Employee Recognition Guidelines – Infrastructure Properties and Planning

GENERAL PRINCIPLES (for Recognitions from AVP/Sr. Director’s Offices)

- **Expenses**: Individual Departments are responsible for Employee Recognition expenditures.

- **Business Purpose** must be supplied to the U&SA FSC when requesting payment (or reimbursement) of recognition expenses. The written business purpose should provide the following details:
  - The type of recognition, and
  - The “who, what, when, and where.”

- **Recognition gifts**
  - Gifts and awards received by employees are taxable and must be reported as additional earnings if their value exceeds the following dollar thresholds:
    - Cash or gift certificates of any amount
    - Gifts or awards of tangible personal property with a value greater than $100 (when they are awarded infrequently)
    - Gifts or awards of tangible personal property greater than $400 for a length of service or retirement award ($10 per year of service)
    - The Extra compensation form must be completed and forwarded to Payroll to document reimbursement for all taxable gifts and awards to employees. (all taxable gifts and awards may be grossed-up for Federal, State, City and FICA payroll taxes)
  - Gifts and awards may not be categorized as
    - Holiday gifts

- **Celebrations**
  - Two unit events per fiscal year, maximum. $50/person holiday party, $20/person annual picnic, this includes all expenses for event (even gratuity). One guest per employee may be invited. Please note: This is the maximum guideline, individually this is determined by your department’s budget.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Taxability of Scenario</th>
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<tbody>
<tr>
<td>Cash and gift certificates for any amount</td>
<td>Taxable</td>
</tr>
<tr>
<td>Tangible personal property – occasional and value not greater than $100</td>
<td>Not Taxable</td>
</tr>
<tr>
<td>Tangible personal property – value greater than $100 (this category does not include a length of service or retirement gift)</td>
<td>Taxable</td>
</tr>
<tr>
<td>Tangible personal property valued in the range of $0 - $400 for length of service or retirement.</td>
<td>Not Taxable</td>
</tr>
<tr>
<td>Tangible personal property valued greater than $400 for length of service or retirement.</td>
<td>Taxable</td>
</tr>
</tbody>
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