

BUSINESS OFFICE

Gifts Prizes and Awards Guidelines

Revision Date 12/18/24



FORT HAYS STATE
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The University Policy for Gifts, Prizes, and Awards can be found at:

<https://www.fhsu.edu/policies/documents/gifts-prizes-awards-and-promotional-items/index.pdf>

Use of State funds to purchase gifts and awards for employees is not permitted under any circumstances. Prizes for employees cannot be purchased with state funds UNLESS the prize is part of a random drawing **and** open to the public, not just state employees. This includes the purchase of flowers or cards sent for illness or death. State funds cannot be used to purchase retirement gifts for employees, regardless of the price. If SA funds are being used for gifts, prizes, or awards of any amount (tangible or non-tangible) and the recipient is an employee, a GPA Approval Form is required to be submitted before the purchase is made.

Purchase of gift cards (of any amount) or tangible items greater than \$100 for non-employees, require the Gifts, Prizes, and Awards Approval Form in the Workflow. This form must be approved by:

- Director or Department Chair
- Dean or other approver as required (may be same as line 1 if no other approver is required)
- Vice President (Academic Program – Provost) (Student Affairs Program Requires – Vice President of Student Affairs)
- Vice President for Administration and Finance

Once the form is completed and has gone through the approval process, the submitter will receive an email stating if the purchase is “Approved” or “Denied.” Follow the appropriate set of instructions.

- If the GPA form is **DENIED**, the purchase may not be made. Open the GPA Approval Form to review comments in the VPAF section as to why the form was denied.
- If the GPA form is **APPROVED**, open the GPA Approval Form to complete the following:
 - Make note of the GPA # found at the top right-hand side of the form.
 - ◆ The GPA # must be provided in the memo field of the Workday transaction for the GPA expense.
 - ◆ The GPA # must be written on the bottom left-hand corner of the W-9 or W-8BEN prior to submitting these forms to the Business Office.
 - Scroll to the bottom of the form to the *****VPAF Use Only***** section. Check the comments section to see what items (if any) will need W-9/W-8BENs collected.
 - ◆ If W-9/W-8BENs are needed per comments:
 - The GPA Recipient Form located in the Workflow must be started. The recipient information is left blank until this information is determined.

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- **PRIOR** to giving the gift, prize, or award to the recipient(s), the following steps must be completed:
 - Provide each prize recipient with the Taxpayer Acknowledgement Form to be signed and returned. The Taxpayer Acknowledgement Form will determine if an IRS Form W-9 or an IRS Form W-8BEN should be completed. This form can be found on the Business Office webpage (<https://www.fhsu.edu/bus-off/w-9/>).
 - If U.S. citizen or Resident Alien (marked "YES"), give the W-9 form to the recipient for completion and signature. Upon receipt of signed W-9, the prize can be released. The W-9 must have complete address, social security number, signed, and dated.
 - If prize recipient is a non-U.S. citizen (marked "NO"): **Do not release prize at this time.**
 - ◆ Give copy of Taxpayer Acknowledgement Form to prize recipient and instruct them to contact Student Fiscal Services at 785-628-5892 to complete the nonresident alien tax compliance forms. Student Fiscal Services will obtain signed documentation from the prize recipient and contact the Event Host to pick up the documents once they are complete. Student Fiscal Services will also notify Event Host if withholding tax is required from the non-U.S. citizen. Even if the prize recipient has a Social Security Number, determination of tax withholding must be completed prior to the release of the prize.
 - ◆ Event Host/Department collects tax, if required (35% of value of prize) from prize recipient (if paying by check, payable to "Fort Hays State University"). Student Fiscal Services will give you the information for the tax withholding:
 - Submit tax by completing a Cash Sale in Workday
 - Cost Center for tax withholding only: Cost Center 10434
 - Revenue Category: 469090
 - Line-Item Description: "Event number – {last name of recipient}"
 - If Department/State account is paying tax, submit an Interfund Request Form
 - Complete the Deposit Information with the following:
 - Cost Center for tax withholding only: Cost Center 10434
 - Revenue Category: 469090
 - Description of Deposit: "Event number – {last name of recipient}"
 - ◆ Prize may be given to recipient once tax documents are obtained and applicable taxes have been paid.
 - ◆ Keep all Forms W-9/W-8 BENs in a secure location until they are hand-delivered to the Business Office.

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- ◆ Complete the bottom portion of the Taxpayer Acknowledgement Form and hand-deliver along with the W-9/W-8BENs to the Business Office. The individual responsible for the safekeeping of the W-9/W-8BENs should call the Business Office to confirm the Business Office staff have received them.
- ◆ Do **NOT** keep copies of these forms.

If a monetary prize is awarded, a supplier invoice must be submitted for each recipient after the receipt of the W-9 or W-8BEN. Include the GPA # in the memo field.

Policies:

- If a state employee (faculty, staff, or student employee) receives a prize given by random drawing at a function open to the public, a W-9 or W-8BEN is required. If an individual receives \$600 or more in 1099 reportable transactions in one calendar year from any State Agency, they will receive an IRS Form 1099 at the beginning of the following year.
- The value of the purchase will be tracked for non-employees. If an individual receives \$600 or more in 1099 reportable transactions in one calendar year from any State Agency, they will receive an IRS Form 1099 at the beginning of the following year.
- **SGA** funds **cannot** be used to purchase gifts, prizes, or awards (Due to the Personal Gain Clause).