 NORTHEAST OHIO MEDICAL UNIVERSITY	Policy No: 3349-OP-211
POLICY TITLE: Awards, Gift/Gift Card and Prize Policy	EFFECTIVE DATE: July 1, 2022 REVISED and UPDATED: May 1, 2026
RESPONSIBLE DEPARTMENT: Accounting	All Employees and Students

(A) PURPOSE

The purpose of this policy is to establish standards for issuing achievement awards, gifts, gift cards/certificates, and prizes to ensure compliance with the University’s tax withholding and reporting obligations.


(B) SCOPE

This Policy applies to achievement awards, gifts, gift cards/certificates, and prizes given in the course of University business to employees, students, and volunteers. In the absence of more restrictive IRS or Ohio Ethics guidelines, this policy will apply.


(C) BODY OF POLICY

(1) Types of Recognition

- (a) “Achievement Award” refers to an award that is given in recognition of excellence or length of service as part of a university-sanctioned or documented program.
- (b) “Contribution” refers to donations, financial assistance, sponsorship, or gifts to any group, fund, or collection.
- (c) “Gift” refers to a non-cash item given in the course of the University’s business.
- (d) “Gift Card/Certificate” refers to a prepaid stored-value physical card, check, certificate, or digital code that is redeemable at a store or place of business.
- (e) “Prize” refers to any item, cash, or cash equivalent that is awarded for participation in activities that benefit the University

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- (2) Achievement Awards are permitted as part of a documented program developed, communicated, and implemented by Human Resources or the Office of the President.
- (3) Gifts to employees and students are not permitted unless there is an essential business purpose and approved by the President, Senior Vice President and Provost, or Senior Vice President of Operations and Finance. Gifts of cash or cash equivalents (except as permitted elsewhere in this policy) are not permissible. Gifts of tangible personal property, including tickets to non-NEOMED events/sporting events which have a combined value of ninety-nine dollars (\$99.00) or less during a calendar year, are excludable from gross income. Gifts that exceed a combined value of ninety-nine dollars (\$99.00) during a calendar year must be reported on the W-2 form in the calendar year in which the gift is conferred to the employee. Gifts that exceed a combined value of ninety-nine dollars (\$99.00) during a calendar year must be reported on Form 1099 for non-employee students. Cash and non-cash honoraria paid to non-employees must be reported on Form 1099, regardless of the amount.
- (4) Gift Cards and Gift Certificates
 - (a) Gift Cards and Gift Certificates are acceptable to be used in appreciation for conducting activities that benefit the University. A Gift Card/Certificate log should be completed for all distributions, saved to the user's P-card folder, and/or sent to Acctg@neomed.edu. A completed Award, Gift Card/Certificate Acknowledgment form must be received from each recipient prior to the release of gift cards to ensure that current tax information is on file for all recipients. Completed documents should be submitted to Accounts Payable through the secure upload process as noted on the form.
 - (i) The value will be reported on the employee's W2, the qualified non-employee's 1099, or 1042-S tax form, whichever is applicable, in compliance with IRS reporting requirements.
 - (b) Gift Cards and Gift Certificates are prohibited from being issued to a business/organization in lieu of payments for goods or services.

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(c) The Institutional Review Board (IRB) will determine the allowability and appropriate limits of gift cards for all approved human subject research studies.

(5) Prizes

(a) Prizes are permitted to be issued to employees or students when done as part of an organized program that benefits the University, its students and/or employees. All cash equivalent prizes are includable in income, and the fair market value of non-cash equivalent prizes exceeding ninety-nine dollars (\$99.00) in the aggregate for a calendar year is included as taxable income, and that value will be reported on the student's 1099 tax form or the employee's W-2. A prize log should be completed for all distributions and saved to the user's P-card folder and/or sent to Acctg@neomed.edu. The issuer of such prizes is responsible for securing all tax information prior to issuance. For winners who are not employees or students, a completed Award, Gift Card/Certificate Acknowledgment form must be received from each recipient prior to release of prizes to ensure that current tax information is on file for all recipients. Completed documents should be submitted to Accounts Payable through the secure upload process as noted on the form. An example of an acceptable prize is a prize awarded by Human Resources as part of the University Wellness Program.

(6) Contributions

Contributions to charitable or other non-profit organizations, student organizations, or Foundation accounts using University funds are not permitted unless approved by the President's Office.

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REFERENCES

FORMS

https://www.irs.gov/publications/p525#en_US_2020_publink1000229582

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

<https://www.ethics.ohio.gov/education/gifts.html>

LEGAL

- Internal Revenue Service (IRS) Publication 15-B
- Code of Federal Regulations, Title 2: Grants and Agreements, Part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- The U.S. Department of Health and Human Services (DHHS), Office of the Assistant Secretary for Resources and Technology, Office of Grants, Grants Policy Statement

REVISED:

10/01/2025

1/1/2026