

# SJSU | RESEARCH FOUNDATION

DATE: October 25, 2019  
TO: Principal Investigators and Account Holders  
FROM: Kristin Gifford, Director, Finance and Accounting *KAG*  
SUBJECT: **Holiday Gift Giving Guidance**

The purpose of this memo is to provide general guidance and direction regarding issuing gift cards from your sponsored or from other company and related funds. This memo does not pertain to personal gift giving between employees.

Due to IRS and CSU directives, the Research Foundation is not able to either reimburse nor process your requisitions for gift cards or “cash equivalents” for SJSU employees from your sponsored funds.

Similarly, the Research Foundation discourages gift card giving to SJSURF employees using Research Foundation funds. IRS regulations state that cash or “cash equivalent” gifts from employers must be reported as supplemental wages on the employee’s W2 form. These gifts are also subject to payroll taxes. Some examples of “cash equivalent” gifts are gift certificates or gift cards such as American Express, Visa, bookstores, restaurants, grocery stores, etc.

If you choose to give holiday gifts to Research Foundation employees using non-sponsored program funds, we recommend that the value of these gifts not exceed \$100, again, due to IRS regulations. The IRS also considers holiday gifts with a value that exceeds \$100 as taxable income to the employee. Please check with your self-support account analyst before making any such purchases, to ensure compliance.

If you have any questions please contact me.

Thank you for your cooperation. Feel free to distribute to your staff, as appropriate.