TechBuy Guidelines for Entering Requisitions for Gifts, Awards & Prizes

The following guidelines are intended to provide assistance for individuals entering requisitions for gifts, awards & prizes in TechBuy. The Procurement Services Department has made every effort to ensure that the guidelines are in compliance with university operating policies. However, in the event of conflict between these guidelines and operating policies, the operating policies shall prevail. In particular, review OP 69.02: Reporting Withholding Taxes on Employee Awards and Prizes for employees, OP 62.17: Payment of Scholarships, Fellowship Grants, and Awards for students and OP 62.25: Participant Payments for non-employees.

Definitions:

Non-cash gift, award or prize—a physical item such as a plaque, tickets to an event, iPad, etc.

Cash award—a TTU ACH payment with the recipient as payee

Cash equivalents—gift certificates or gift cards (cash equivalents are not to be processed in TechBuy. They are only allowed for research participants and processed as a Direct Pay or purchased with procurement card if purchased upon completion of a study, and the number of participants are known. See OP 62.25: Participant Payments for more information.

For Cash Awards (non-University employees):

1. Enter the requisition providing the award recipient information as required by the Operating Policy. (If there is more than one cash award, each award must be entered on a separate requisition with the recipient listed as the vendor.)

   Note:
   - Cash awards for employees must be processed through Payroll and Tax Services' online Employee Onetime Payment System (EOPS) using the earn code OTB (not through TechBuy). Questions for tax can be sent to tax.forms@ttu.edu
   - If the recipient is not already established as a vendor, he or she must complete a New Vendor Registration Form
   - If the recipient is not a US citizen or permanent resident alien (individuals who have a *payable* immigration status), the award or prize is subject to IRS reporting and income tax withholding. The 30% tax will be withheld (deducted) from the payment.

2. In the Gifts, Awards and Prize ("GAP") form in TechBuy, enter "1" for both the **Quantity** and **Packaging**, and enter the amount of the cash award in the **Price** field. In the **Product Description** field, enter information about the business purpose of the award.

3. Attach a signed copy of Recipient Information Form. (Please do not include Social Security numbers on any attachments in TechBuy.)
4. Use the 7N2000 Awards/Prizes account code.

For Non-Cash Awards:

1. Select the vendor who will be supplying the gifts, awards or prizes.
2. In the GAP form, enter the number of awards being purchased in the **Quantity** field and "1" in **Packaging** field. Enter the cost of each award (per gift cost) in the **Price** field. (The per-gift cost should include customization and shipping charges.) In the **Product Description** field, enter the business purpose gifts, award or prize.

3. For each recipient, enter their name and identify (by checking the box) whether or not they have been a TTU employee within the last 12 months or are a current student here at TTU. If there are more than ten (10) awardees, attach a spreadsheet with this information to **Internal Notes**. Avoid including Social Security numbers on the attachments.

4. If the awards are customized for the recipient or will be retained by the department (such as plaques engraved with the recipients' names), the fair market value of the award is $0. Please note that the award is personalized and attach a quote from the vendor.

5. Use the 7N2000 Awards/Prizes account code.

6. For non-cash awards, prizes, or gifts valued at $100 or more to be given to an employee, **advance approval** is required by (1) the appropriate vice president, provost or vice chancellor, (2) Accounting Services and (3) Payroll & Tax Services. Requests for approval from Payroll & Tax Services can be sent to tax.forms@ttu.edu

Notes:

- Awards for employees must comply with OP 69.02: Reporting Withholding Taxes on Employee Awards and Prizes for non-cash awards for employees with a "per gift cost" of $100 or more *that aren't personalized*, the department is responsible for processing a transaction for the non-cash award through Payroll and Tax Services' online Employee Onetime Payment System (EOPS) using the earn code MSC.

- Retirement gifts up to $400 in value are not subject to taxation, but only one gift may be given, not several gifts totaling up to $400. See OP 69.02: Reporting Withholding Taxes on Employee Awards and Prizes

- If the recipient is not a US citizen or permanent resident alien (individuals who have a *payable* immigration status), the award is subject to IRS reporting and income tax withholding. For non-cash awards, the department will need to pay the tax on behalf of the individual, referred to as "grossing up." The taxes will be paid on a Journal Voucher at 42.8% of the value of the GAP, and cannot be paid with appropriated or federal funds.

- Any engraving or design services require a copy of the artwork attached to the requisition per OP 68.01 Communications and News Media Policy and Procedures.

For Non-Cash Prizes (recipients unknown at time of purchase):

1. If the recipient(s) have not yet been determined for the prize(s) being purchased, the business purpose must be entered in the **Product Description** field.

2. Purchases of electronic or computer products from one of the punch out vendors in TechBuy require a comment explaining the business purpose of the purchase.

3. Use the 7N2000 Awards/Prizes account code.

4. When the prizes have been awarded, each recipient will need to complete a Recipient Information Form. The originals should be sent to Payroll & Tax Services, MS#1092. Please do not attach the forms to the PO as they may contain confidential information.

Notes:

- If non-cash items will be used as compensation for research participants, approval must be obtained from Payroll & Tax Services prior to entering the TechBuy requisition. Attach a copy of the approval as an **Internal Attachment**.

- If the recipient is not a US citizen or permanent resident alien (individuals who have a *payable* immigration status), the award or prize is subject to IRS reporting and income tax withholding. For non-cash awards and prizes, the department will need "gross up" the tax on behalf of the individual. The taxes will be paid on a Journal Voucher at 42.8% of the value of the GAP, and cannot be paid with appropriated or federal funds.