

<p><b>The University of North Texas at Dallas Policy Manual</b></p>	<p>Chapter 5.000 <b>Human Resources</b></p>
<p><b>5.031 Employee and Volunteer Awards</b></p>	

**Policy Statement.** The University of North Texas at Dallas (UNT) encourages supervisors at all levels to recognize employees or volunteers for work-related achievements, significant contributions, or length of service. Monetary and non-monetary awards other than length of service must be based on a fair and competitive basis. This policy provides general guidelines regarding the value and type of awards, gifts, and honorariums that may be given to employees or volunteers and the characteristics that make such awards, gifts or honorariums taxable or non-taxable.

**Application of Policy.** This policy applies to all employees and volunteers.

**Definitions.**

1. **Employee.** “Employee” means a faculty member, adjunct faculty, student worker, temporary worker, and full-time or part-time staff member.
2. **Non-Qualified Plan.** A non-qualified plan is one in which the average cost of all the employee achievement awards (excluding awards of nominal value of less than \$50) given during the calendar year is more than \$400.
3. **Qualified Plan.** A qualified plan is an established written plan or program that does not favor highly compensated employees as to eligibility or benefits and the average cost of all employee achievement awards (excluding awards of nominal value of less than \$50) given is \$400 or less per calendar year.
4. **Volunteer.** “Volunteer” means anyone so defined under University policy and Texas Government Code Chapter 2109.

**Procedures and Responsibilities.**

1. **General Policy.**

- 1.01. Employee awards must conform to this policy and:
  - i. comply with IRS regulations regarding taxable awards;
  - ii. comply with State regulations regarding employee awards;
  - iii. comply with State and University purchasing and expenditure requirements;
  - iv. must be approved in advance by the appropriate administrator; and
  - v. must be reviewed annually by the Equal Opportunity Coordinator.

- 1.02. All university-wide employee awards must be approved by the President or designate.
- 1.03. Vice Presidents may approve awards to be granted at the division or department level.
- 1.04. Employee awards of nominal value (generally less than \$50) and are not cash awards may be approved by the department head.
- 1.05. Departments may use appropriated money to purchase engraved certificates, plaques, pins, or other similar awards to be presented to volunteers for special achievement or outstanding service. The cost of awards purchased under this section may not exceed \$50 for an individual volunteer.

2. **Cash or Cash Equivalent Awards.**

- 2.01. Employee awards in cash or cash equivalent may only be approved by the President or designate and may only be granted on a University-wide basis.
- 2.02. Cash award checks are mailed 30 days after the date of the presentation event. A certificate should be presented indicating the accomplishment.
- 2.03. Gift certificates or gift cards may not be presented as awards. Reimbursement of gift certificates or gift cards purchased with personal funds or personal credit cards is prohibited.
- 2.04. All cash awards are considered supplemental compensation by the IRS and must be paid through payroll and will be subject to all payroll taxes.
- 2.05. All cash equivalent awards (regardless of the amount) must be reported to the payroll department and will be included as supplemental wages on IRS Form W-2.

3. **Non-Cash Awards.**

- 3.01. Non-cash awards may be issued at the division or department level according to internally established criteria and with the approval of the Vice President.
- 3.02. Departments may use appropriated money to purchase service awards, safety awards, or other similar non-cash awards to be presented to its employees for professional achievement or outstanding service that do not exceed \$50 for an individual employee.
- 3.03. Non-cash awards will not exceed a fair market value of \$400 per individual, if paid from non-appropriated funds.
- 3.04. Plaques or similar physical awards are recommended as non-cash awards. This type of award that is personalized with the individual's name is deemed to have \$0 fair market value and is not taxable to the individual.

- 3.05. The department head must submit to the Payroll Office the dollar value of any taxable non-cash award and the name and social security number of the employee who is the recipient of the award not later than 30 days of presentation of the award.
- 3.06. The purchase of any non-cash awards must follow university purchasing guidelines and State regulations. Non-cash awards may not be purchased with a departmental purchase card without an approved and authorized exception.
- 3.07. The granting of administrative leave with pay to an employee as a reward for outstanding performance must comply with UNTD Policy 5.017.5.

4. **Gifts and Honorariums.**

- 4.01. Gifts and honorariums must comply with UNTD Policy 5.007 as well as purchasing and payment procedures adopted under UNTD Policy 10.004.

5. **Recordkeeping and Reporting.**

- 5.01. Department heads are responsible for keeping accurate purchasing records of awards, the names of award recipients, and written award criteria.
- 5.02. The Human Resources Department will maintain records of any university-wide awards.
- 5.03. Departments will submit a list of awards presented, award recipients, and award criteria to the Equal Opportunity Coordinator when requested.

6. **Tax Rules for Employee Gifts and Awards.**

- 6.01. All taxable gifts must be disclosed to the Payroll Office and included as supplemental wages on IRS Form W-2
- 6.02. An award will not qualify as a safety achievement award if it is given under either of the following circumstances:
  - i. the award is given to a manager, administrator, clerical employee, or other professional employee or,
  - ii. the award is given to more than 10% of eligible employees during the calendar year.

6.03. The following tax rules apply to all employee gifts and awards:

<b>Type of Award/Gift</b>	<b>Taxable</b>	<b>Not Taxable</b>
Cash or cash equivalents awards	All amounts	N/A
Food items or other merchandise of nominal value given at holidays to promote employee goodwill	Amounts over \$50 in value	Amounts of nominal value (\$50 or less)
Length of service award under non-qualified plan (Note: must be given only once during a calendar year and the award must be at least five years apart)	Amounts in excess of \$400 per calendar year	Amounts of \$400 or less per calendar year
Length of service award under qualified plans (Note: must be given only once during a calendar year and the award must be given at least five years apart)	Amounts in excess of \$1,600 per calendar year	Amounts of \$1,600 or less per calendar year
Safety achievement award under non-qualified plan	Amounts in excess of \$400 per calendar year	Amounts of \$400 or less per calendar year
Safety achievement award under qualified plan	Amounts in excess of \$1,600 per calendar year	Amounts of \$1,600 or less per calendar year
Retirement gift given as length of service award	Amounts in excess of \$400	Amounts of \$400 or less
Retirement gift not given as length of service award	Amounts in excess of \$50	Amounts of nominal value (\$50 or less)
Flowers, books, gift baskets, pins, or similar non-cash items given for special purposes not shown in above categories in this chart.	Generally amounts in excess of \$50 (this limit will not apply to flowers or other gifts given in the case of a family death or employee illness)	Documented amounts of \$50 or less

**References and Cross-references.**

Texas Government Code, Section 2113.201

Texas Government Code, Section 2113.202

Constitution of the State of Texas, Article 3, Section 51

UNTD Policy 5.007

UNTD Policy 5.017.5

UNTD Policy 10.004 (see subsection 2.1.13 under Payment Services)

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