

Marietta College
Employee/Student Appreciation Policy
17 April 2002
Revised 13 March 2008
Revised 17 March 2009

College funds may be expended on gifts to employees or students if the gifts are tokens of appreciation or recognition for extraordinary work or service effort to the College. Gifts of this nature should be limited to one per fiscal year. Gifts may be given to individual employees or students or to groups of employees (e.g., a department) or students (e.g., a club). Professional discretion and frugality should be exercised in determining the amount to spend on gifts. Gifts should be sufficient to honor the person(s) being recognized, but not overly-expensive or otherwise extravagant. In most cases, the purchase price of a gift should not exceed \$100. In all cases, gifts must be a professional token of appreciation or recognition and not a personal gift from one employee or student to another. The College cannot pay for nor reimburse for personal gifts. Because Section 132 and Section 74 of the Internal Revenue Code consider recognition gifts as taxable to the recipient, related gift documentation must show that the College paid directly for the gift rather than reimbursing another (e.g., a supervisor) for direct payment for the gift.

The taxability of gifts to employees is covered by Section 132 or Section 74 of the Internal Revenue Code.

Under IRC, Section 132(e), employers may give gifts of nominal value to employees on a tax-free basis. Gifts must be “merchandise of nominal value” and cannot be cash or gift certificates. The College has established a dollar value of \$75 as a reasonable threshold for nominal value.

Under IRC, Section 74, employer may give gifts to employees as achievement awards. Achievement awards must meet the following requirements: (1) it is given for length of service or safety achievement, (2) it is awarded as part of a meaningful presentation; and (3) it is not disguised compensation. Gift certificates may be awarded under Section 74, but only if the certificate is non-negotiable and it confers only the right to receive tangible property. Negotiable gift certificates are taxable.

On occasions in which it is appropriate for the College to send flowers, gift baskets, balloons or other tokens to express congratulations, sympathy, or similar support, said expressions will normally be sent on behalf of the entire College community by the Office of the President. Individual departments may, from time to time, send tokens of expression with the prior approval by their Cabinet officer. If individual departments decide to send tokens of expression, they should immediately notify the Office of the President in order to coordinate and not duplicate expression gestures.

DCBryant
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