**SUBJECT**: Gift Cards – Process Documentation

**NOTE:** Any changes to process due to pandemic or remote work should be documented in procedures.

**APPLIES** **TO**: Purchasing, securing, tracking, and disbursing of gift cards

**NOTE:** New/updated items for FY2020/FY2021/FY2022/FY2023 are identified in red text

**Gift Card Overview**

The objective of the gift card process is to ensure all gift cards are obtained, tracked, and distributed consistent with university guidelines.

*\*If using gift cards for human subjects, please refer to the* ***Human Subject Incentives written procedure template****.*

**Gift Card Process**

|  |  |  |
| --- | --- | --- |
| **Activity** | **Responsibility** | **Reference/Comments** |
| **PURCHASING/APPROVING** |  |  |
| In [insert name of school/college/unit/ department], gift cards may be used for the following reason(s)/situation(s):   * [insert examples of gift card usage (i.e. employee recognition, patient reimbursement ,etc.)] |  |  |
| Determine the number of gift cards needed prior to purchase. | [insert person determining gift card usage/purchasing gift cards] | Unit should only purchase the exact number of gift cards that will be used within 30 days. |
| Purchase gift cards using [insert unit methodology to purchase gift cards and the appropriate procurement method used (i.e. PCard which is the preferred method, or out of pocket reimbursement through Concur)] | [insert person(s) purchasing gift cards] |  |
| Review the gift card purchase to ensure it was appropriate and valid. | [insert person(s) approving purchases] | Individuals should not be approving their own requests/ purchases of gift cards, nor are they approving the purchase of gift cards that they received. |
| **DISTRIBUTING/TRACKING** |  |  |
| Individuals handling/distributing gift cards should complete the cash handling training course offered by the Treasurer’s Office. | [insert gift card custodian] | The [My LINC](https://its.umich.edu/enterprise/administrative-systems/training/my-linc-overview) course number for the Cash Handling Course is TME103.  ***NOTE:*** *This course only needs to be completed once.* |
| Secure gift cards by placing them in [insert appropriate secure place (i.e. safe, locking drawer)]. | [insert gift card custodian] | Only authorized personnel should have access to the safe or drawer. |
| Gift cards are recorded/logged by [insert unit methodology for recording/logging gift cards (i.e. Excel spreadsheet, manually, etc.)] to identify all purchases, distribution, recipients and timing to ensure all cards are accounted for. | [insert gift card custodian] | A sample log can be found on the [Internal Controls website](http://www.finance.umich.edu/controls/gctools). |
| Distribute gifts cards in a secure manner by [insert unit methodology for distributing gift cards]. | [insert appropriate person/position/titles] |  |
| Evidence of distribution is collected and maintained as follows: [insert unit methodology for collecting and maintaining evidence of distribution].  Evidence should be available and maintained from all recipients to validate actual and proper distribution. | [insert appropriate person/position/titles] | A list of recipients (i.e., list of signatures or copies of submitted PeoplePay forms) and the purpose of the gift cards should be provided as part of the reconciliation process (e.g. reconciling the transaction in Concur).  ***NOTE:*** *For tax purposes, name of gift card vendor (i.e. Meijer, Target, etc.) must be included in the description on PeoplePay forms.* |
| If possible, return any unused gift cards (with no intended future use) to the vendor.  ***NOTE:*** *If unused gift cards are not able to be returned to the vendor, then gift card must be used for business purposes or marked as personal.* | [insert appropriate person/position/titles] |  |
| **ACCOUNTING & RECONCILIATION** |  |  |
| Report gift card usage through PeoplePay where appropriate.  ***NOTE:*** *Units must review the Policy on Taxation of Gifts, Prizes & Awards to Employees to ensure tax implications are understood and policy is followed.* | [insert appropriate person/position/titles] | [SPG 501.12 Awards, Gifts, and Prizes](http://www.spg.umich.edu/policy/501.12)  For additional info on tax guidelines, see: [Policy on Taxation of Gifts, Prizes & Awards to Employees](https://finance.umich.edu/resource/policy-taxation-gifts-prizes-and-awards-employees)  For guidance in determining whether gift cards should be reported through PeoplePay and what account they should be charged to, see: [Prizes, Gifts and Awards Decision Process](http://finance.umich.edu/sites/default/files/2017-05/prize_gift_and_awards_decision_process.pdf) or [Reporting Prizes, Gifts, & Awards](http://finance.umich.edu/sites/default/files/2017-08/Reporting%20Prizes%20Gifts%20Awards.pdf)  Click [here](https://peoplepay.umich.edu/) to access PeoplePay. Follow the directions on the bottom of the form for routing. |
| Gift cards for employees are charged to account 502300 and gift cards for non-employees are charged to account 614573.  Gift cards are flagged as “X” class when appropriate. | [insert appropriate person/position/titles] | Gift cards should be flagged “X” class unless offered to ALL employees of the University on an equitable basis, e.g. University Human Resources’ Employee Service Awards.  For additional info on Facilities & Administrative (F&A) Costs (aka Indirect Costs), see:  <http://www.finance.umich.edu/programs/indirectcosts> |
| **MONITORING & OVERSIGHT** |  |  |
| Review the CMB TME103 Cash Handling Certification Management Report [FN03, HR01] Report in Business Objects to monitor individuals who have taken the TME103 course. | Approver, Unit Administrator, etc. | Report can be accessed through [Wolverine Access](https://wolverineaccess.umich.edu/)/Business Objects at:  UM-Maintained 🡪 Financials 🡪 FN03 Journal Detail |
| A periodic inventory check is performed that:   * Counts inventory and compares to log * Ensures all purchases from the General Ledger are correctly reflected in the log.   Discrepancies should be resolved in a timely basis. | [insert appropriate person/position/titles] | Person performing inventory should not be person maintaining log. |

Other related information:

Key Contacts:

* For general questions related to gift cards, contact [giftstoemployees@umich.edu](file:///C:\Users\shiea\Downloads\giftstoemployees@umich.edu).
* For questions related to PeoplePay for current employees contact the Shared Services Center at (734) 615-2000 (option 2) or contact [Payroll@umich.edu](mailto:Payroll@umich.edu).
* For questions related to PeoplePay for non-employees contact the Shared Services Center at (734) 615-2000 (option 2).
* Contact the Office of Financial Aid at (734) 763-4303 or [sfps@umich.edu](file:///C:\Users\shiea\Downloads\sfps@umich.edu) for questions related to payments to students.

Related Standard Practice Guides:

* See [SPG 501.12 – Awards, Gifts, and Prizes](http://www.spg.umich.edu/policy/501.12)

Record of Revisions:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date of Issue** | **Description of Change** | **Page(s) Affected** | **Approved By** |
| 2/11/2010 | Original template created | All | [insert name] |
| 12/21/2010 | Updated to include SPG number (still under development as of Dec 2010) | 2, 3 |  |
| 12/20/2011 | Minor updates for FY2012 | 2, 3 |  |
| 12/5/2012 | 1 minor update for FY2013 | 2 |  |
| 2/25/2013 | Updated to include review of report to monitor who has taken training | 3 |  |
| 1/13/2014 | Updated contact info | 3 |  |
| 11/2016 | Accounting & Reconciliation section refined as well as contacts updated | 2, 3 |  |
| 11/2017 | Replaced broken link to Prizes, Gifts and Awards Decision Process document, and Added reference to new Reporting Prizes, Gifts, and Awards document | 2 |  |
| 11/2018 | Reviewed for FY19 updates – No changes noted |  |  |
| 11/2019 | Clarifying language and updated links | 1, 2, 3 |  |
| 11/2020 | Clarifying language, updated Cash Handling report | 1, 3 |  |
| 11/2021 | Updated Key Contacts | 3 |  |
| 11/2022 | Updated language | 1, 2 |  |

Document Owner: [insert name], [insert title]

Administrative Owner: [insert name], [insert title]