**Best Practices – GIFT CARDS**

**Purchasing gift cards and/or gift certificates**: You must follow the normal procedures when making a purchase using payment vouchers or employee reimbursements. In addition, you must also include a thorough explanation of why the gift cards are needed to fulfill the goals of the program(s) and the public purpose served. Also, indicate how the gift cards will be secured prior to distribution. Gift cards are prohibited from being purchased with a P-Card (see [P-Card Restricted Purchases list](http://www.asu.edu/purchasing/forms/restrictlist.pdf)) or with a cash advance (see [FIN421-05](http://www.asu.edu/aad/manuals/fin/fin421-05.html).)

**Handling the gift cards and/or gift certificates:** Special care must be taken to insure proper control over these "cash-equivalent" instruments at all times. Since these are considered "cash equivalents," they have the same strict handling guidelines as cash. Specifically, place cash equivalents in a safe and secure, lockable cash box inside a locking desk or cabinet, with access restricted to a business 'need-to­ know' basis. Keep a log of anyone issued a key or given knowledge of the combination. Keep the number of people with this access to the minimum possible, in almost all cases to a maximum of five.

**Distributing the gift cards and/or gift certificates:** Additional information and documentation is needed to properly support the disbursement of the gift cards, as follows:

1. Indicate how, when, and to whom the gift cards were distributed
2. Maintain a signed log/receipt for each gift card showing when it is was distributed- see below for what should be included on the log/receipt
3. Indicate the disposition of unused, excess gift cards, if any

A log/receipt that the recipient signs should contain at least the following information:

1. Recipient's name
2. Date
3. Description/purpose of gift card
4. Amount/value
5. How value was determined, (i.e.: retail value)
6. Recipient's signature acknowledging receipt of the gift card
7. Indicate whether recipient is a U.S. citizen, permanent resident, or a nonresident alien\*\*
8. Indicate whether recipient is an ASU employee or student\*\*

\*\*For an ASU employee, affiliate ID must be provided if gift card is over $25.

\*\*For an ASU student, affiliate ID must be provided if gift cards cumulative value is $600 or over.

\*\*For other US citizens, IRS W-9 must be provided if gift cards cumulative value is $600 or over.

\*\*Gift cards to nonresident aliens will be subject to the tax withholding and reporting rules described in [FIN 425](http://www.asu.edu/aad/manuals/fin/index.html#400), "Payments to Nonresident Aliens."

For the above\*\* items, you must provide a copy of the log/receipt and applicable form(s) to Tax Services for proper income tax reporting to the recipients.