



Administrative Policy	
Policy Title:	Gift Card Policy
Policy Number:	LC-1218
Date Adopted:	2/13/2025
Version:	1.0
Review Cycle:	Biannual
Date Last Reviewed:	2/12/2025
Office Responsible:	Business Office
Related Laws:	IRS and Department of Education

Policy Summary:

This policy establishes guidelines for the purchase and distribution of gift cards to employees and students to ensure compliance with the college’s tax withholding and reporting obligations.

Scope:

This policy applies to all departments, faculty, and staff at Jackson College intending to issue gift cards as incentives, awards, prizes or expressions of appreciation to employees and students.

Policy Guidelines:

1. Policy Guidelines

1.1 Employees

Gift cards for employees are always considered taxable by the IRS and should be given only in limited circumstances.

- **Funding Restrictions:** Gift cards for employees must be funded by non-restricted funds (e.g., general college funds) unless explicitly allowed by grant or sponsor.
- **Tax Reporting:** Gift cards provided to employees must be reported to Payroll as taxable income, regardless of the value of the card. Gift cards are considered compensation subject to federal, state, and employment tax withholding, and reporting on Form W-2. The gift card amount will be added to the employee’s gross wages to collect and remit the appropriate amount of tax to the IRS. Reporting must include date of distribution, physical card #, employee name, and purpose of the distribution.

1.2 Students

Gift cards may be given to students as incentives for voluntary participation in approved college programs, surveys, events, or research, provided they adhere to college policies and guidelines.

- **Funding Restrictions:** Gift cards for students must be funded by non-restricted funds (e.g., general college funds) unless explicitly allowed by grant or sponsor.



- **Reporting:** Gift cards provided to students must be reported to Financial Aid Office and will be counted as “Other Financial Aid (OFA)”. Reporting must include date of distribution, physical card #, student name, student ID, and purpose of the distribution.
- **Event Participation:** Gift cards cannot be used as incentives for academic participation or for mandatory events or activities, as this may be viewed as coercive.

2. General Requirements

- Extra gift cards may not be purchased to have on hand for a future event or future use.
- Gift cards may not be purchased using college funds for non-employees, such as guest speakers, and should not be given in exchange for services.
- All cards must be locked in a secure location.

3. Enforcement

Any misuse of this policy may result in disciplinary action.

4. Jackson College Foundation

This policy is not applicable to the Jackson College Foundation and its support to students in emergency situations.

5. Barrier Removal Grant

This policy is not applicable to the Barrier Removal Grant and its support to students in emergency situations.

Change Log:

<u>Date Of Change</u>	<u>Version</u>	<u>Description of Change</u>	<u>Responsible Party</u>
12/11/24	1.0	New Policy	John Globoker