

Rice University Policy Number 826

Gifts Made from University Funds

General Policy

Rice University allows the reasonable use of university funds to provide modest gifts for a valid business reason consistent with the university's mission of research, education and outreach. Such reasons may include awards for service and achievement of employees, acknowledgement of distinguished visitors, contributions to another charitable organization in furtherance of Rice's mission and expressions of sympathy.

Elaboration of Policy

As a public charity that receives tax-deductible contributions, Rice has an obligation to its donors and the public to use its resources responsibly and to apply its resources toward fulfilling its mission. Federal law and regulations discourage the use of University assets to make gifts to individuals or other organizations unrelated to the University's tax-exempt mission.

In addition, the IRS has stated that gifts to employees that do not meet specific criteria are taxable as income. Items that may be excluded are those that have so little value that accounting for them would be unreasonable or impracticable. The IRS regards any *gifts of cash and cash equivalents (including gift cards and gift certificates), no matter how small, as always taxable income, so such gifts must not be made with University funds.*

Expenses for flowers, gift baskets, and other gifts are considered unallowable expenses with regard to federal costing principles. All such expenses must be coded to the proper account number to facilitate exclusion from cost bases used in determining the University's facilities and administrative cost recovery rate and may never be charged directly to a federal grant or contract.

Policy guidance on various types of gifts is described below. For any situations not covered by the guidance, the Vice President for Finance or the Office of the General Counsel should be consulted before a gift using University resources is made.

Awards for achievement or length of service: The Rice Human Resources website includes descriptions of several University staff performance recognition programs (including the Distinguished Employee Award, recognition before the Board of Trustees, and the Elizabeth Gillis Award), and chairs and managers are encouraged to recognize high performance through the use of these programs. Bonuses, which must be paid through payroll, are also used to reward performance. Chairs and managers are encouraged to consult the University's Compensation Manager to discuss appropriate bonus amounts and rationales and follow school or division approval processes. Occasionally, gifts of tangible personal property of under \$100 may also be an

appropriate and timely way to recognize outstanding performance on projects or critical work initiatives.

The University's service recognition program, also included on the Human Resources website, recognizes all employees at twenty years of service and at retirement. Department and school and division leaders are encouraged to also acknowledge employee service milestones through special events and/or mementos of service achievement.

Any department-specific awards (other than those paid as bonuses) should not have a value of greater than \$100 (the de minimus standard for Rice), and cannot include cash or cash equivalents.

Acknowledgement of a distinguished visitor or donor: A small memento acknowledging a visiting dignitary or a donor may be appropriate if the gift advances the University's mission.

Expressions of sympathy: In the case of serious illness or death, Rice University funds may be used to send cards and modest gift baskets or floral arrangements to students, employees, and friends of Rice or their immediate family members. If a charitable contribution is requested in lieu of flowers, the amount contributed from a department's funds should not exceed \$100.

Contributions to another charity: Because the University receives funds from donors to carry out its own mission, Rice does not ordinarily make contributions to other charities, except in the case of memorial gifts mentioned above. However, in some circumstances, the University's objectives may be advanced by a contribution to another charitable organization, such as sponsorship of an event through a contribution, or donations to public radio or television stations in order to have a program or event mentioned on a broadcast. Schools and divisions must notify the Vice President for Public Affairs in advance of the commitment for any contribution to another charitable organization in excess of \$250, including gifts to purchase tables for charitable events, that is not part of donor relations. Gifts in excess of \$250 that are made to other charitable organizations in furtherance of donor relations must be coordinated with the Vice President for Resource Development. All gifts to another charitable organization of \$2,500 or more require the approval of the President.

Restrictions on the Use of University Funds for Gifts

No cash gifts or gift certificates and gift cards may be given to employees.

No gifts of any kind may be charged to federal or non-federal grants.

No gifts may be made to public officials without the prior approval of the Vice President for Public Affairs.

No gifts may be made to any political campaign.

No gifts may be made to employees in connection with birthdays or other personal events.

	Dollar Amount	Tax Status
<u>Gifts to Employees from University Funds</u>		
Tangible personal property, occasional	up to \$100	Not Taxable
Tangible personal property	>\$100	Taxable

Roles and Responsibilities

President

Approve gifts of \$2,500 or more to another charitable organization.

Vice President for Finance

Establish and update policy and procedures related to gifts.

General Counsel

Advise on proposed gifts and donations.

Vice President for Public Affairs

Approve gifts to a public official, provide guidance on the appropriateness of gifts of more than \$250 to a charity, including gifts to purchase a table for charitable events, and provide guidance on outreach as appropriate.

Vice President for Resource Development

Provide guidance on the appropriateness of gifts related to development interest and gifts made to other organizations in furtherance of donor relations.

Controller

Provide guidance on tax and accounting requirements to comply with procedures. Report the total of gifts made to charitable organizations in the University's 990-T.

Human Resources

Provide guidance on gifts for employee performance and service recognition, and appropriate bonuses.

Deans, Vice Presidents, and Department Chairs/Heads

Approve purchase of gifts pursuant to this policy.

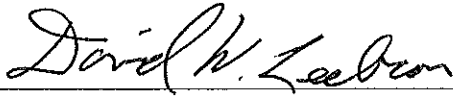
Department Administrators

Seek approval from the department chair or head for all gifts and donations made pursuant to this policy. Properly process (and code using account code 70870) all gift purchases allowable under this policy. Send copies to the Controller's office of acknowledgements or receipts for gifts made to charitable organizations.

Link to Procedures:

Guidelines on awards to employees: <http://people.rice.edu/appreciation/>
<http://people.rice.edu/servicerecognition/>

Date of Policy: February 28, 2012

A handwritten signature in cursive script that reads "David W. Leebron". The signature is written in black ink and is positioned above a horizontal line.

David W. Leebron
President