

# SJSU | RESEARCH FOUNDATION

DATE: December 8, 2015  
TO: Principal Investigators and Account Holders  
FROM: Cherie Herbert, Director of Accounting *Ch*  
SUBJECT: **Holiday Gift Giving Restrictions**

The Research Foundation **cannot** reimburse nor process requisitions for gift cards or cash equivalents given to SJSU employees. This is due to IRS and CSU reporting regulations.

Also, the Research Foundation discourages gift card giving to Research Foundation employees using Research Foundation funds because IRS regulations state that cash or cash equivalent gifts from employers must be reported as supplemental wages on the employee's W2. They are also and subject to payroll taxes. Examples of cash equivalents are gift certificates or gift cards to 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 not exceed \$100 because the IRS also considers holiday gifts with a value that exceeds \$100 taxable income to the employee. Please check with your self-support account analyst before making the purchase to ensure it is allowable.

**Note:** This memo does not pertain to personal gift giving between employees.

If you have any questions please contact [cherie.herbert@sjsu.edu](mailto:cherie.herbert@sjsu.edu).

Please distribute to your staff as appropriate. Thank you for your cooperation.