

## **ADMINISTRATIVE PROCEDURE**

### **Gift Cards**

#### **Details**

The purchase of gift cards is not recommended unless absolutely necessary.

- Gift cards to students, parents and volunteers require superintendent prior approval
  - If approved, a log must be kept in the event they receive over \$600 during the calendar year, as the amount then would be reported on Form 1099-MISC. The log must be sent to Accounts Payable at the District office by the end of the calendar year. Log must include:
    - Recipient name
    - Purpose
    - Date
    - Type of Gift Card/Serial Number
    - Amount
  - Gift cards may not have a face value greater than \$50
- Gift cards are prohibited for employees (includes requests for gift cards as an incentive, gift or in return for services)
- Gift cards may not be purchased for classroom or student use
- Gift cards cannot be purchased using grant funds

#### **Why This Is Important**

- Purchase of gift cards is generally prohibited by [Internal Revenue](#) - law **Internal Revenue Code Section 132(a)(4)**
  - **The Internal Revenue Service considers gift cards, gift certificates and stored value cards to be cash equivalents, making them reportable as taxable income under W-2 regulations**

Adopted: December 1, 2022