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| Linfield University Employee Recognition and Awards Policy | | <i>Department:</i> Finance-Accounting | |
| | | <i>Revised:</i> | |
| <i>Department Manager:</i> Vice President for Finance & Administration/CFO | <i>Applicable Divisions:</i> All | <i>Original Effective Date:</i> May 14, 2021 | Page 1 |
| <i>Subject:</i> Linfield University Awards Policy serves as a guideline for all employee recognition and awards programs. | | <i>Applicable Divisions:</i> All | |

Section

- A. To ensure that University employees exercise good judgement and stewardship of the University’s limited financial resources used for award programs.
- B. To provide consistent treatment of all awards regardless of type (cash, gift cards, or tangible property).
- C. To follow Internal Revenue Service (IRS) guidance in [IRS Publication 525](#) addressing tax treatment of awards to employees.
- D. To help employees obtain prompt payment of awards.

POLICY OUTLINE

- 1. **General**
- 2. **Faculty awards**
- 3. ***Reserved***
- 4. **Student awards**
- 5. **Cash payments**
- 6. **Non-cash awards**
- 7. **Gift cards**
- 8. **Definitions**

1. GENERAL PROCESS

Linfield University promotes programs that recognize and encourage the dedication, support, and participation of employees and non-employees in carrying out the University’s mission. Award programs may be utilized provided they adhere to (1) an approved competitive process as documented by the appropriate awarding department and (2) all applicable federal and state laws. Employee awards are includable in an employee’s pay in accordance with Internal Revenue Service definition of awards.

Employee approved cash awards must be submitted to Payroll to be included in the next regular payroll subsequent to the award approval date on the [Payroll Check Request Form](#). The value of tangible personal property exceeding the limits established below (cumulative value more than \$100 per awardee), must be reported to Payroll by email to the Payroll Manager as a taxable fringe benefit for withholding on the next regular payroll subsequent to the award approval date or the cumulative value exceeding the limit.

Example: Employee receives from the University a plaque with a fair market value of \$50 in January and pen set with a fair market value of \$75 in June; the cumulative value of the tangible property received must be reported to be reported to Payroll via email to the Payroll Manager in the amount of \$125.

Cash awards to non-employees must be submitted to Accounts Payable on the [A/P Non-Employee Check Request](#) form and with a [IRS Form W-9, Request for Taxpayer Identification Number and Certification](#).

Departments approving awards are responsible for preparing, maintaining, and submitting appropriate documentation for both cash and non-cash awards presented to employees.

2. FACULTY AWARDS

The current list of faculty awards is posted on the University's web site at <https://inside.linfield.edu/academic-affairs/faculty-awards.html>. This list serves as the "official list" of faculty awards and is subject to change at any time without notice.

3. *RESERVED*

Reserved

4. STUDENT EMPLOYEE AWARDS

Cash awards to student employees constitute gross wages and are subject to payroll tax withholding, regardless of amount. Awards paid to non-employee students may be taxable income reported on IRS Form 1099-NEC, Non-employee Compensation. Students should consult a tax professional with respect to taxability of amounts reported on IRS Form 1099-NEC.

5. CASH PAYMENTS

Cash awards to employees paid constitute gross wages and are subject to payroll tax withholding, regardless of amount.

6. NON-CASH AWARDS

Awards of tangible personal property may be taxable to the employee.

- a. Non-De-Minimis: Tangible property given infrequently with an annual value of more than \$100; these awards are subject to taxation and the full value or fair market value which amount must be sent to payroll for tax withholding from the employee.
- b. De-Minimis: Tangible property given infrequently with an annual value of \$100 or less. If the cumulative value of awards to a single recipient exceeds \$100, the full value or fair market value would be subject to tax under a. above.

7. GIFT CARDS

Cash equivalent awards (gift cards, gift certificates, gift vouchers) are not authorized in accordance with Linfield policies. In the event of a violation of this policy, contact the Assistant Vice President Financial Services / Controller to rectify the matter. In accordance with Internal Revenue Service guidance, there is no de-minimus amount with gift cards.

8. DEFINITIONS

- A. **Employee:** For purposes of this policy, an employee is anyone who receives a Form W-2 from the University (faculty, student workers, and staff).
- B. **Non-employee:** A person who is not an employee of the University (see ‘employee’ above).
- C. **Awards:** Under IRS income category, “other income” generally, an amount received in recognition of charitable, scientific, educational, artistic, literary, or civic achievement. Awards are generally taxable income to the recipient. The University will process only awards given through a pre-approved competitive award departmental process.
- D. **Tangible Personal Property:** Items that can be moved, touched, or felt. (Such as plaques, pens, t-shirts, trophies, etc.)

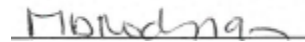
Date Issued: May 14, 2021

Date Last Revised:

Responsible Executive:

Vice President for Finance and Administration
Accounting

Responsible Office:



Date: May 14, 2021

Vice President, Finance and Administration

This Awards Policy is hereby approved. This policy is effective immediately and supersedes all previous editions.