



[Gift Cards to Students]
[Policy Number]
[Financial Aid/Student Financial Services]

Applies to: Faculty, Staff, Administrators, and Student Organizations


Purpose of the Policy University faculty, staff, administrators, and student organizations occasionally want to use **gift cards** or gift certificates to encourage students to voluntarily participate in a survey or a research study or attend a campus activity or event. Gift cards are governed by IRS reporting rules, as well as Financial Aid rules regarding Estimated Financial Assistance, and must be coordinated with the student's other aid, if any.

Definitions

Under Internal Revenue Code Section 132, a gift card, gift certificate, store-value card, or a prepaid credit card, collectively referred to as a gift card, is considered a cash or cash equivalent that is subject to taxes regardless of the face value.

De minimis benefits are excluded under Internal Revenue Code section 132(a)(4). In determining whether a benefit is de minimis, you should always consider its frequency and its value. An essential element of a de minimis benefit is that it is occasional or unusual in frequency. It also must not be a form of disguised compensation.

Policy Details

Allowable uses of gift cards include participation in a survey, research study or attending a campus activity or event. If the activity is related to employment services performed for the university, the compensation must be processed as wages with appropriate income taxes withheld.  Students who volunteer on campus are not eligible for gift cards in lieu of compensation for work or services performed (see the [CSU Volunteer Policy](#)).

The use of gift cards/cash equivalents should be infrequent and should only be considered when no other option is viable.

Faculty, staff, administrators, and student organizations should first use the already established process of compensating or rewarding students, by submitting a Student Award Request Form, indicating how much they want the student to receive, and out of what account.

If a gift card is necessary, then the university has established a De minimis threshold of \$25. Students receiving a gift card of \$25 or less will not need to be reported to the Financial Aid Office nor Student Financial Services.

Any amount of \$26 or more is reportable and is required to be pre-approved by the Financial Aid Office as it may affect the student's other financial aid.

Prior to distribution of gift cards over \$25, the person responsible for the distribution will provide a list of all recipients to Student Financial Services by using the Gift Card Pre-authorization form. The form will provide the student name, student ID and gift card amount and, once approved, will be returned to the distributor for student signature to verify they received the card. A copy of the form with the student signatures will then be returned to Student Financial Services for IRS reporting and auditing purposes, and a copy will be kept by the distributor for their records.

History *(required)*

All changes must be listed chronologically in the format below, including all edits and reviews. Note when the policy name or number changes. Note if an edit or revision date is exclusively for the policy section or the procedure section:

Issued: 03/28/2023
Revised: 03/28/2023
Edited: 03/28/2023
Reviewed: MM/DD/YYYY