

Prize, Incentive and Apparel Policy

Office/Contact: Vice President for Finance and Administration

Sources/Links:

If certain dollar thresholds are satisfied, the prize or award is reportable to the IRS on IRS Form 1099-MISC, Miscellaneous Income: <https://www.irs.gov/forms-pubs/about-form-1099-misc>, or on IRS Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding: <https://www.irs.gov/pub/irs-pdf/f1042s.pdf>.

NORTHERN STATE UNIVERSITY

Policies and Guidelines

SUBJECT: Policy requirements for the purchase of prizes, incentives and apparel.

NUMBER: 5:2

1. Purpose

To establish a policy regarding the use of university funds to purchase prizes, program incentives and apparel that encourages participation while supporting the educational mission of the University.

2 Policy

2.1 This policy applies to all fund sources with the exception of state appropriated, tuition and special discipline fee funds. Under no circumstances will prizes, incentives and apparel be purchased from those three fund sources.

2.2 Prizes, gift cards, and other incentives purchased with university funds should not exceed \$200 per event. Gift cards are limited to a \$50 per card maximum. Ordering extra gift cards, prizes, incentives and apparel to hold for future use is not allowed.

2.3 Student organizations may purchase apparel or name tags for the student members of the organization to be identified at meetings, events and other campus activities.

2.4 General Activity Fees (GAF) may be used to purchase apparel for programs designed to promote participation. The event must be open to all Northern students. Student organizations are allowed up to \$500 for one such event per semester. Intramural team Championship t-shirts are allowable if approved by SBAC during the annual student budget process.

2.5 Student organizations requesting GAF funding must specifically identify the request to purchase prizes, incentives and apparel for students actively participating in the organization in

the annual budget request submitted to SBAC. The budget request must include a cost estimate, anticipated number of prizes, incentives and apparel, and the number of students in the organization. The SBAC reserves the right to deny any portion of the funding request.

2.6 Departmental requests to purchase prizes, incentives and apparel must be approved by the respective Dean/Vice President.

2.7 NSU Brand Policy and Student Organization Policy govern the use of logos, marks, graphics, logo lockups, and other brand conventions and standards within NSU creative materials that support Northern State University brands.

2.8 All gift cards are taxable regardless of the amount. The value of gift cards will be added to W2 forms when the recipient is an employee of the university and the gift card is related to their employment. The value of gift cards and other prizes or incentives will be reported on form 1099-MISC when the value reaches \$600 in a calendar year.

2.9 Gift cards must be purchased through the NSU Purchasing Office.

Gift card award procedures

https://portal.sdbor.edu/nsu-fac-staff/employeeresources/finadmin/_layouts/15/DocIdRedir.aspx?ID=3T725ZWP224K-829-92

Gift card certificates

https://portal.sdbor.edu/nsu-fac-staff/employeeresources/finadmin/_layouts/15/DocIdRedir.aspx?ID=3T725ZWP224K-829-93

3. Responsible Administrator

The Vice President for Finance and Administration is responsible for annual and ad hoc review of this policy and its procedures.

4. Source History

Last revised July 1, 2015.

Updated March 7, 2022

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