

SECTION: 3.0 PERSONNEL

SUBJECT: Retirement Awards, Life Events, Gifts And Receptions

Title: Retirement Awards, Life Events, Gifts and Receptions

Background: At the discretion of each department, gifts or awards may be made to college employees for non-performance related recognition, such as to celebrate retirement or other life events.

Point of Contact: Vice President for Finance & Administration and Human Resource Services

Other Lewis-Clark State College offices directly involved with implementation of this policy, or significantly affected by the policy: President's Office, Provost's Office and Vice President for Student Affairs

Date of approval by Lewis-Clark State College authority: June 12, 2017

Date of State Board Approval: N/A

Date of Most Recent Review: N/A

Summary of Major Changes incorporated in this revision to the policy: New policy

1. POLICY STATEMENT

- A. At the discretion of each department, gifts or awards may be made to college employees for non-performance related recognition, such as to celebrate retirement or other life events. The expense of such gifts or awards must be reasonable in dollar amount and related to the primary mission of the institution. Gifts and awards cannot be made using State appropriated funds or grant money. They must be processed through local funds.
- B. The guidelines in this policy must be followed or all or part of the value of gifts or awards will be reportable to the IRS as taxable income to the employee.
- C. This policy does not cover ordinary business expenses. Examples of ordinary business expenses are: occasional business lunches or office gatherings. Nor does this policy cover performance-based awards or bonuses, which are generally taxable to the recipient and are processed through payroll.

2. PURPOSE

- A. LCSC understands the importance of maintaining morale by recognizing an employee's retirement and other life events. This policy provides specific guidelines regarding the value and type of gifts or awards that are nontaxable income.
- B. Any exceptions to this policy may only be granted at the direction of the President or appropriate Vice President.

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3. RETIREMENT GIFTS

- A. The following guidelines have been developed in accordance with current IRS regulations:
- 1) Timing: A retirement gift may not be made to an employee with less than five years of service.
 - 2) Dollar limit and form of gift: The value or cost of the gift should not exceed \$100 and it is recommended that retirement gifts be in the form of tangible personal property. Any requisition for a retirement gift should be submitted by using the Meals/Entertainment Request (MER). Extravagant gifts, (\$100 or more in value) and gift cards are taxable to the employee and would require an exception.
 - 3) Types of gift: The College recommends the gift be limited to such things as:
 - a) Items engraved, printed, or marked with the reason for the gift, i.e. certificates, plaques, trophies, or other items so marked.
 - b) Items branded with the College's logo, mark, or name.

4. LIFE EVENT GIFTS

- A. Gifts of tangible personal property, such as flowers, may be presented as an expression of celebration in the event of the birth or adoption of a child to the employee, an expression of sympathy in the event of the death of the employee or a member of the employee's immediate family or household, or other rare, non-recurring events. The value must be limited to \$75 and must be processed through local funds – not appropriated or grant funds.

5. RECEPTIONS

- A. The College will reimburse or pay for the reasonable cost of a recognition reception held on campus that is open to all faculty and staff. Such events may include a modest cost for flowers, refreshments, or decorations, as long as only local funds are used. No more than \$150 per individual being honored may be spent on the event. To avoid tax liabilities, departments should ensure that receptions are conducted only on an occasional basis for a special event or celebration.