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

FINANCE
UNIVERSITY OF MICHIGAN

SUBJECT: Gift Cards – Process Documentation

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

NOTE: This document has been revised as part of the Annual Internal Controls Update

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 EBS Supported Departments, gift cards may be used for the following reason(s)/situation(s): • Employee recognition/appreciation		
Determine the number of gift cards needed prior to purchase.	Department Designated Staff (See *Appendix A*)	Unit should only purchase the exact number of gift cards that will be used within 30 days.
Purchase gift cards using a PCard which is the preferred method or an out of pocket reimbursement through Emburse Enterprise)	Department Designated Staff (See *Appendix A*)	
Review the gift card purchase to ensure it was appropriate and valid.	Department Administrative Authority (See *Appendix A*)	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.	Department Administrative Authority (See *Appendix A*)	The My LINC 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 a secure place such as a safe, locked drawer/cabinet.	Department Administrative Authority (See *Appendix A*)	Only authorized personnel should have access to the safe or drawer.

Gift cards are manually recorded/logged by the Department's Administrative Authority on an excel spreadsheet or Google sheet/doc to identify all purchases, distribution, recipients and timing to ensure all cards are accounted for.	Department Administrative Authority (See *Appendix A*)	A sample log can be found on the Internal Controls website.
Distribute gifts cards in a secure manner by presenting each gift card to the intended recipient of said gift card.	Department Administrative Authority (See *Appendix A*)	
Evidence of distribution is collected and maintained as follows: employees who receive a gift card will have their names added to a gift card log of recipients; employees should sign or initial the log as an acknowledgment of receipt. Evidence should be available and maintained from all recipients to validate actual and proper distribution.	Department Administrative Authority (See *Appendix A*)	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 Emburse Enterprise). ***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.*	Department Administrative Authority (See *Appendix A*)	
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.* ***NOTE:*** *The deadline for reporting of previous calendar year is the first week of January.*	Department Administrative Authority (See *Appendix A*)	SPG 501.12 Awards, Gifts, and Prizes For additional info on tax guidelines, see: Policy on Taxation of Gifts, Prizes & Awards to 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 or Reporting Prizes, Gifts, & Awards

		Click here 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.	EBS, T&E, SSC	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.	Department Administrative Authority (See *Appendix A*)	Report can be accessed through Wolverine Access/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.	Department Administrative Authority (See *Appendix A*)	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.
- For questions related to PeoplePay for current employees contact the Shared Services Center at (734) 615-2000 (option 2) or contact Payroll@umich.edu.
- For questions related to PeoplePay for non-employees contact the Shared Services Center at (734) 615-2000 (option 3).
- Contact the Office of Financial Aid at (734) 763-4303 or sfps@umich.edu for questions related to payments to students.

Related Standard Practice Guides:

- See SPG 501.12 – Awards, Gifts, and Prizes

Record of Revisions:

Date of Issue	Description of Change	Page(s) Affected	Approved By
2/11/2010	Original template created	All	
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	
12/2023	Added note, and updated link for Reporting Prizes, Gifts, & Awards	2	
11/2024	Updated reference to Emburse Enterprise instead of Concur, updated SSC option 3.	1, 2, 3	

Document Owner: Executive Business Services (EBS) and its supported departments
Administrative Owner: Executive Business Services (EBS)