Documentation for Prizes, Awards or Gifts

**Definitions** UW System Policy #330 (was F46) provides the following Definitions:

Prize - Something of value conveyed as a result of chance, generally for promotional purposes, to one or more participants in a University-sponsored event.

Award - Recognition or something of value conveyed as a result of competition, merit or in recognition of service to the institution on the part of the recipient.

Gift - A voluntary conveyance of something of value as a gesture of goodwill or appreciation.

**Policy** Limitations apply to prizes, awards and gifts made by the University. **Please review policy 330 on the back in advance of completing the form.** This form should be used to document the purpose for purchases of prizes, awards or gifts, and submitted for payment or reimbursement, or kept with the procurement card log for the purchase. Only purchases of prizes need to be approved in advance. Please allow a **minimum** of two weeks prior to purchase to obtain approval.

Contact Person\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Telephone \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Prizes - Prizes may be awarded only in situations where benefits are expected to accrue to the University. The anticipated benefits of awarding a prize must be documented, and the decision to award prizes **must be** **approved in writing by the Controller/Director of Financial Services**. **Prize winners must complete tax acknowledgement forms**. Requests must be made at least two weeks in advance of advertising prizes will be awarded or making purchases, whichever is earlier, by sending this request form with the prizes section completed to Financial Services, Hyer Hall, Room 115 or finsrv@uww.edu

Event Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Event Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Prize(s) to be awarded \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Funding string: (no GPR) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount (limit $200)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Intended recipients of prize(s) - *number and how to be selected* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

How are you promoting this event / prizes \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Describe the purpose for awarding prizes – *ie. Intended outcome, how many possible participants, etc. and what benefit the university will receive from this expense*: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Controller Approval** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Awards - Typically, awards based upon competition or merit are made to recognize academic or athletic achievements of students; service awards may be made to recognize members of the community and noncash awards may be made to recognize employees for distinguished service, upon retirement or at other career milestones.

Non-Cash award to be given \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Funding string: (gift funds are preferred) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Service being recognized\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Recipient of award \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. Gifts - Gifts from program revenue sources may be given in the following circumstances: 1) to distinguished visitors to campus; 2) to foreign nationals when University personnel are visiting other countries and gifts are necessary, customary and reasonable in cost; or, 3) to recognize contributions of time or funding support by members of the public.

Non-Cash gift to be given \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Funding string: (no GPR) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Reason for gift \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Prizes, Awards and Gifts (330, formerly F46) *Revised: February 2016***

1. **Background**

This paper establishes the UW System policy with respect to prizes, awards and gifts made by the UW System institutions. It does not cover compensatory cash awards to UW System employees (e.g., Distinguished Teaching Awards) that must be payrolled in accordance with IRS regulations. Also excluded from this policy are scholarships, i.e., money awarded to students with the intent to support the educational or educationally-related expenses of the individual receiving the award.

1. **Constraints**

In addition to the policies and procedures set forth in this paper, prizes and awards are subject to the following rules and regulations:

* + Chapters 563 and 945, [Wisconsin Statutes](http://www.legis.state.wi.us/rsb/Statutes.html) ("Bingo and Raffle Control" and "Gambling")
	+ [FAP - Segregated University Fees (F50)](http://www.uwsa.edu/fadmin/fppp/fppp50.htm)
	+ IRS regulations
1. **Definitions**

For purposes of this policy, prizes, awards and gifts are defined as follows:

Prize - Something of value conveyed as a result of chance, generally for promotional purposes, to one or more participants in a University-sponsored event.

Award - Recognition or something of value conveyed as a result of competition, merit or in recognition of service to the institution on the part of the recipient.

Gift - A voluntary conveyance of something of value as a gesture of goodwill or appreciation.

1. **Policy**

The following limitations shall apply to prizes, awards and gifts made by the University:

* + Prizes - Prizes may be awarded only in situations where benefits are expected to accrue to the University. Examples include door prizes to persons attending athletic events and prizes awarded as incentives to encourage responses to customer questionnaires and other types of surveys. The anticipated benefits of awarding a prize must be documented, and the decision to award prizes must be approved in writing by the chancellor or his/her designee. In addition:
		- **No GPR may be used for prizes.**
		- The amount or value of the prize should be based upon the minimum amount reasonably required to achieve the objective of the promotion and should not exceed $200.
		- No prize may be awarded to a UW System employee, except in situations where the individual's employment is incidental to the basis on which the prize is awarded. For example, a UW System employee would be eligible to win a door prize awarded at random to those in attendance at an athletic event. If a cash prize is made to a UW System employee, the payment should NOT be made through the payroll system but through use of a Payment to Individuals Report (PIR) form.
		- If an individual pays for the chance to win a prize, State raffle laws apply. Raffles must be licensed by the State Gaming Commission and conducted in accordance with Chapter 563, [Wisconsin Statutes](http://www.legis.state.wi.us/rsb/Statutes.html). Institutions may not award any prizes based upon rules of chance that would violate State gaming laws.
		- Revenue-generating activities may award prizes funded from their own proceeds to encourage student participation. With the exception of vending proceeds, receipts generated from one activity should not be used to award prizes for an unrelated activity.
		- In some cases, private, non-UW entities may award prizes directly to persons attending athletic events or other functions sponsored by the University. Prizes awarded directly by such entities may be beyond the $200 limitation established above as well as the "minimum amount reasonably required to meet the objective of the promotion." However, in the award of such prizes, the institution should ensure that, both in substance and in public perception, the prize is clearly being awarded by the non-UW entity and not by the institution.
	+ Awards - Typically, awards based upon competition or merit are made to recognize academic or athletic achievements of students; service awards may be made to recognize members of the community and noncash awards may be made to recognize employees for distinguished service, upon retirement or at other career milestones.
		- The use of gift funds is preferred for all awards.
		- No cash awards are permitted.
		- Athletic awards must be funded from program revenue sources.
		- GPR may be used only for awards such as certificates and plaques that have no intrinsic value or for items of minimal value that bear the University's logo. Awards to employees should not exceed $100 in cost; special cases must be approved by the chancellor.
	+ Gifts - Gifts from program revenue sources may be given in the following circumstances: 1) to distinguished visitors to campus; 2) to foreign nationals when University personnel are visiting other countries and gifts are necessary, customary and reasonable in cost; or, 3) to recognize contributions of time or funding support by members of the public.
		- Normally, all gifts should be items of minimal value that bear the University's logo. No cash gifts are permitted.
		- **No GPR may be used for gifts.**
	+ Additional policy provisions applying to prizes, awards and gifts are as follows:
		- Adherence is required to applicable federal and state tax reporting requirements.
		- The use of segregated fees is governed by [FAP - Segregated University Fees (F50)](http://www.uwsa.edu/fadmin/fppp/fppp50.htm). FAP - Segregated University Fees (F50) requires, among other things, that cash or product awards in excess of $500 be approved by the Vice President for Finance.
		- All vouchered transactions for prizes, awards and gifts should be documented with the purpose, benefit (for prizes) and any required approvals.
		- The specific terms of grants and trust fund agreements may, in some instances, supersede the provisions of this policy related to the allowability of payments. Such situations should be reviewed by UWSA - Financial Administration for appropriateness.

V. **Reporting**: Information on winners of any prize greater than $25 must be reported to Financial Services – see form “Prize Tax Acknowledgement”