Gift Cards Training

October 22, 2025

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Background & Importance

Gift Cards – cash-like instruments used in lieu of cash or check.

- They have a value & must be properly managed.
- Decentralized administration at CU.
- Responsibility as a public institution to be good stewards of funding (federal, state, sponsor, departmental, etc.)
- Commitment to consistent policy compliance (ie. IRS regulations, Sponsor financial management, University policy).
- Personal responsibility & accountability.
- Improper management can lead to additional administrative work & consequences.

Allowable Use

University Policy Statements:

- Finance Procedural Statement: Gift Cards
- Finance Procedural Statement: Recognition & Training
- Finance Procedural Statement: Study Subject Payments
- Finance Procedural Statement: Sensitive Expenses

Allowable:

- Study Subject Compensation (up to $100 per payment)
- Recognition of University employees or other individuals
  - Employee Recognition (includes student employees)
    - Merit, Safety, Length of Service, Participation
  - Non-Employee Participation & Recognition
    - Door Prizes, Survey Incentives, Awards, Honoraria

Prohibited:

- Student Academic Awards (go through Financial Aid)
- Study Subject Payments over $100 per payment
- Payments/Awards to non-US persons

Where to Start

Do I need a Gift Card Authorization?

- Yes – if gift cards are being charged to the University, a Gift Card Authorization must be established before any cards may be purchased or distributed.

- Work with your department to ensure all internal requirements are met and submit the request.

Gift Card Authorization Request Process

1. Review Policies & Procedures
2. Complete Custodian Training Course (Percipio #U00224)
3. Submit form & supporting documentation to pcgc@ucdenver.edu for processing.
4. Address questions & wait for approval from Fiscal Compliance.
5. Purchase gift cards & manage program.

Gift Card Authorization Request Form

- Gift Card Authorization Request required before purchase/distribution.
- All fields on Gift Card Authorization Request under "To Establish a New Gift Card Program" must be completed
- The two signatures on the bottom you are responsible for (fiscal compliance processes and obtains remaining approvals):
  - Custodian Signature
  - Organizational Unit Authorizing Signature

Additional

- Provide a set of Internal Controls.
- Provide a copy of the approved IRB if a study (495102)
- Provide a copy of the approved RPA (Recognition Program Authorization) if:
  - 550106-Any dollar amount going to employees requires getting an RPA set up
  - 550108- non-employees exceeding $100 in an aggregate calendar year

What is approved for your Gift Card Program is what is audited, so ensure accurate submissions, and request program changes as needed so the required approvals are in place & you remain compliant with University policy & procedure!

Effective Date: 08/07/2021

University of Colorado
Boulder | Colorado Springs | Denver | Anschutz Medical Campus
Procurement Service Center (PSC)

Gift Card Authorization Request (GC)

Purpose:
Used to request the establishment or modification of a gift card program, and to accept custody of that program.
See the PSC Procedural Statement Gift Cards and, as appropriate, the PSC Procedural Statements Recognition & Training, or Study Subject Payments.

Action Requested:

☐ Create New Program ☐ Change SpeedType ☐ Change Location ☐ Change End Date
☐ Change Amount ☐ Change Custodian ☐ Other Change

Controller Office Use Only:
☐ Close Gift Card Program
Date / Initials: ____________

To Establish a New Gift Card Program

Organizational Unit Name:		Custodian Name:	
		Custodian Employee ID #:	
		Custodian Phone:	
Exact address where cards will be located:		Custodian Email:	
		Custodian Campus Box:	
Purpose of Gift Card Program:		SpeedType:	
		Account:	
Card Type (ex: Target):		Account:	
Card Denominations:		☐ Other account than those listed above	Account:
Distribution Method (Physical or Electronic Cards; In-person, Email, or Mail)			
Average # of cards dispensed per week:		Total $ amount of cards to be purchased:	
Period of time over which cards will be purchased & distributed: Start Date:	End Date:	Maximum $ amount per individual per calendar year:	

Will any of the recipients be non-U.S. persons? ☐ Yes ☐ No ☐ Unknown

Will this be used for study subject payments? ☐ Yes ☐ No

If used for study subject payments: What is the type of protocol? ☐ Exempt (Anonymous) ☐ Expedited (Minimally Invasive) ☐ Full-Board (Invasive)

If used for recognition awards: Attach approved Recognition Program Authorization (RPA) form or other documentation: ☐ Documentation attached

Custodian Signature	Date	Organizational Unit Authorizing Signature	Date
Campus Controller (or delegate) Authorizing Signature	Date	Administrative Compliance Approver Signature *(Required for Fund 30, 31, 34, or 35 SpeedTypes)*	Date

When all necessary departmental signatures have been obtained:

Compliance Reminders

Stacking Payments
Delayed Payments
Exceeding Denomination Thresholds

- Gift Cards are meant to be issued at time of completion or close to that time, if you are wanting to pay a lump sum to the participant at the end of multiple visits that should be paid through check (SSP Form or PA Form).
- The Denominations Field on the form are the only denominations that are approved to be purchased.
- The FPS: Gift Cards prohibits Study Subject Payments to be issued via gift card when the individual payment exceeds $100.
- Paying multiple gift cards in the same day to bypass these limits is also non-compliant.

Example:

Card Type (ex: Target):	Amazon, Target, Walmart
Card Denominations:	$25, $50, $75, $100
Distribution Method (Physical or Electronic Cards; In-person, Email, or Mail)	Electronic Cards via Email

Payment Schedule for Study	
Visit 1	$25
6 Month Follow-Up	$50
6 Month Survey Completion	$25
12 Month Follow-Up Interview	$100

CUSTODY

What is a Custodian?

- A single CU employee designated to oversee the Gift Card Program.
- Responsible for ensuring all purchasing, security, dispensing, tracking, and replenishing procedures are followed.
- Individual is responsible for lost/stolen gift cards and may be held personally liable for their value.
- Required to be a University Employee (No students, student employees, or POIs).
- Individuals involved should familiarize themselves with policies, procedures, and requirements to properly manage.

Can a second individual oversee distribution?

- A temporary transfer of custody is allowable with proper documentation. (Transfer Memo)
- Ensures all cards are accounted for and where responsibility lies.
- Should be short term (ie. 1-2 weeks).
- Longer term outage (ie. Parental Leave) should officially update custodian

SECURITY

Gift cards must always be secured.

Cards should be accessible only to the custodian.

- **Physical Cards**
  - In a locked box or bag inside a locked cabinet or drawer accessible only by the custodian.
  - Should be housed at University office location.
- **Electronic Cards**
  - Should be purchased and distributed directly to the recipient from the vendor. On an as needed basis.
  - If electronic codes are pre-ordered, like Physical Cards these must be secured (ie. Locked file only accessible to custodian).

Do not combine gift cards from separate programs.

Separate tracking & security is required.

PURCHASING

How to Purchase Gift Cards:

- Purchased with University Procurement Card from vendor.
  - Custodian can work with purchaser in their department to complete – no card sharing.
- Tango – Vendor established in CU Marketplace to load funds.
- Cards should **not** be purchased with personal funds/out-of-pocket.

Purchasing Guidelines

- Purchasing should be on **as-needed** basis to avoid an excess inventory (ie. Next 2 weeks – 3 weeks).
- Ensure purchases are in line with approved Gift Card Authorization (ie. Card denomination, purchase/distribution period, etc.).
- Remember your approval period, this encompasses when cards must be purchased & distributed.
- Keep your receipts! Needed to reconcile program and expense reports.

Purchasing Issues

- Some vendors have a restricted Merchant Code, PSC must lift the restriction in order to complete.
- Work with Commercial Card Team/PSC through Cardholder Request process. Must provide copy of approved Gift Card Authorization.

DISTRIBUTION

In-Person (Physical Cards / Pre-purchased Codes)

- Recipient signs (or initials) receipt that they received payment. (Pre-numbered receipt book recommended). The following listed:
  - Recipient name or study ID number
  - Serial Number of card
  - Payment purpose
  - Date of payment
  - Amount
- If emailing a pre-purchased code, receive confirmation they received it. (not recommended route of distribution).

Electronic / Email

- Direct from vendor to participant email address.
- Save receipt from vendor showing where card was sent.
- Do not need to have confirmation it was claimed.

Mailing

- Not recommended, if must be done should be direct from vendor to participant.
- If mailing by custodian, secondary witness (univ employee) must be present and sign off on mailing.
- Certified Mail required for larger payments (>$50). Recommended for all.

TRACKING

Tracking Log / Audit Log <u>is required.</u>

<u>Must include the following fields:</u>

- Purchase Date
- Card Serial Number (or order number)
- Distribution Date
- Denomination
- Card Type
- Payment Purpose
- Recipient Name or Study Subject ID Number
- Receipt Number (if applicable)

Tracking Log must include all Gift Cards associated with the authorization. (ie. Cards purchased but not distributed).

- Should be clear to an outside reviewer.
- If change in Speedtype indicate on log where charges begin hitting the new Speedtype.
- Separate Authorizations need their own log.
- Do <u>not</u> combine multiple gift cards into one line.

TRACKING LOG EXAMPLE

	Department:	Financial Services						
	Custodian:	Holly Day						
	Speedtype:	63412345						
	Approval Period:	5/1/2019 - 5/1/2020						
	Date Purchased	***Serial Number***	***Type of Card***	***Card Amount***	***Date Disbursed***	***Payment Purpose***	***Recipient Name or Participant ID Number***	***Recipient Initials or Participant Receipt Number***
1	1/1/2020	123456789	Target	$ 20.00	1/15/2020	Survey #1 Completion	Joe Smith	Receipt 101
2	1/1/2020	234567890	Target	$ 20.00	1/18/2020	Screening Visit	Bob Roberts	Receipt 102
3	1/1/2020	345678901	Amazon	$ 20.00				
4	1/1/2020	234586310	Amazon	$ 20.00				
5								
	Gift Card Reconciliation:							
	Cards Purchased:	4						
	Amount Disbursed:	2						
	Cards On-hand:	2						

RECEIPT

Date 1/15/2020 Receipt Number: 101

Amount Received: $20 Target Gift Card #123456789

For Payment Of: Survey #1 Completion

Received By: Joe Smith *Joe Smith* Received From: Holly Day

	Department:	Financial Services						
	Custodian:	Holly Day						
	Speedtype:	63412345						
	Approval Period:	9/1/2022 - 9/1/2023						
	Date Purchased	***Order Number or Gift Card Serial Number***	***Type of Card***	***Card Amount***	***Date Disbursed***	***Payment Purpose***	***Recipient Name or Participant ID Number***	***Recipient Email Address***
1	9/27/2022	Order #123456789	Amazon	$ 50.00	9/27/2022	Survey #1 Completion	1234	bob.smith@exampleemail.com
2	9/27/2022	Order #123456789	Amazon	$ 20.00	9/27/2022	Survey #1 Completion	1235	john.roberts@exampleemail.com
	Gift Card Reconciliation:							
	Cards Purchased:	2						
	Amount Disbursed:	2						
	Cards On-hand:	0						

amazon.com

Final Details for Order #123-4567891-1234567

Print this page for your records.

Order Placed: September 27, 2022
Amazon.com order number: 123-4567891-1234567
Order Total: $50.00

Gift Cards

Sent	**Amount**
E-mail gift card to: bob.smith@exampleemail.com	$50.00

- **From:** Holly Day
- **Message:**
Hello Bob,
- Thank you for participating in the campus-wide survey process. Included is an Amazon gift card to recognize your efforts completing!

Payment information

Item(s) Subtotal:	$50.00

Total before tax:	$50.00
Estimated tax to be collected:	$0.00

Grand Total:	**$50.00**

TAX REPORTING

Calendar Year:
January 1 – December 31

Tax Reporting is determined according to gift card use & dollar amount.

- Study Subject participation (> $100 in calendar year).
- Non-Employee Participation/Recognition (> $100 in calendar year).
- Employee Participation/Recognition (any dollar amount).

Reporting Process

- Must be completed at end of each calendar year or at close out if earlier.
- **Study Subject Reporting:**
  - 1099MISC Spreadsheet completed and sent to PSC securely for Study Subject Participation. (Custodians receive an email with instructions).
- **Recognition Reporting** – submitted within 60 days of the event/payment.
  - Non-Employee Participation/Recognition send Recognition Reporting Form (RR) to PSC.
  - Employee Participation/Recognition send Recognition Reporting Form (RR) to Employee Services.

How long do we maintain the W-9?

- Must be maintained in line with Record Retention Policy (APS #2006).

Reconciliation

Cards Distributed + Cards on Hand = Purchased Cards

- Reconciliation should occur each time new cards are purchased and at least quarterly.
- Ensure tracking log and participant receipts are up to date, investigate discrepancies timely. (Lost or Stolen cards report to pcgc@ucdenver.edu)
- Secondary individual (ideally dept. Approver, admin, etc.) should reconcile on quarterly basis.
- Match purchases to Financial Report in CU Data (ensure charges are allocated to the approved Speedtype and Account Code indicated on the approved GC Authorization)

EXPENSE ALLOCATION

Allocate expenses on Concur Expense Report to the Speedtype & Account Code included on approved Gift Card Authorization.

- **495102** – Study Subjects
- **550105** – Performance/Supporting Awards Non-Employee
  (Pulls as "Recognition Awards Non-Employees")
- **550106** – Employee Recognition
  (Pulls as "Recognition Awards Employees")
- **550108** - Non-Employee Participation/Recognition
  (Pulls as "Participant Prizes")

- Attach copy of approved Gift Card Authorization Form with your supporting attachments. (Signed by Fiscal Compliance).
- **Approvers** – Send report back if there is not evidence of Gift Card Authorization approval, or misallocated expenses.

Expense Reports should be completed timely (monthly) to ensure proper fiscal oversight and prevent personal taxation to cardholder (BEX).

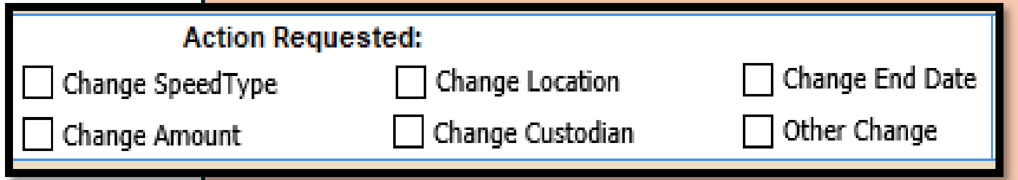
Audit

- Fiscal Compliance periodically reviews records related to gift cards; our gift card audit program includes:
  - In-Person/virtual reviews
  - Desk reviews
  - Expense allocation report
  - Close Out audit
- All gift card inventories and documentation must be available for audit; ensure you are managing a compliant program.
- Internal or External Audit, along with Sponsors may also review gift cards.
- Departmental reviewers/spot audits are also common & recommended.
- University's Record Retention Policy applies (APS #2006 – Retention of University Records)

UPDATING AN AUTHORIZATION

When to Update:

- Any changes to the operations of the program must receive approval through Fiscal Compliance.
- **Examples of changes:**
    - New Speedtype
    - Change of Start or End Date
    - Amount Changes
    - Card Denomination / Payment Amounts
    - Amt per Individual in a calendar year change
    - Distribution format
    - Custodian
    - Location


Action Requested:
☐ Change SpeedType ☐ Change Location ☐ Change End Date
☐ Change Amount ☐ Change Custodian ☐ Other Change

How to Update:

- Fill out blank Gift Card Authorization Request Form identifying necessary changes. Custodian & Org Unit Authorizer must sign.
- Submit to pcgc@ucdenver.edu for processing with a copy of last approved authorization, current tracking log, and most updated Internal Controls.

GIFT CARD PROGRAM
CLOSE OUT CHECKLIST

Gift Card Program Information

Custodian Name ____________ Total Authorized Amount ________

Start Date ________ End Date ________ Account Code(s)

- ☐ 495102 - Study Subjects
- ☐ 550105 - Performance/Supporting Awards Non-Employee
- ☐ 550106 - Non Cash Recognition Employees
- ☐ 550108 - Non Cash Participation/Recognition Non-Employee

Speedtype(s) ____________

Close Out Reconciliation

Date of Close Out Request: ________ Total Dollar Amount Purchased: ________

- ☐ All expense reports for gift cards under this authorization have been submitted and approved.
- ☐ All expenses were allocated to the approved Speedtype(s) and Account Code(s) under this gift card program.
- ☐ Total dollar amount purchased is less than or equal to total authorized amount of this gift card program.
- ☐ All card denominations match amounts approved under this gift card program.
- ☐ Gift card recipients did not receive more than authorized maximum to be received during the calendar year.
- ☐ All gift cards were purchased / distributed within the authorized start and end dates.

Do you have any remaining Gift Cards on hand (excess cards)? ☐ Yes ☐ No

If yes, which of the following actions will be taken?

- ☐ Personally reimburse University for expense of excess cards.
- ☐ Transfer excess cards to another authorized gift card program (provide program detai
- ☐ Unsure / Will discuss with Fiscal Compliance with close out submission.

Tax Reporting Requirement

__Study Subject Participation__

- ☐ No Reporting Required - No individual received more than $100 during this calendar year.
- ☐ Reporting Required - Study Participants received more than $100 during the calendar year.
  - Have you already completed reporting for this calendar year? ☐ Yes ☐ No

__Non-Employee and/or Employee Participation & Recognition__

Were any payments this calendar year issued to University of Colorado (CU) employees? ☐ Yes ☐ No

If yes, have you already submitted the Recognition Reporting Form (RR) to Employee Services? ☐ Yes ☐ No

Did any Non-Employees receive over $100 during this calendar year? ☐ Yes ☐ No

If yes, have you already submitted the Recognition Reporting Form (RR) to the PSC? ☐ Yes ☐ No

Close Out Documentation Provided

__Required__

- ☐ Gift Card Authorization form to be closed.
- ☐ Tracking Log - all fields filled in, lists all gift cards under the authorization including those purchased but not distributed.
- ☐ Purchase Receipt(s)

__Best Practice (not required)__

- ☐ m-Fin Financial Detail report showing all cards purchased under this authorization.

Additional Information for Close Out Review (Optional)

Close Out Checklist

- The __Close Out Checklist__ has been in use since October 2024 as a recommendation.
- Close Outs submitted with the checklist aid in review and guide department preparers.
- For Close Outs submit: Close Out Checklist, Tracking Log, Purchase Receipts, GC Authorization Form, and m-FIN report (recommended) to pcgc@ucdenver.edu for processing.

Fiscal Compliance will __require__ submission of the Close Out Checklist with all new close out requests submitted after January 1, 2026.

Fiscal Compliance Virtual Office Hours

- Informal sessions hosted the first and third Monday of each month (unless otherwise indicated)

- **Next Session:** Monday 11/3/2025 1p-2p

- https://www.cuanschutz.edu/offices/fiscal-compliance/about/about-fiscal-compliance/fiscal-compliance-office-hours

Questions

pcgc@ucdenver.edu

https://www.cuanschutz.edu/offices/fiscal-compliance/resources/gift-cards