation supporting how the function/activity benefited the grant’s purpose.

Note: Holiday decorations may not be of a religious or sectarian nature.

## **VIII. Promotional/Marketing Items and Image Apparel**

SLCC Printing Services is to be consulted for all promotional, image apparel and incentive advertising-related items, such as pins, cups, t-shirts. Such items with the College logo may be purchased in association with training events, conferences, promotional campaigns, advocacy initiatives and as incentives to specific target audiences. The promotional item(s) selected should be purchased in reasonable quantity and at a reasonable cost in relationship to the possible impact or outcome.

Image-related wearing apparel (not uniforms) with the College logo, intended to be worn with the express purpose of promoting and advancing the College, may also be purchased with College funds. The apparel item(s) selected must be College-appropriate and at a reasonable and modest cost. Accumulated apparel item(s) per employee should be minimal.

Note: Federal grant cost principles disallow the purchase of items described in this section. Cost principles will allow for advertising costs for recruitment of personnel, procurement of goods and services for the performance of the award, program outreach, and some costs related to disposal of scrap or surplus materials acquired in the performance of the award. For clarification when using grant funds of what is an allowable advertising cost versus a promotional/marketing cost, contact the Grants Accounting Office X4676.

## **IX. Breakroom/Kitchen Items**

Individual managers may decide whether to purchase reasonable items for the department’s break room/kitchen area. Reasonable items may include a size-appropriate refrigerator, microwave oven, coffee maker, plastic utensils, paper plates, napkins, paper towels, tissue, bottled water dispenser, and clean-up supplies.

## **X. Student Activity/Event Purchases**

The above restrictions may be modified on small dollar purchases of meals, food, decorations, gifts, etc., if the purchases are for bona fide student activities, events or individual students. Such purchases should be appropriate and reasonable for the occasion, and the “student” purpose clearly documented. However, gifts for individual student personal-life events (i.e. birthday, wedding, births, illness, etc.) are not allowed.

The fact that College employees may participate in student activities does not negate the above modifications if the primary focus is intended for students.

The Student Life and Leadership Office may implement additional small dollar purchase guidelines consistent with these instructions to govern the prudent disbursement of student activity fees.

The purchase of alcoholic beverages for student activities and events is prohibited.

## **XI. Warehouse/Vendor Membership Cards**

Departments are allowed to purchase or renew annual memberships to warehouse discount stores if they make frequent purchases from such stores. Departments that do not have a need to make frequent purchases from such a warehouse should check out a College corporate membership card (Sam’s Club or Costco) from Purchasing Services. These membership cards are for College business needs and are not to be used to make personal purchases.

## **XII. Small Dollar/Micro Purchases Using Federal Grant Funds**

When using grants funds, departments, to the extent practicable, must distribute small dollar purchases equitably among qualified suppliers. Small dollar purchases may be used without soliciting competitive quotations (up to \$1,500) if the department considers the price to be reasonable and allowable. In regards to the SLCCBuy purchasing system, departments can make purchases for greater than \$1,500 from on-catalog vendors because those vendors have already been selected from a competitive procurement process. However, Office Depot and Amazon accept P-card payments only so departments still have a \$1,500 transaction limit with these two catalog vendors.

Allowability of cost/purchases is determined by Cost Principles (§2 CFR 200 Subpart E) under the Uniform Guidance as promulgated by The Federal Office of Management and Budget. General unallowable costs include but are not limited to food, alumni activities, entertainment expenses activities, selling and marketing costs, employee parking passes, etc. For questions regarding allowability of costs using grant funds contact the Grant Accountants Office X4676.

## **XIII. Questions?**

If you have questions concerning these Small Dollar Purchase Guidelines please contact Purchasing Services, X4255 or the Controller’s Office, X4084.

## Appendix A

### Gift Card Purchasing and Distribution Reporting Guidelines

Issuing gift cards is a convenient and highly acceptable practice in today's economic environment. However, because gift cards are a "cash equivalent", there are risks associated with purchasing such cards. Consequently, the purpose of these guidelines is to help ensure that gift cards are used properly for business purposes and that the cards are properly safeguarded and accounted for. In addition, all gift cards regardless of the dollar value are considered taxable to the recipient per the IRS and this sets forth the tax reporting procedures after cards are given to recipients.

#### **I. Gift Card Restrictions**

1. Cards may not be purchased with the intent that they will be used to purchase goods or services including the hosting of meals or other College sponsored events/activities. Other College payment tools such as the P-card, College checks and LCD checks are the payment methods for purchasing goods and services.
2. Cards may not be purchased at the end of one fiscal year with leftover funds as a way to bank money or carry over funds to be used in the next year. The general rule is that gift cards should be used within the same fiscal year as purchased. However, this does not prohibit departments from holding cards at yearend that could not be distributed for some reason if the intent, at time of purchase, was that the cards would be used/distributed before year end.
3. Gift Cards should not be given in recognition of personal life events or for profession-specific observance days. There should be a valid business purpose associated (documented) with all distributed cards.

#### **II. Accounting for and Safeguarding Gift Cards**

1. Gift Card Inventory / Recipient Form  
All purchased gift cards (including those from the SLCC Bookstore, Food Service or other College entities) and their disposition must be properly accounted for on the "Gift Card Inventory / Recipient Form" (Appendix A-1). As cards are purchased, they should immediately be listed on the form with the card description and value to first account for them as inventory on-hand. The department keeps this form and as cards are given to recipients the form is updated with the purpose, date given, recipient name, employee/student S# (or just the name and phone # if the recipient is not an employee or student).
2. Buying Gift Cards  
If a P-card was used to buy gift cards, a copy of the Gift Card Inventory / Recipient Form listing all cards purchased together with the vendor's purchase receipt should be remitted with the monthly P-card packet sent to the P-Card program administrator. If an employee

is reimbursed for purchasing gift cards, a copy of the form should be attached to the Expense Reimbursement that is submitted as a Payment Request in SLCCBuy. If College gift cards/certificates are purchased (i.e. from the Bookstore or Food Services), the purchasing department is responsible to maintain a copy of the inventory/recipient form in their files as supporting backup to the IDB charge.

Purchases of restaurant or SLCC Food Service gift cards do not require a Hosting Authorization Form.

3. Maintaining and Safeguarding Cards

Because gift cards are cash equivalents, unissued cards must be securely maintained. In addition, a person other than the BCM/purchase approver should be assigned responsibility for the inventory and safeguarding of undistributed cards. The BCM acts as the independent reviewer to ensure that purchased cards and their ultimate distribution are properly handled according to these guidelines. The approver signs the inventory/recipient form when cards are purchased to establish the inventory, and signs after the total group of cards are distributed signifying approval of the disposition or use of the cards. The original completed inventory/recipient form is maintained by the departments.

4. Reporting for Distributed Cards

If cards are given to employees, the department submits a copy of the inventory/recipient form to the Payroll Office in the same pay period the card was given. If cards are given to non-employees, a copy of the form is submitted to Accounts Payable within 10 days of giving the cards. When submitting a copy of this form, any cards on the form that were previously reported to Accounts Payable or Payroll should be lined out or the newly issued cards highlighted so it is clear which cards were given out in the current reporting time period.

When gift cards are issued to a non-employee, the College must obtain certain information about the recipient for IRS tax reporting purposes. Please use the “Gifts, Prizes or Awards Recipient Information Form” (Appendix A-2) to collect this information and attach it to the copy of the Gift Card Inventory/Recipient Form submitted to Accounts Payable. The recipient information form can be used if a gift card is given or if a tangible merchandise gift is given as a prize or gift. However, only tangible merchandise gifts valued at \$50 or more are considered taxable. Merchandise gifts valued at less than \$50 do not need to be reported or captured on this form. If a check is to be given to a non-employee as an award, prize, gift or honorarium complete the “Agreement to Pay Individual (Non-Employee) for Award Form” (Appendix A-3) and submit it as a Payment Request in SLCCBuy to process the check. This Agreement to Pay Individual Form also collects the necessary recipient information for IRS tax reporting purposes.



Appendix A-2



Gifts, Prizes or Awards Recipient Information

IRS regulations require reporting of gifts, prizes and awards as taxable income to the recipient. For the college to be in compliance with the regulations, we are required to obtain the following information from the recipient of a gift, prize or award.

Recipient's Name: \_\_\_\_\_ S# or SNN: \_\_\_\_\_

Address: \_\_\_\_\_ Ph #: \_\_\_\_\_

Type of Gift, Prize or Award (check appropriate box):

Gift Card / Certificate Card Amt: \$ \_\_\_\_\_

Other: \_\_\_\_\_ Cost of Item: \$ \_\_\_\_\_

Purpose of gift, prize or award: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Recipient's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

If an employee, the amount of the gift, prize or award will be included in the W-2 and is subject to all income and FICA withholding taxes per IRS rules and Guidelines. (IRC 132(e))

If a non-employee, the gift, prize or award can be processed without tax withholding but is still considered income to the recipient (IRS Pub. 525) The College reports payments to a recipient totaling \$600 or more in the calendar year as taxable income to the IRS using Form 1099-MISC.

Issuing Department: \_\_\_\_\_ Dept Index: \_\_\_\_\_

Approver Name (print): \_\_\_\_\_ Date Authorized: \_\_\_\_\_

Approver Signature: \_\_\_\_\_

Appendix A-3



Business Office  
PO Box 30808, Salt Lake City, UT 84130-0808  
Ph: 801- 957-4216 Fax: 801-957-4445

Index & Account \_\_\_\_\_  
Special Instructions \_\_\_\_\_

Account Codes: Stipend: 73530  
Award: 70610  
Honorarium: 70620

**AGREEMENT TO PAY AN INDIVIDUAL (Non-Employee) FOR STIPEND/AWARD**

**PART 1: REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (Substitute Form W-9)**

Federal law requires that we have a W-9 form on file for each person or entity to whom the College makes a non-payroll payment. Please complete the following information. If you do not provide us with this information, your payments may be subject to federal income tax backup withholding and you may be subject to a penalty imposed by the Internal Revenue Service under section 6723.

Name: \_\_\_\_\_ SS#: \_\_\_\_\_  
Individual name as it appears on your Social Security card or SS-4 application

Address: \_\_\_\_\_

City, State & Zip: \_\_\_\_\_ Phone #: \_\_\_\_\_

Payee Signature and Date: \_\_\_\_\_

**PART II: AUTHORIZATION/AGREEMENT TO PAY INDIVIDUAL**

Description of Stipend/Award: \_\_\_\_\_

Date of Activity: \_\_\_\_\_ Amount \$ \_\_\_\_\_

**Approvals:**

\_\_\_\_\_  
Originator Signature Date

\_\_\_\_\_  
2<sup>nd</sup> Level Signature Date

\_\_\_\_\_  
Originator Printed Name

\_\_\_\_\_  
2<sup>nd</sup> Level Printed Name

Appendix B

Netbook/iPad Purchasing Guidelines (Revised 4/22/15)

As you are all aware, there is a wide variety of personal netbook, iPad, tablet and similar devices available in the market today. Certainly, these devices will continue to evolve and be made available at low market prices. The devices can satisfy a variety of business and academic needs and purposes but be aware that they may also have constraints or limitations when considering the College's network, firewalls and what IT can support. In addition, these devices are not considered to be personal laptop or desktop computers.

Consequently, the purpose of this memo is to provide guidelines for purchasing such non-computer devices:

- In summary, departments who are considering the purchase of such devices are directed to first consult with the IT Department. IT is very aware of the business and academic value of these devices, and therefore is the College's resource to help ensure the device will meet the desired need. IT regularly acquires new devices for testing and for determining their compatibility with the College's network. Thus, IT can help departments select the most efficient device as well as apps to not only meet the departments' needs but also ensure they will work within the College's network and can be supported by IT. In conjunction with consulting with IT, to assist buyers in their purchasing decisions, IT has prepared a document called **Support and Access Tiers for Computing Devices** that identifies numerous devices and the degree to which IT can currently support the devices. This document will shortly be posted on the IT website and be updated from time to time.

We are aware that these devices are available at a low dollar cost. But for a relatively small incremental cost, IT may suggest a much more robust device with a longer warranty and useful life, so the lowest cost should not be the only purchasing decision factor.

- To consult with IT, call the Help Desk at x5555 where a ticket for consultation will be created. Shortly thereafter, an IT representative will contact the requesting department.
- The department, after receiving IT approval, can purchase the device(s) using the P-card since the price for any of these devices will be less than \$1,500.
- Since netbooks/iPads, tablets and similar devices are not considered to be computers (see note below for exceptions), such devices will not be issued inventory tags or be tracked. However, employees should exercise extra care in safeguarding these devices because of the additional data security risks involved.  
*Note: The "Microsoft Surface Pro3 or 4" contains a processor chip and is considered to be a computer. Thus, a purchase requisition should be entered to procure this device; it should receive an inventory tag and be tracked.*
- Since the College Bookstore is an authorized Apple products dealer, departments should still continue to purchase Apple devices from the bookstore. However, with the exception of Apple computers, a purchase requisition to the Bookstore is no longer needed to purchase Apple iPad devices.

Again, if there are any questions, please contact IT for advice before purchasing one of these devices or other equipment that may be intended to interface or use the College's network resources. Thank you for your cooperation in this matter.