|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gift, Prize or Award** | **Details** | **Taxable Income Reporting Formand****Tax Reporting** | **State****Funds** | **UBF****Funds** | **RF****Non-Sponsored** | **RF****Sponsored****(1)** |
| **Employee as Recipient of a Gift, Prize or Award** |
| Employee RecognitionAward | Must be a tangible item (preferably UB-branded) to recognize an employee’s noteworthy work-related accomplishment. The award must be: occasional (not more than annual); presented on a basis that does not discriminate in favor of highly compensated employees, and of a reasonable amount. | No (6) | No | Yes (7) | No | No |
| Gift to recognize university faculty or staff at retirement or upon leaving a unit | Must be a tangible item (preferably UB-branded). A suggested guideline is $10 for every year of service or a reasonable amount. Must not discriminate in favor of highly compensated employees. Document employee name and years of service. The maximum value allowable is $400. Amounts in excess of $400 will be included on the employee’s W-2 in accordance with IRS requirements. | Amounts in excess of $400 will be included on the employee’s W-2 | No | Yes | No | No |
| Flowers or equivalent in conditional circumstances; reasonable amount and purpose | Must support our commitment to providing a great place to work and creating a culture of fairness and respect to all employees | No (6) | No | Yes | No | No |
| Employee incentives | Tangible property gifted to encourage employee participation in an event. Participation of the specific employee is based on that individual's subject matter expertise or experience. The use of UB-branded items is encouraged. Value must be de minimis. | No (6) | No | Yes | No | No |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gift, Prize or Award** | **Details** | **Taxable Income****Reporting Form****and****Tax Reporting** | **State****Funds** | **UBF****Funds** | **RF****Non-Sponsored** | **RF****Sponsored****(1)** |
| **Employee or Non-Employee as Recipient of a Gift, Prize or Award** |
| Promotional Item  | Tangible promotional items must be UB-branded and distributed in a manner that supports the recipient's relationship with the university | No | Yes | Yes | Yes | (3) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gift, Prize or Award** | **Details** | **Taxable Income****Reporting Form****and****Tax Reporting** | **State****Funds** | **UBF****Funds** | **RF****Non-Sponsored** | **RF****Sponsored****(1)** |
| **Non-Employee as Recipient of a Gift, Prize or Award – Including but not limited to students, donors, alumni, and volunteers (4)** |
| Appreciation or recognition of a student's noteworthy achievement or contribution to the university | Tangible items (e.g., UB-branded items, plaques, books, portfolios, or other items of similar value) | Tangible items with a value of $100 or more are taxable for domestic residents.Tangible items, regardless of value, are taxable fornon-resident aliens.CompleteTaxable Income Reporting FormandW-9 or W-8 fornon-resident alien  | Yes | Yes (7) | Yes | (3) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gift, Prize or Award** | **Details** | **Taxable Income****Reporting Form****and****Tax Reporting** | **State****Funds** | **UBF****Funds** | **RF****Non-Sponsored** | **RF****Sponsored****(1)** |
| **Non-Employee as Recipient of a Gift, Prize or Award – Including but not limited to students, donors, alumni, and volunteers (4) (continued)** |
| Cash equivalent or noncash prize for participation in games of chance. Games of chance include raffles and door prize events where a participant pays money in return for a chance to win.Games of chance must be pre-approved by FinancialManagement. Must comply with the [*Raffle Policy for University Fundraising Efforts*](https://www.buffalo.edu/administrative-services/policy1/ub-policy-lib/raffle.html) and all New York State gaming laws. | Prizes may be awarded only where benefits areexpected to accrue to the university, such as a fundraising event. No prize may be awarded to an employeeexcept where the individual’s employment is incidentalto the basis on which the prize is awarded. | TaxableCompleteTaxable Income Reporting Formand[W2-G](https://www.irs.gov/forms-pubs/about-form-w-2-g)  | No | Yes | No | No |
| Expression of gratitude to a donor for their contribution to the university | Must be a tangible item with the value tiedproportionately to donor generosity. The value of each gift is limited to $200 and the donor may not receive more than two gifts per year. | No | No | Yes | Yes | (3) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gift, Prize or Award** | **Details** | **Taxable Income****Reporting Form****and****Tax Reporting** | **State****Funds** | **UBF****Funds** | **RF****Non-Sponsored** | **RF****Sponsored****(1)** |
| **Non-Employee as Recipient of a Gift, Prize or Award – Including but not limited to students, donors, alumni, and volunteers (4) (continued)** |
| Recognition to members of governing boards, volunteers, and speakers | Must not exceed a reasonable hourly rate for services provided by volunteers or speakers based on the caliber of the individual and the content and complexity of the service | Taxable if value is $100 or more for domestic residents.Any amount is taxable for non-resident aliens.Complete Taxable Income Reporting Form andW-9 or W-8 for non-resident alien  | No | Yes (2) | Yes | (3) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gift, Prize or Award** | **Details** | **Taxable Income****Reporting Form****and****Tax Reporting** | **State****Funds** | **UBF****Funds** | **RF****Non-Sponsored** | **RF****Sponsored****(1)** |
| **Non-Employee as Recipient of a Gift, Prize or Award – Including but not limited to students, donors, alumni, and volunteers (4) (continued)** |
| Gifts as incentive to individuals (not human subjects) for theirparticipation in surveys,volunteering, or other university programs | Participation must have a clear business purpose and support the university mission. Efforts should be made to provide UB-branded tangible items. When such items are not sufficient incentive, cash equivalents are restricted to campus cash or [prepaid debit cards](https://www.buffalo.edu/administrative-services/managing-procurement/card-programs/expense-card-program.html) when using State funds. With approval, gift cards may be provided when using UBF or RF funds. | All gifts of cash and cash equivalents are taxable.Tangible items with a value of $100 or more are taxable for domestic residents.Tangible items, regardless of value, are taxable for non-resident aliens. Complete Taxable Income Reporting Form\* andW-9 or W-8 for non-resident alien \*Taxable Income Reporting Form is not required for prepaid debit card recipients | Yes (5) | Yes | Yes | (3) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gift, Prize or Award** | **Details** | **Taxable Income****Reporting Form****and****Tax Reporting** | **State****Funds** | **UBF****Funds** | **RF****Non-Sponsored** | **RF****Sponsored****(1)** |
| **Non-Employee as Recipient of a Gift, Prize or Award – Including but not limited to students, donors, alumni, and volunteers (4) (continued)** |
| Consideration to students for services provided to the university for volunteer work or requested university programing | The student’s contribution must directly support the university mission and relate to a university initiative. Efforts should be made to provide UB-branded tangible items. When such items are not sufficient incentive, cash equivalents are restricted to campus cash or [prepaid debit cards](https://www.buffalo.edu/administrative-services/managing-procurement/card-programs/expense-card-program.html) when using State funds. With approval, gift cards may be provided when using UBF or RF funds. | All awards of cash and cash equivalents are taxable.Tangible items with a value of $100 or more are taxable for domestic residents.Tangible items, regardless of value, are taxable for non-resident aliens. Complete Taxable Income Reporting Form\*andW-9 or W-8 for non-resident alien\*Taxable Income Reporting Form is not required for prepaid debit card recipients | Yes (5) | Yes | Yes | (3) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Gift, Prize or Award** | **Details** | **Taxable Income****Reporting Form****and****Tax Reporting** | **State****Funds** | **UBF****Funds** | **RF****Non-Sponsored** | **RF****Sponsored****(1)** |
| **Non-Employee as Recipient of a Gift, Prize or Award – Including but not limited to students, donors, alumni, and volunteers (4) (continued)** |
| Prizes awarded to the winners of academic or research competitions administered by university representatives | All competitions must be supported by the unit, have a sound business purpose, and a clearly communicated process for choosing winners of the competition. Efforts should be made to provide UB-branded tangible items. When such items are not sufficient incentive, cash equivalents are restricted to campus cash or [prepaid debit cards](https://www.buffalo.edu/administrative-services/managing-procurement/card-programs/expense-card-program.html) when using State funds.With approval, gift cards may be provided when using UBF or RF funds. | All awards of cash and cash equivalents are taxable.Tangible items with a value of $100 or more are taxable for domestic residents.Tangible items, regardless of value, are taxable for non-resident aliens.Complete Taxable Income Reporting Form\* andW-9 or W-8 for non-resident alien\*Taxable Income Reporting Form is not required for prepaid debit card recipients | Yes (5) | Yes (7) | Yes | (3) |

**Footnote Explanation**
(1) All expenses funded via the RF Sponsored account must be approved according project sponsorship parameters
(2) Documentation to support the reasonableness of cost must be provided with reimbursement request
(3) Varies based on the terms of the award; contact Sponsored Projects Services
(4) Gifts and awards (cash and non-cash) must be totaled annually and reported to the IRS if the total exceeds $600 for a US Citizen or any amount for a non-resident alien. Gifts and awards to non-resident aliens are taxed at 30%.
(5) State funds must be supported by corresponding fee income where the gift, prize, or award is a component of the budget and is provided to a student
(6) Gifts, prizes and awards to employees must be of de minimis value and are not taxable
(7) Cash awards may be provided to comply with donor intent of endowment or gift funds or to recognize student educational accomplishments.
These awards are considered taxable income and UBF will be report on a W-2 (for employees), 1099 (for U.S. students), or 1042 (for non-resident alien students; amounts are taxed at 30%).

**History**

**August 31, 2023**

● Revised the Employee as Recipient section to specify that retirement gifts in excess of $400 will be included in the employee’s W-2 in accordance with IRS requirements (Gift to recognize university faculty or staff at retirement or upon leaving a unit)

● Revised the Non-Employee as Recipient section to:
 ▫ Specify that all cash and cash equivalent gifts, prizes, and awards are taxable

 ▫ Add guidance for prizes awarded to the winners of academic or research competitions administered by university representatives

**October 7, 2022**

● Revise the Non-Employee as Recipient section to allow the use of prepaid debit cards.

**November 29, 2021**

● Revise the Employee or Non-Employee as Recipient section to remove guidance on face coverings.

**July 20, 2020**

● Revised the Employee or Non-Employee as Recipient section to include guidance on face coverings.

**January 24, 2020**

● Revised Footnote 7 to allow cash awards to be provided to students to recognize educational accomplishments.