

Policy on Smith Giving to Organizations and Individuals

Approved: January 6, 2011

Other Information: Travel and Entertainment Policy: <http://www.smith.edu/controller/TravelPolicy.htm>, Code of Conduct Policy: <http://www.smith.edu/hr/conduct.php#C4>, Sponsorship of Events: <http://www.smith.edu/emo/sponsorship.php>

Office/Administrator Responsible: Controller's Office; Controller

Introduction

This policy ensures adherence with college policies and federal and state regulations regarding gifts and donations to organizations, employees and other individuals.

Scope

This policy applies to faculty, staff, departments, and student organizations that might consider giving gifts or donations (regardless of funding source) from Smith to organizations, employees, students, or others.

Policy

A. Gifts to Non-Profit Organizations

Smith has a centralized approval process for any donation from the college. As a charitable organization itself, the college approves few charitable contributions to other non-profit organizations. Please contact the Controller with questions regarding donations.

Sponsorship of Events is governed by the Events Management Office.

B. Gifts to Individuals

Gifts to individuals, including gift cards, are considered compensation by the Internal Revenue Service (IRS) and are subject to tax reporting and withholding requirements.

1. Payments to Employees and Students

Gifts to employees and students from college funds are generally not allowed. All payments (excluding business expense reimbursements and refunds) to employees and students must be made through the payroll system to ensure adherence to college policies and federal and state regulations. Only tangible gifts valued under \$25 are allowed, and those do not have tax implications for the recipient. A tangible gift may not be cash, a gift certificate, or gift card.

A department may take up a collection for gifts recognizing an employee's life events such as weddings, births, illness, and so forth. Funds collected should not be deposited into college accounts; departments should manage the collection independently.

2. Payments to Others

All payments to non-employees and non-students must be made directly from Smith (through the accounts payable system) to ensure compliance with applicable regulations. Tangible gifts under \$25 are allowed without tax implications for the recipient.

Host gifts are governed by the Travel and Entertainment policy.

3. Allowable Exceptions

The IRS allows tangible gifts based solely on years of service that are part of a college-wide recognition event; these are not taxable for the employee. For long-time employees (at least 10 years of service), departures or retirements from the college may be recognized with tangible gifts costing under \$350. These must be approved by a department head, and should be given to the employee as part of a meaningful presentation.

NOTE: Gifts from vendors are governed by the Code of Conduct policy.