

## Fayetteville State University Guidelines for Gift Card & Gift Certificate Purchases

### I. General Information:

The purchase of gift cards and gift certificate from any funding source is discouraged. Gift cards and gift certificates are not issued to the recipient and therefore cannot be tracked, cannot be replaced if lost or stolen, and are generally a high risk item that does not allow for proper monitoring.

In consideration of the above information, if a department chooses to purchase gift cards, the following criteria must be considered and met.

### II. Definition and Criteria:

- Gift cards/gift certificates may not exceed fifty dollars (\$50) each, unless approved by the appropriate Vice Chancellor or Provost.
- Gift Cards/gift certificates may be given for as incentive or recognition for participation in various studies and programs sponsored by grant sponsored departments and student activity programs.
- **No State funds may be used to purchase gift cards/gift certificates.**
- **The use of P-Card to purchase gift cards/certificates is prohibited**
- Normal purchasing policies and procedures must be followed for the purchase of gift cards/gift certificates
- Sufficient non-state/grant funds must be available before purchase of gift cards/gift certificates can be authorized. Budget revisions, if necessary, must be completed prior to the issuance of a Purchase Order or purchase of gift card/gift certificates
- Gift cards/gift certificates may not be used as a form of honoraria for employees or guests of the University, including, but not limited to, guest speakers. These types of payments must be processed through the payroll system (for employees) or Accounts Payable (for non-employees)
- When gift cards/gift certificates are being purchased with grant funds, they must be included in the grant budget and must be allowable by the terms and conditions of the specific grant.

### III. Procedure:

1. A signed Authorization for the Purchase of Gift Cards/Gift Certificates is required PRIOR to purchasing gift cards or certificates. A separate authorization must be completed for each program or activity - i.e. a specific study, a specific event, etc. and must be specified in the "detailed description of intended purpose for items purchased" section on the form. It is recommended to limit the number of gift cards purchased at one time so that the disbursement documentation is more manageable. If the original intended purpose or intended vendor changes, a new authorization form must be completed. To the extent possible, the department is responsible for ensuring proper segregation of duties, i.e. separate individuals approving, purchasing, and distributing cards.

The following information will be required:

- Purchaser's Name
- Purchaser's Department
- Purchaser's Signature
- Vendor Name (where gift cards/gift certificates are to be purchased)
- Date and Amount
- Description of what's going to be purchased (i.e., specific store cards or shopping center gift certificates)
- Description of the intent for use (i.e., a grant's study, participation in student activity program, etc)
- Month/Year cards to be disbursed
- Appropriate authorized signature and date
- This form must be attached to the appropriate documentation for payment (such as a check request or invoice)
- Original itemized purchase receipt must be attached upon purchase

#### **IV. Departmental Documentation**

A Gift Card/Gift Certificate Disbursement Log is required to record the disbursement of all gift cards purchased - even if only one card is purchased for one individual.

1. Proof of original purchase and authorization form must be kept on file with the appropriate method of payment. The receipt must show the individual gift card numbers purchased.

2. Gift card/certificate numbers must be identified and entered in the "Gift Card or Certificate Number" column of the Gift Card/Gift Certificate Disbursement Log. The amount of each card must be entered in the "Amount" column.

3. A photocopy of the Gift Card/Gift Certificate Disbursement Log (with the card numbers and amounts) must be kept on file with the appropriate method of payment in the department or with the PI. The original Gift Card/Gift Certificate Disbursement Log is given to the person disbursing the gift cards.

a) The person disbursing the gift cards must update the disbursement log each time a card is disbursed:

- Locate the card number on the disbursement log
- Enter the name of the person receiving the card in the same line as the card number given
- Ask the person receiving the card to sign their name in the signature field. If the individual has a Banner ID number, it must be listed also.
- Enter the date disbursed

b) The person disbursing the gift cards must sign the disbursement log in the issued by field.

5. At all times the total of the undistributed gift cards/gift certificates and the

disbursement log must equal the total of all gift cards/gift certificates purchased. Periodically, without notice, Internal Audit or Business and Finance may request this information for audit purposes. It is the responsibility of the department to provide the up-to-date disbursement log, along with proof of remaining gift cards/certificates at the time requested.

6. Once all cards are distributed, the original Gift Card/Gift Certificate Disbursement Log must be forwarded to Business and Finance to be filed with the original payment paperwork. A copy should be kept for departmental files.

7. Departments using gift cards/gift certificates as incentives or rewards to participate in certain programs or studies must maintain documentation to indicating if the objective of the program/study were achieved and if the use of gift cards increased participation in the program/study. If it is determined the use of gift cards/gift certificates did not positively impact the program or study, the use of gift cards/gift certificates should be reconsidered.

## **V. Physical Control Over Gift Cards**

Gift Cards should be kept under lock and key at all times to ensure proper physical security and to protect from theft and loss. Access to the gift cards and keys to the lock areas should be limited to the individual(s) responsible for safekeeping of the gift cards.