

## Student Gifts, Prizes & Awards Procedures

Will you be hosting an event, meeting, or program where prizes will be given or a competition where someone will win a prize? If so, it is important that you follow the procedures outlined here and that you are aware of the policies associated with distributing prizes, before advertising or purchasing the item for your event.

Please be sure to inform all individuals that the value of a prize awarded, through a drawing or program, is considered taxable income to the recipient and may need to be reported to the IRS.

**Non-US citizens** may be subject to additional taxes. In some cases, 30% of the value of the prize must be withheld or paid before the prize can be claimed. Please contact the Controller's Office before awarding the prize if the recipient is a non-US citizen.

### Gift Cards

Gift cards may be purchased for prizes to ATU students only, according to the following guidelines:

1. The total amount for any gift card cannot exceed \$100 and must be pre-approved.
2. Notify the Controller's Office when a gift card has been awarded, by turning in the Gift/Prize/Award Reporting form within five business days. \*Contact the Controller before awarding the card if the recipient is a non-US citizen. ; jZiWUXg'a i ghibchVY'di fW UgYX'k jA 'UI bJj Yfg]hmiD7 UfX, a requisition is required.'
3. The recipient of the gift card must personally pick up the card by presenting a student id, and completing the gift/prize/award form.

**\*\*If the above policy isn't followed the individual that purchased the gift card, on behalf of their department or organization, will be documented as the recipient of the gift card, and will be held responsible for any taxable income reported to the IRS.**

### Prizes—Cash (in the form of a check from the university)

Cash can be awarded to winners of competitions sponsored by student organizations or departments.

Prizes can only be awarded to ATU students unless prior approval is given for a non-student recipient. In order to award a cash prize, the student organization or department should follow this procedure:

1. Complete the Gift/Prize/Award Pre-Approval form and await approval.
2. Deliver the Gift/Prize/Award Reporting form to the Controller's Office within five business days of choosing the recipient. \*Contact the Controller immediately if the recipient is a non-US citizen.
3. Submit a requisition(s) and once the Controller's Office receives all necessary documentation, the check will be issued to the recipient.

### Prizes—Goods Valued at \$50 or more (Gift cards & cash are not goods)

Goods can be awarded to winners of competitions sponsored by student organizations or departments. The student organization or department is responsible for submitting the appropriate documentation to the recipient and the Controller's Office. Goods less than \$50 are considered de minimis and do not require the reporting form. In order to award a noncash prize, please follow the procedures below:

1. Complete the Gift/Prize/Award Pre-Approval form and await approval.
2. Submit the completed Gift/Prize/Award Reporting form to the Controller's Office within five business days of awarding the prize. \*Contact the Controller before awarding the prize if the recipient is a non-US citizen.



## Gift/Prize/Award Pre-Approval Form

**Important Information:** IRS tax laws require the reporting of gifts/prizes/awards given to individuals. This form must be completed **PRIOR** to the purchase of any gift/prize/award including gift cards or non-monetary items.

Current Date: \_\_\_\_\_

Department/Organization: \_\_\_\_\_

Department Representative: \_\_\_\_\_

**Purpose of Gift/Prize/Award:**

**Who** will receive the gift/prize/award  
(i.e. student or off-campus individual)

\_\_\_\_\_

**Why & How** is the gift/prize/award to be given.

\_\_\_\_\_

**When** will the gift/prize/award be given  
(provide specific date)

\_\_\_\_\_

**Number of Gift/Prize/Awards  
to be Purchased**

**Description**

Gift Card(s) Yes No

PCards must not be used to purchase gift cards.

Value of Gift/Prize/Award: \_\_\_\_\_

Vendor Name \_\_\_\_\_

FOAP charged for Gift/Prize/Award Fund \_\_\_\_\_ Org \_\_\_\_\_ Acct \_\_\_\_\_ Prgm \_\_\_\_\_

**Confirmation of Departmental Representative**

*I confirm that the Gifts/Prizes/Awards purchased will be used solely for the intended purpose listed above. I understand that failure to submit a completed Gift/Prize/Award Reporting form to the Controller's Office within a week of the gift/prize/award distribution will result in the possible suspension of my department's ability to purchase gifts/prizes/awards.*

Department Signature

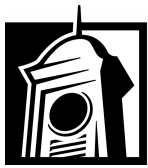
**Vice President's Approval**

*I hereby authorize the use of funds to purchase the Gift/Prize/Award for the intended purpose listed above*

Vice President's Signature

**Controller's Office Approval**

Controller's Office Signature



***All gifts, prizes and awards are considered a form of compensation and may be taxable to the recipient and subject to IRS reporting.***

***Gift cards/certificates purchased and given to students (including student employees) are considered taxable income, regardless of the amount, and must be reported as income.***

***Students and non-employees that receive taxable compensation of \$600 in a calendar year will receive an IRS 1099-MISC form.***

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**Information for Controller's Office: Check Box if recipient is a US Citizen or Resident Alien**

Name of Recipient: \_\_\_\_\_

Address of Recipient: \_\_\_\_\_

Phone # of Recipient: \_\_\_\_\_

Banner ID Number : \_\_\_\_\_

***Please attach a completed IRS Form W-9(US citizen/resident alien) or W8-BEN (nonresident alien)***

Description of Gift/Prize/Award and event dates

Value of Gift/Prize/Award: \$ \_\_\_\_\_ Purchased From: \_\_\_\_\_

Dept. or Org Giving Gift/Prize/Award: \_\_\_\_\_

***Certification:***

I certify that I have received the gift/prize/award indicated above and that the value received may be taxable to me.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*In order to comply with IRS regulations, a tax charge may be added the student's account, if the recipient is a non-resident alien.*

***Please complete the form in its entirety; return the above portion to the Controller's Office; and give the section below to the Gift/Prize/Award Recipient***

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**Information for Gift/Prize/Award Recipient:**

Name: \_\_\_\_\_

Description of Gift/Prize/Award: \_\_\_\_\_ Value: \$ \_\_\_\_\_

From: \_\_\_\_\_ Date: \_\_\_\_\_  
(Department or Organization of Arkansas Tech University)

***Please note that the value of gifts/prizes/awards received may be taxable.***

*In order to comply with IRS regulations, a tax charge may be added the student's account, if the recipient is a non-resident alien.*