To: UNC Charlotte Admin and Business Officer listservs

From: Laura Williams, Interim Controller

Subject: Policy 101.18, Gifts, Awards, and Prizes

Summary

UNC Charlotte has finalized and published the policy for issuing gifts, awards, and prizes, Policy 101.18. This policy defines reportable payments for tax purposes and identifies how these payments should be reported to the Tax Office for Internal Revenue Service (IRS) reporting.

What is now defined/clarified?

- Non-reportable limits for allowable gifts, awards, and prizes.
  - These limits are summarized in Appendix A.
- Considerations in determining reportable payments:
  - Employee vs. Non-employee recipient
  - If employee: Type of gift, award, or prize
  - Nonresident Alien (NRA) recipient
  - Cash vs. Non-Cash
  - Human Subject Payments
- The University is permitted to hold two raffles per calendar year.
  - Any University department/unit is considered “the University” for purposes of this limit.
  - Raffles must be pre-approved by the Associate Vice Chancellor for Finance.

What else do you need to know?

- Prize Winner Forms will no longer be required.
  - The Prize Winner Form will be replaced with Appendix B: Reportable Gifts, Awards, & Prizes Documentation Form.
  - Departments are responsible for tracking payments given to recipients during a calendar year (Appendix C: Gifts, Awards, & Prizes Log Sheet is recommended) and reporting these payments to the Tax Office only if applicable (using Appendix B).
- The non-reportable limits are based on guidance from the IRS.

Background:
The general rule is that all gifts, awards, and prizes are taxable unless an exception applies. The IRS has guidance which defines these exceptions. This policy documents these exceptions and clearly defines when the payment should be reported to the Tax Office. The Tax Office will report the payments to the appropriate authorities, as required.

Thank you for your assistance in complying with this policy. Please contact your department’s administrative office or the Tax Office (Megan Hauser, 7-5819, mhauser7@uncc.edu) for questions about gifts, awards, and prizes.