



Recognition and Awards for Employees and Non-Employees

Policy Statement

Employee Awards

For the purposes of this policy, an employee is any person paid through UGA payroll. Recognition awards must be given under an established written recognition program which has been authorized by the dean or vice president. The [recognition awards template](#) should be used to document the required minimum elements of an awards/recognition program; units may add other pertinent elements to the document as long as they do not conflict with the minimum requirements. Awards must have a business purpose and be consistent across the unit/department. Examples of recognition awards could be “employee of the year” or “outstanding customer service awards.”

When using institutional fund sources (defined below) for employee achievement or recognition awards, the following guidelines must be followed:

- Private fund sources (funds 20200, 20300, 20400, 20500) should be used to purchase award items under this policy. These should be purchased using account code 714190. When processing payment, users should first confirm that the underlying fund allows for purchase of these awards; for example, the *Example Fund*, Class Code 67XXX (UGA Foundation - Fund 20400) only allows use for scholarships and therefore cannot be used to purchase awards under this policy.
 - In extraordinary cases where UGA Foundation or other private fund sources are not available, funds 12XXX, 14XXX, or 15XXX may be used to purchase award items using account code 714190. Use of these funds for purchasing these award items must be approved by a Dean or Vice President.
- Submit a copy of the established [awards program documentation](#) with any purchase requisitions or payment requests.
- The institution may not give cash or cash equivalent items such as gift cards.
- Cash awards are allowed under certain restrictions for UGA employees and students through the [UGA Foundation](#).
- Award items such as plaques, pins, or UGA school items (t-shirts, tie, etc.) must be purchased using UGA purchasing and payment processes. Do not submit these for direct purchase/payment by the UGA Foundation.
 - Items may be purchased in bulk and a list of employees receiving awards should be maintained at the department level.
- For tax purposes, the annual de minimis value (not taxable) per person is \$75 or less. Any awards that exceed \$75 per person per year may have associated tax consequences to the employee.

- The department is responsible for sending UGA Payroll a list of employees receiving awards that exceed the \$75 per person annual de minimis value. The taxable portion may require tax withholdings during the calendar year and will be reported on the employee's W-2.
- Units have the option of providing awards to recipients in the form of budgetary support for business-related travel to conferences and/or costs of other professional development activities when the event aligns with the duties and responsibilities of the award recipient. Units are not restricted to only use UGA Foundation or private fund sources for these travel or professional development expenses. Tax implications do not apply to business-related travel and professional development awards made under this policy for any amount. These expenses should be processed as travel and professional development expenses.
- P-cards cannot be used to pay for any type of achievement/recognition award.

Non-employee/Volunteer Awards

Institutional fund sources cannot be used to purchase award items for non-employees or volunteers. For example, appreciation awards given to a speaker should be purchased directly through the UGA Foundation.

Student Awards

Academic awards, other than those specifically designated by the UGA Foundation trust agreement or UGA Endowment trust agreement, may be given to UGA students related to academic achievement. Award items must be purchased with tuition funds (fund 10500) or student activity fees (fund 13000) where allowed. Award items for student workers, who are receiving an award as an employee that is part of a documented employee recognition program, should follow the policy section on Employee Awards (above).

Award Recognition Event Expenses

Any institutional fund source that does not have restrictions can be used to pay for award recognition event expenses such as room and audio/visual equipment rental, speaker fees, printing costs, and decorations. Institutional fund sources cannot be used to purchase food or beverages for the event. These items may be eligible for reimbursement through the [UGA Foundation](#).

Generally, institutional funds cannot be used to pay an individual's registration fee for an awards recognition event if the event is solely for employee appreciation or in connection with volunteer appreciation or recognition. However, private fund sources (fund 20200, 20300, 20400, 20500) may be used to pay these registration fees unless the underlying fund agreement restricts it.

Reason for policy

This policy and the related procedures conform to the [Board of Regents of the University System of Georgia Employee Recognition Programs policy](#). This policy clarifies instances when institutional fund sources may be used for achievement/recognition awards.

Procedures

Employee Awards

Award purchases funded by allowable institutional fund sources must be purchased through UGA purchase requests or submitted via UGA payment requests and include a copy of the unit or department's established/approved [awards program documentation](#).

Non-Employee Awards

Award purchases for non-employee awards, including appreciation awards to speakers and other individuals not included on UGA's payroll, should be made directly through the UGA Foundation (UGAF) and may be made via UGAF check request. These should include proper documentation as noted in the procedure found at [8.13 Cash Awards](#).

These purchases should not be made through UGA purchasing processes.

Forms/Instructions

[Recognition and Awards Program documentation](#)

Additional Contacts

Definitions

Responsibilities

Responsible University Senior Administrator: Vice President for Finance & Administration

Responsible University Administrator: Associate Vice President – Finance Division

Policy Owner: Accounts Payable

Policy Contact: Jennifer Dunlap

Phone Number: 706-542-0202

Record Retention

Citation or Reference: [Research Grant Records](#)

Number: 0472-09-006

These records relate to funded research grant proposals and research activity associated with grant funded projects. Examples of records include: supporting statistics, demographic data, draft proposals, suggestion revisions, final proposals, forms, protocols, applications, research/activity reports, progress reports, and summary reports.

Retention: Final research report: PERMANENT; All other records: 7 years after the end of the grant period.

Citation or Reference: [Accounting Records](#)

Number: 0472-03-001

This series includes bank statements, purchase requests, purchase orders, requisitions, financial reports, accounts payable and receivable records, write-off records, discrepancy, payment schedules, operating statements, year-end projections, reconciliation and expenditure reports, cancelled checks, check stubs, moving expenses records, cost accounting reports, refund/disbursement request records, returned checks, deposit slips, travel records, credit voucher requisition records, cash balances and reconciliations, sales and cash reconciliation records, journal entries, outstanding obligations, refund/disbursement requests, receipts, and invoices.

Retention: Monthly and quarterly reports: 1 year; All other records: 5 years.

What are institutional funds?

Institutional funds are funds managed and used by the University for its operations. The primary institutional/operating funds are fund codes that begin with 1 and 2. Funds that begin with 2 are restricted funds and any purchases using these funds must be allowed by the provider of those funds as specified in the underlying trust agreement.

What are the tax reporting considerations associated with awards given to an employee?

The following types of non-cash awards may be excluded from income:

1. Employee Achievement Awards if meets all of the following requirements:
 - a. Must be given for length-of-service or safety achievements, and both of the following applies:
 - i. Employee must *not* have received the award during his/her first 5 years of employment, and
 - ii. Employee must *not* have received another length-of-service award (other than one of very small value) during the same year or previous 4 years.
 - b. Must be awarded as part of a meaningful presentation.
 - c. Cannot be disguised wages or made under conditions and circumstances that create a significant likelihood that it is disguised wages.
 - d. Must be made under an established [written plan](#) that does not discriminate in favor of highly compensated employees.
 - e. Must not include vacations, meals, lodging, tickets to theater or sporting events, stocks, bonds, or similar items.
2. Prizes or Awards Immediately Transferred to Charities if meets all of the following requirements:
 - a. Award is for achievement
 - b. Recipient is selected without entering any contest
 - c. No substantial future services are required
 - d. Recipient transfers the award to a charitable organization recognized under IRC 170 (c) prior to receiving the benefit
3. De Minimis Awards and Prizes
 - a. A prize or award that is not cash or cash equivalent, of *nominal value (\$75 or less)* and provided *infrequently* (not more than one a year) is excludable from an employee's wages.
 - b. If an employer provides an award that exceeds either the value or frequency limitations for de minimis fringes, the entire award is taxable, not just the portion that exceeds the de minimis limits.

If funds for awards or prizes are provided by an outside party, the award is taxable in the same way as if provided directly by the employer. If the funds are turned over to the employer to select and distribute the awards, the employer is responsible for all applicable payroll taxes and withholding.

Related information

University of Georgia Foundation [8.13 Cash Awards for Employee and Students](#)

University of Georgia Foundation [8.8 Unique Purchasing and Payments](#)

Board of Regents Human Resources Administrative Practice Manual: [Employee Recognition Programs](#)

Board of Regents [Gratuity Policy](#)

UGA HR [1.6.14 Service Awards](#)

UGA IA [1.6.6 Gratuities](#)

IRS Fringe Benefit Guide <http://www.irs.gov/pub/irs-pdf/p5137.pdf>

Policy Dates

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