



Gift Card & Award Policy

Policy

This policy is provided to guide faculty and staff in their use and distribution to employees and other individuals of non-monetary benefits. It is the policy of the College to properly classify gift cards, prizes and awards as income, as required by state and federal laws¹.

According to the Internal Revenue Service (IRS), cash awards, gift certificates, gift cards, merchandise, and similar items are taxable income to the recipient. An award of merchandise is taxable at fair market value.

Employee achievement awards are taxable income unless they meet special rules for awards of tangible property given in recognition of length of service or achievement². The preferred method of providing awards to faculty and staff (employees) is to provide compensation through the normal payroll process in lieu of prizes and awards as "other income."

NECC prohibits the purchase of gift cards through Pcards.

Procurement Process

Merchandise or a gift card from may be purchased from Follett Bookstore only in an amount not to exceed \$25.00.

Follett will invoice the college directly.

Distribution Process

It is the responsibility of the NECC employee who requesting the purchase of the Follett gift card(s) or merchandise to submit the attached Gift Card Distribution Form (attached) for each recipient to Accounts Payable, accountspayable@necc.mass.edu in the Accounting & Finance Office.

¹ <https://www.irs.gov/government-entities/federal-state-local-governments/de-minimis-fringe-benefits>

Gift Card Distribution Form

(Follett receipt must be attached)

Business Purpose of Award (Event Name): _____

Date: _____ **Total #of Recipients:** _____

Recipient Information:

Name: _____ **Award Amount** _____

Association: Student Student Employee Faculty/Staff Contract Employee
ID (student ID, employee ID) _____

NECC Email address: _____

Recipient Information:

Name: _____ **Award Amount** _____

Association: Student Student Employee Faculty/Staff Contract Employee
ID (student ID, employee ID) _____

NECC Email address: _____

Recipient Information:

Name: _____ **Award Amount** _____

Association: Student Student Employee Faculty/Staff Contract Employee
ID (student ID, employee ID) _____

NECC Email address: _____

Requester Information:

Name: _____ **Phone:** _____

Organizational Code & Account (to be charged): (Org) _____ (Acct) _____

Authorized Signature _____ **Date** _____
(Signature)

(Print name)

Submit Completed Form to Accounts Payable
Note: Follett receipt must be attached

For Accounting & Finance Use Only

Pay Date:

Banner Invoice #