PURPOSE

The purpose of the Prizes, Awards, and Gifts policy is to provide further clarification and guidance for following the University of Wisconsin (UW) System Financial Administration Policy F46: Prizes, Awards and Gifts. In addition to this university policy and the UW System policy, the university must also adhere to Internal Revenue Service (IRS) regulations, Chapters 563 and 945 of the Wisconsin Statutes, federal and state tax reporting requirements, and UW System Financial Administration Policy F50: Segregated University Fees.

Note: The specific terms of grants, in some instances, may supersede provisions of this policy.

POLICY

This policy provides guidance in this policy when purchasing prizes, awards, and gifts to give away. This policy provides the definition, examples, amount or value, funding, recipients, and approval for prizes, awards, and gifts. All vouchered transactions for prizes, awards, and gifts must be documented with the purpose, benefit (for prizes), and required approvals.

The policy does not cover compensatory awards to UW System employees or scholarship awards.

Cash and cash equivalents, such as gift cards or gift certificates, may be given as prizes provided prior approval is obtained.

Cash and cash equivalent awards and gifts are prohibited.

PRIZES:

Definition: Something of value conveyed as a result of chance, generally for promotional purposes, to one or more participants in a University sponsored event. If an individual pays for the chance to win a prize, State raffle laws apply. Holding a raffle requires prior approval; contact Business Services for more information.

Examples: Door prizes to encourage attendance at an event or as an incentive to encourage responses to questionnaires or surveys.

Amount or Value: Must be based on the minimum reasonable amount required to meet the objective of the promotional purpose not exceeding $200. Cash and cash equivalents, such as gift cards or gift certificates, may be given as prizes provided prior approval is obtained. Obtain approval by completing an Approval and Documentation for Prizes, Awards, and Gift Form.
Funding:

- No General Purpose Revenue (GPR) may be used.
- Revenue-generating activities may award prizes funded from their own proceeds to encourage student participation. Receipts generated from one activity must not be used to award prizes for an unrelated activity.
- Non-UW entities may award prizes directly to persons attending University-sponsored events, but must receive prior approval. Contact Business Services for more information.

Recipient: Student, staff member, or community member. However, a prize may not be awarded to a staff member unless the individual’s employment is incidental to the basis on which the prize is awarded. A Recipient of Prizes Log must be completed upon distribution of cash or cash equivalents and submitted to Business Services with the payment request.

Prizes are includable in the recipient’s gross income per IRS Code Sec. 74 (a); Reg. § 1.74-1(b) unless all of the following conditions are met:

- The recipient was selected without any action on his or her part to enter the contest; and
- The recipient is not required to render substantial future services as a condition to receive the prize; and
- The prize is transferred by the payer to a government unit or tax-exempt charitable organization as designated by the recipient.

Approval: Prizes given must be documented by completing an Approval and Documentation for Prizes, Awards, and Gift Form. The form should be attached to the payment request and submitted to Business Services. If purchasing cash or cash equivalents, written approval must be obtained by completing an Approval and Documentation for Prizes, Awards, and Gift Form prior to the event and submitting to Business Services.

AWARDS:

Definition: Something of minimal value conveyed as a result of competition, merit, or in recognition of the recipient’s service to the university.

Examples:

- Awards to recognize student achievements.
- Awards to recognize members of the community for providing service to the University.
- Awards to recognize employees for career milestones or distinguished service upon retirement.

Amount or Value: Certificates or plaques must be modest and have no intrinsic value. Items awarded must be of minimal value. Awards given to employees may not exceed $100. Exceptions to this must be approved by the Chancellor or Chancellor’s Designee.
Funding:

- General Purpose Revenue (GPR) may be used only for awards such as certificates or plaques that have no intrinsic value or for items of minimal value that have the University’s logo.
- Athletic awards must be funded from program revenue sources.
- Use of gift funds is preferred.
- No cash awards are permitted.

Recipients: Student, staff, or community member.

Approval: Awards given must be documented by completing an Approval and Documentation for Prizes, Awards, and Gift Form. This form should be attached to the payment request and submitted to Business Services.

GIFTS:

Definition: A voluntary conveyance of something of value as a gesture of goodwill or appreciation.

Examples: A ballpoint pen with the University’s logo; a keychain with the University’s logo

Amount or Value: All gifts must be of minimal value.

Funding:

- No General Purpose Revenue (GPR) may be used.
- No cash gifts are permitted.
- Use of gift funds is preferred.
- Program Revenue may only be used in the following circumstances:
  - Gifts to distinguished visitors to campus
  - Gifts to recognize contributions of time or funding support by the public
  - Gifts to foreign nationals when university personnel are visiting other countries in which gifts are necessary, customary, and reasonable in cost

Recipient: Student, staff, or community member.

Approval: Awards given must be documented by completing an Approval and Documentation for Prizes, Awards, and Gift Form. This form should be attached to the payment request and submitted to Business Services.

REFERENCES & RESOURCES


UW System Financial Administration Policy F50: Segregated University Fees
https://www.wisconsin.edu/financial-administration/financial-administrative-policies-procedures/fppp/f50-segregated-university-fees/
Internal Revenue Service (IRS) Publication 15-B: Employer’s Tax Guide to Fringe Benefits

Wisconsin State Statutes Chapter 563: Bingo and Raffle Control

Wisconsin State Statutes Chapter 945: Gambling
http://docs.legis.wisconsin.gov/statutes/statutes/945

APPLICABLE FORMS

Approval and Documentation for Prizes, Awards, or Gifts Form - http://www.uwlax.edu/accounts-payable/forms/

Recipient of Prizes Log - http://www.uwlax.edu/accounts-payable/forms/