



Employee Gift Card Guidelines

Gift cards are an easy way to provide gifts, awards, and prizes. IRS regulations state that all cash given to employees in any form, including gift cards, is considered taxable income. Therefore, employees are restricted from receiving gift cards in most circumstances. We recommend reviewing the Small Dollar Purchase Guidelines (SDG) before distributing gift cards. Below is a summary of the rules outlined in the SDG.

Please consider the following before distributing gift cards to employees:

- Authorized
 - Employees CAN receive gift cards as part of a prize giveaway with Executive approval (see SDG 7.e.i). Employees will be taxed on the amount of the gift card. All gift cards must be reported to Payroll using the Gift Card Recipient Log.
 - Retirees CAN receive a gift card up to \$200 (SDG 7.f.ii). The Retiree will be taxed on the amount of the gift card. The gift must be reported to Payroll using the Single Gift, Prize, or Award Form before retirement.
 - Employees CAN receive gift cards as apart of an incentive or recognition program approved by the President (SDG 7.g). Employees will be taxed on the amount of the gift card. All gift cards must be reported to Payroll using the Gift Card Recipient Log.
- Not Authorized
 - Employees CANNOT receive a gift card as a thank you gift for going above and beyond. All thank you gifts to employees must be in the form of tangible merchandise (SDG 7.c.i & 7.h.i)
 - Employees CANNOT receive a gift card for participating in a survey or like activity (SDG 7.h.iv). Departments should ensure that appropriate measures are taken to prevent employees from receiving a gift card for participating. Such measures may include, but are not limited to, posting a disclaimer and/or asking recipients if currently employed when distributing gift cards.
 - Employees CANNOT receive a gift card for any reason not listed under the Authorized section above.