

## H&S Guidelines for Purchasing Gift Cards

### GIFT CARDS FOR STUDENTS

When considering purchasing gift cards for students, programs should carefully weigh the benefit to community building vs. the constrained financial environment in which Stanford is operating. Gift cards should be issued only occasionally and always in support of an identified academic purpose.

#### Gift Card Purchases

- Less than \$50, if one-time purchase (\$25 per meal, \$50 maximum for recognition)
- Up to \$250 per quarter, if recurring for meals (the equivalent of 10 meals/quarter)
- Up to a maximum of \$50 per calendar year for recognition
- Must be charged to unrestricted or appropriate department or faculty funds (not grants and contracts)
- Should weigh the benefit to community building vs. the constrained financial environment
- It is the responsibility of the unit issuing the gift card(s) to track expenditures to ensure that they do not exceed the allowable amount per recipient per event/quarter/calendar year
- Cash cards such as AmEx and VISA are not permitted as they may negatively impact student financial aid eligibility (see below)
- Examples of appropriate gift cards:
  - Meals - Coupa, DoorDash, GrubHub, Safeway or a grocery store chain
  - Other - Amazon, Stanford Bookstore, Barnes & Noble, Kepler's

#### Appropriate for *occasional*:

- Community building within the academic environment (e.g., welcome events, awards ceremonies, etc.)
- Student recognition (e.g., academic achievement, service to the academic unit, awards and prizes)
- Student gatherings (e.g., programmatic student organization meetings)
- Seminars or other academic gatherings, recurring or one-time, that typically occur over the lunch hour or a mealtime

#### Not appropriate for:

- Addressing student food insecurity or financial aid needs
  - Direct undergraduates to the [Financial Aid Office](#)
  - Direct graduate students to the [Graduate Life Office](#) and [Stanford Support Programs](#)
- Individual student meetings with a faculty advisor or mentor
- Augmenting graduate financial aid packages or undergraduate financial aid awards

- Absent a clear rationale and academic purpose as outlined above (i.e., they should not be issued simply because of the pandemic)

#### **Important Notes:**

- **Financial Aid:** Gift cards issued in nominal amounts adhering to the guidelines above will not impact undergraduate student financial aid. However, cash cards such as AmEx or VISA will impact federal student aid eligibility and are not allowable.
- **Student-Athletes:** All students in an academic program must be eligible to receive gift cards per the guidelines above, they may not be available to or awarded solely to student-athletes.

### **GIFT CARDS FOR EMPLOYEES**

#### **Gift Card Purchases**

- Less than \$50, if one-time purchase (\$25 per meal, \$50 maximum for recognition)
- Up to \$250 per quarter, if recurring for meals (the equivalent of 10 meals/quarter)
- Up to a maximum of \$50 per calendar year for recognition
- Should be charged to unrestricted or appropriate department or faculty funds (not grants and contracts unless explicitly budgeted in the proposal and awarded by the sponsor)
- Should weigh the benefit to employee morale vs. the constrained financial environment
- It is the responsibility of the unit issuing the gift card(s) to track expenditures to ensure that they do not exceed the allowable amount per recipient per event/quarter/calendar year
- Examples of Gift Cards (avoid AMex and VISA type cash cards)
  - Meals - Coupa, DoorDash, GrubHub, Safeway or a grocery store chain
  - Other - Amazon, Stanford Bookstore, Barnes & Noble, Kepler's

#### **Appropriate for *occasional*:**

- Employee morale activities, local retreats and team building events
- Non-performance related recognition (such as years of service, to celebrate retirement)
- As a door prize for an event

#### **Not appropriate for:**

- Individual meetings with a supervisor
- As gifts for birthdays, baby showers, and other personal events (weddings, bridal showers, etc.), as addressed in [AdminGuide 5.4.2, Business and Travel Expenses](#)
- Absent a clear rationale (i.e., they should not be issued simply because of the pandemic)

### **TAX IMPLICATIONS AND POLICIES**

Under IRS rules, gift cards are generally considered as cash equivalent and are taxable to the recipient. An exception exists for gift cards that can only be exchanged for specific items of personal property, minimal in value, and provided infrequently (\$50 (cumulative) per year is generally considered minimal and infrequent). To ensure compliance with IRS rules, avoid recurring gift cards to the same individual and limit to types noted above (avoid Amex type cards).

Related policies:

- [Admin Guide 2.2.10 Gifts and Awards for University Employees](#)
- [Admin Guide 5.4.2 Business and Travel Expenses](#)