

**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.

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