



Gift Card Guidelines and Procedures

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1. SCOPE

The use of gift cards must comply with the mission of CSUCI and adhere to all policies and procedures. The following are guidelines and procedures for purchasing and distributing all cash equivalents using University and Auxiliary funds. Gift cards purchased with Sponsored Project funds must also follow state and federal regulations as applicable.

2. OVERVIEW

The purchase of cash equivalents must always comply with Internal Revenue Service (IRS) regulations as it pertains to gift cards. Under Internal Revenue Code Section 132, a gift card, gift certificate, store-value card, or a prepaid credit card, collectively referred to as a gift card, **is considered a cash or cash equivalent** that is subject to taxes regardless of the face value.

When the use of gifts cards/cash equivalent is necessary, the guidelines and procedures outlined below must be always adhered to.

The use of gift cards/cash equivalents should only be considered when no other option is viable, should be infrequent (if not part of research or incentive programs), and conservative in value. A CSUCI Gift Card/Certificate Purchase Pre-Authorization Form is required prior to purchase.

Gift cards are also subject to the [Hospitality Policy and Guidelines](#)

Please see the [Payments to Students Policy \(coming soon\)](#) for determination of student payment activity.

3. RECIPIENTS OF THE GIFT CARDS/CASH EQUIVALENTS

Employees (Faculty, Staff, and Student Assistants) are not authorized to receive gift cards or cash equivalents in addition to compensation received by the State.

Students

The value of gift cards/cash equivalents given to students is reportable and may be taxable as outlined below.

- All gift cards/cash equivalents for students will be reported to Financial Aid by the Procurement Department.
 - ✓ Per Federal Regulations under 34 CFR 673.5 and 685.102(b), any funds a student receives as a result of being enrolled in postsecondary education are considered estimated financial assistance (EFA) and must be counted in their Cost of Attendance (COA)
 - ✓ Depending on the student's financial status this may affect their financial aid award and it would need to be disclosed to students **before** accepting the gift cards and Procurement reports the students and gift card information to the Financial Aid & Scholarships office.
- De minimis amounts do not apply.
 - ✓ *This means that a gift card provided to a student is required to be reported to Financial Aid.*
- A student may only receive one gift card per event/award.
- If a student does not have financial aid, and if the cumulative value of gift cards for a student

reaches \$600 in a calendar year, it is taxable and reportable on IRS form 1099-MISC.

Nonresident Aliens

For students with nonresident alien status, the IRS requires that 30% of the value of the gift be withheld. However, due to the impracticality of withholding on a gift card/certificate, the Department distributing the gift card/certificate is responsible for the payment of the applicable tax. To ensure accurate reporting and payment of such taxes, departments must contact the Financial Services Office at CIAP@cusci.edu

4. ALLOWABLE AND NON-ALLOWABLE GIFT CARDS/CASH EQUIVALENTS

Gift cards **MAY** be purchased under the following circumstances:

- To pay for awards, prizes, and non-research incentive participation to employees and students. Please see Hospitality Guidelines Section #7, Award and Prizes.
- Gift cards/cash equivalent may be purchased for approved research study participants (i.e., survey participants). Please see Participant Research and Incentive Payment Guidelines.

Gift cards may **NOT** be purchased for the following circumstances:

- Holiday or other gifts to employees or students
- To pay suppliers and consultants for goods and/or services received
- Gifts for graduating students
- Employees/Student assistants may not be given gift cards for work-related activities (e.g. bonuses, incentives, rewards, etc.)
- Payments to volunteers

5. TANGO PLATFORM OVERVIEW

The Tango Card Platform is a versatile solution aimed at simplifying and centralizing the gift card process for CSUCI. This platform offers a range of tools and services to streamline the procurement, distribution, and management of gift cards, ensuring a seamless experience for both administrators and recipients.

Key Features:

- **Centralized Hub:** The Tango Card Platform serves as a centralized hub where CSUCI administrators can access a diverse array of digital gift cards from leading brands across various industries, eliminating the need to maintain relationships with multiple vendors.
- **Customization Options:** Administrators have the flexibility to customize gift card programs according to CSUCI's specific needs and preferences. This includes selecting preferred brands, denominations, and delivery options, ensuring a tailored approach to gift card distribution.
- **Intuitive Management Tools:** The platform offers intuitive management tools that enable administrators to oversee gift card programs effectively. They can track spending, monitor usage, and generate comprehensive reports to gain insights into gifting activities, enhancing transparency and control.
- **User-Friendly Experience:** For recipients, the Tango Card Platform provides a user-friendly experience, allowing them to receive and redeem digital gift cards seamlessly across multiple channels, including email, mobile devices, and online platforms.

6. PROCESS GUIDE

1. Complete 1-1 training with Director of PCS prior to requesting gift cards.
2. Identify Gift Card requirement, to include the number of recipients and total dollar amount required.
3. Complete and route a Gift Card Preauthorization / Funding Request Form signed by Department Approving Official, Procurement Card Coordinator, and Director of Procurement. Please note: The Tango Card platform charges a 3.5% fee for the use of its services. This amount will need to be included in the request form.
4. Upon approval of the Gift Card Preauthorization / Funding Request Form, the PCS Team will create a user profile in Tango allowing the requestor to issue gift cards. Additionally, the Director of PCS will create an Instant Card (virtual credit card) and send the requestor the credit card details to make the purchase.
5. The requestor will receive an email from Tango with login instructions.
6. Requestor logs into Tango and uses the Instant Card details to add funding to their profile.
7. Requestor chooses brand of gift cards they wish to send and enters:
 - reward amount, name of recipient, email address, and student ID #. **Failure to include student IDs will cause delays in the reconciliation process and reporting to Financial Aid.** (Modify)
8. Once all recipients are inputted, requestor completes purchase and gift cards are emailed to recipients.
9. Upon completion, requestor must send receipts to PCS for audit retention.
10. PCS sends report export from Tango to Financial Aid detailing list of recipients and amounts awarded.

*Please note that prior to issuance of gift cards, the requestor must have the student sign the Gift Card Acknowledgement form.

7. GIFT CARD TRACKING

- The Director of Procurement will send monthly reports to Financial Aid documenting all gift card issued to students for each respective month.
- In the event a cumulative total of \$600 or more in Gift Cards/cash equivalent has been issued in a calendar year to a student that does not receive financial aid, the dollar amount issued will be reported on a 1099-MISC or 1042 (for non-residents) to the recipient.
- Fiscal Services will be maintaining a calendar year list for a cumulative total of \$600 or more in Gift Cards/cash equivalent to an individual (non-employee) / student that do not have financial aid.

Failure to follow the policies and procedures as stated above and to maintain appropriate supporting documentation can result in the suspension of the privilege to purchase and distribute gift cards.

8. RESOURCES

- [California State University Hospitality Policy](#)
- CSUCI Gift Card Purchasing Procedures (this document)
- [CSUCI Gift Card/Certificate Purchase Pre-Authorization Form](#)

- [Gift Card Acknowledgement Form](#) (for a single employee)
- Payment to Student Policy (available soon)
- Cash and Cash Equivalent New Custodian Form (available soon)
- CSUCI Gift Card Issuance and Acknowledgment Log (available soon)