

## Policy 3303 Gifts From University Funds

<b>Responsible Office</b>	Controller's Office	<b>Effective Date</b>	7/1/98
<b>Responsible Official</b>	Controller	<b>Last Revision</b>	4/20/07

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### Scope

This policy discusses the limitations placed on gifts that may be made from University funds, including gifts collected at the University for the benefit of third parties, expressions of sympathy or employee recognition, development gifts, gifts to public officials, and limits on charging instructions.

### Policy Statement

This policy allows modest occasional gifts to be made to students, employees or immediate family members in expression of sympathy, and to employees for professional achievement in a limited number of situations as defined in this policy.

This policy recognizes that in certain circumstances the University's missions of teaching and research, and its public service initiatives may be advanced through the giving of a gift using University funds. The value of such gifts should not exceed the amount as defined in this policy. The giving of any gift valued greater than this amount must be approved by an Officer of the Corporation or authorized designee.

In a limited number of instances the University's objectives may also be achieved by making a contribution to another organization. However, in every instance such contributions must be approved in writing in advance of the commitment by an Officer of the Corporation in consultation with the General Counsel's Office.

### Reason for the Policy

Federal law and regulations restrict the use of University assets to make gifts to individuals or other organizations. The University must therefore provide for proper accounting treatment in the limited instances where such gifts are allowable.

### Policy Sections

**3303.1 Gifts Collected at the University for the Benefit of Third Parties**  
 Employees, schools, departments, and offices of the University are prohibited from collecting contributions either to or on behalf of the University for the benefit of other organizations or private individuals, including University employees.

**3303.2 Expressions of Sympathy or Employee Recognition or Retirement/Departure/Milestones**

The University prohibits cash gifts to employees. No gifts of any kind should be charged to federal or non-federal grants.

**Expressions of Sympathy**

Non-cash expenses incurred in connection with personal expressions of sympathy or support toward employees or students are allowed only as modest (less than \$100) and occasional expressions such as:

- serious illness or a hospital stay of an employee, student, or immediate family member;
- death of an employee, emeritus faculty member, student or an immediate family member. Immediate family is defined as employee's
  - spouse or domestic partner
  - children or children of spouse or domestic partner
  - siblings or siblings of spouse or domestic partner
  - parents or parents of spouse or domestic partner

**Employee Recognition**

Non-cash expenses incurred in connection with personal expressions of congratulations toward other employees or students or postdoctoral fellows are allowed only as occasional, modest expressions of support and recognition on behalf of the University.

- **Employees:** All gift certificates and non-cash gifts of \$75 or greater that are given to employees must be reported to the Payroll Office for reporting to the IRS. The amount will be added as taxable income to their payroll records. Please contact [Payroll Office](#) at 432-5408.
- **Non Employees:** All cash/gift certificates and non-cash gifts of \$75 or greater that are given to non-employees must be reported to Accounts Payable for reporting to the IRS.

The following table summarizes when cash and non-cash gifts will be reported for tax purposes:

Type of Gift	<u>Employees</u>	<u>Students</u>	<u>PostDoctoral Fellows (PDFs)</u>	<u>International Visitors</u>
<b>Cash ---Any Amount</b>	N/A <small>see note below</small>	Yes	Yes	Yes
<b>Gift Certificates----Any Amount</b>	Yes	Yes	Yes	Yes
<b>Non-Cash Gifts</b>				
• < \$75	No	No	No	No
• ≥ \$75	Yes	Yes	Yes	Yes

**Note:** Employee recognition in the form of a bonus is always paid through payroll.

University funds **may not** be used to purchase gifts for any individual in recognition of events such as Secretary's Day, birthdays, weddings or wedding/baby showers, housewarming or holidays. Refer to [Policy 3302 Business Meals, Entertainment and Other Events](#) for more details.

**Approvals for Expressions of Sympathy and Employee Recognition**

In all cases, approval in advance by the Dean, Chair or Major Department Head is required.

If individuals wish to provide a larger gift to their colleagues in connection with the situations listed above, the difference between the value of the gift and the maximum limitations set forth in the preceding paragraph must be paid by the individuals making the gift. All such individual contributions must be held separately and cannot be deposited to a University bank account and commingled with University funds.

### **Retirement or Departure or Milestones**

Specific situations in which such non-cash gifts can be provided from University funds are set forth below:

- retirement or other departure of long-standing employee with at least 10 years of service;
  - a non-cash gift with a value up to \$300 can be provided from University funds.
- University gifts for employee milestones as described below.
  - 5, 10, 15 and 20 year service: Gifts as determined by the Department of Human Resources.
  - 25 year service: Yale University watch
  - 30 year service: Yale University chair

Each 5 year service above 30 years: Suitable gift of value proportionate to the years of service as determined by the Department of Human Resources.

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### **3303.3 Development Gifts**

Gifts to donors or other individuals serving development interests, or for alumni relations purposes using university funds or property cannot exceed \$100 in value. Any gift valued greater than this amount must be approved by an Officer of the Corporation or authorized designee.

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### **3303.4 Institutional Gifts**

When University officials are visiting abroad or are hosting visitors from other institutions, University funds may be used to give such visitors a gift (i.e. value of \$100 or less) as a sign of appreciation or gratitude. Any gift valued greater than this amount must be approved by an Officer of the Corporation or authorized designee.

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### **3303.5 Public Officials**

Federal and state laws severely restrict the nature and value of gifts that may be made to public officials, and those restrictions may vary depending on the type of gift as well as the office held by the official. Gifts to municipal officials may also be restricted.

In general, University policy prohibits all gifts to public officials, with the exception of token gifts valued at less than \$10. Any exception to this limit should be discussed in advance with a member of the General Counsel's staff in order to make certain of its allowability under the specific governing conditions. Any gift made in connection with a lobbying effort must be reported to the General Counsel's Office.

There may be restrictions on paying honoraria to public officials and questions should be directed to the Office of VP and General Counsel or the Tax Office.

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### **3303.6 Limitations on Charging Instructions and Tax withholding**

The Internal Revenue Service (IRS) generally requires the University to report the cash value of gift certificates as additional taxable wages to the employee. These gifts should be reported to the University Payroll department for proper withholding and reporting. Expenses for flowers, fruit baskets, and other authorized gifts are generally deemed to be unallowable expenses in accordance with federal costing principles. All such expenses must be coded to the proper account number as described in the University's Chart of Accounts to facilitate exclusion from direct and facilities and administrative cost reimbursement from sponsored programs.

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## **Special Situations/Exceptions**

Exceptions to this policy require the prior approval of an Officer of the Corporation or designee, in consultation with the General Counsel's Office.

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## Related Information

[Policy 3302](#): Business Meals, Entertainment and Other Social Events

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## Contacts

Subject	Contact	Phone
Policy interpretation	Controller	432-5524
Gifts for employment milestones	Associate Vice-President & Chief Human Resources Officer	432-5558
Gifts for development	Vice President for Development	432-6776
Gifts for alumni relations purposes	Vice President and Secretary	432-5670

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## Roles and Responsibilities

### Officers of the Corporation

Consider and rule on proposed gifts and donations in consultation with General Counsel.

### General Counsel's Office

Advise the Officers of the Corporation or their designees on proposed gifts and donations.

### Vice President for Development

Consider and rule on proposed gifts serving development interests.

### Vice President and Secretary

Consider and rule on proposed gifts promoting alumni relations.

### Controller's Office

Interpretation of this policy.

### Department of Human Resources

Determine, obtain and distribute University gifts for employee milestones.

### Department Administrators and Other Financial Personnel

Consider and rule on proposed gifts that are expressions of sympathy or employee recognition within this policy. Seek approval for all gifts and donations other than those specifically allowed by this policy. Properly code all gifts allowable under this policy.

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## Revision History

Policy first issued on 7/1/98. Earlier revision on 11/12/98. Major revision 9/23/05. Posted on draft site on 3/1/07.

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