

I. Guidelines

The use of gift cards must comply with the mission of CSUSM Corporation and CSUSM and adhere to all CSUSM Corporation policies and procedures. The use of gift cards/cash equivalents/gift vouchers or electronic gift codes herein referred to as “gift cards” should only be considered when no other option is viable, should be infrequent, and conservative in value. Only one gift card can be awarded to a recipient per event/activity. As cash-equivalent instruments, gift cards are governed by tax rules and internal control requirements. These rules and requirements must be followed and communicated to those involved before purchase or distribution of any gift cards. Any requests for an exemption to this Purchasing Procedure will be evaluated on a case by cases basis and will require Executive Director approval.

Failure to follow these procedures and applicable policies listed below may lead to suspension of CSUSM Corporation ProCard up to and including disciplinary action and/or dismissal.

Departments should consider purchasing gift cards from CSUSM Corporation partners (ex. Follett and Sodexo). Visit <https://www.csusm.edu/corp/commservices/index.html> for a complete list of partners.

II. Allowable Purposes

Gift Cards may only be purchased, received, and distributed per the guidelines below:

1. **Employee Awards:** The use of a gift card will be treated as compensation to the employee and applicable state and federal taxes will have to be paid by the employee and the program. Employee recipients must sign the [Gift Card Acknowledgement Form](#).
2. **Student Awards:** Gift cards presented as awards to students must comply with the CSUSM Corporation and CSUSM policies related to both compensation and scholarships. The use of a gift card may require reporting to the Office of Financial Aid.
3. **Payments to Research Subjects:** Gift cards are an allowable form of payment for research subject incentives. The payment must be allowable from the funding source. Proof of Institutional Review Board/Human Subjects (IRB) approval must be submitted with the check request.
4. **Awards and Prizes:** Gift cards can be utilized as awards and prizes provided CSUSM Corporation policies are followed.

Gift cards may NOT be purchased for the following:

1. To pay/compensate employees, student employees, independent contractors, volunteers, or other individuals for services/work performed
2. Holiday or other gifts to employees or students (including gifts for graduating students)
3. To pay suppliers and consultants for goods and/or services received

III. Minimum Value

\$10 Minimum Value: Gift Cards must be a minimum of \$10 value per card. This is due to CA law stating that gift cards of less than \$10 can be converted to cash.

IV. Policies

Must comply with the following policies and procedures:

[CSUSM Corporation Hospitality Policy](#)

[CSUSM Corporation Public Relations Funds Policy](#)

[CSUSM Corporation Conflict of Interest Policy](#)

[CSUSM Corporation Procurement Policy](#)

[CSUSM Corporation Records Retention Policy](#)

[CSUSM Cash Handling Policy](#)

[CSUSM Consent Form Language Requirements](#)

[CSUSM Corporation Gift Card Purchasing Procedures](#)

V. Purchasing and Distributing Cards

Prior to distribution, keep gift cards in a secure location in accordance with the CSUSM Cash Handling Policy. Maintain a [gift card distribution log](#) and reconciliation (log template can be found [here](#)) which is used to track gift cards and manage the amounts given to recipients. The log may need to accommodate the research design (See Additional Procedures for Sponsored Projects / Grant Funds [Project 85xxx] section 2a. and 2b).

Report to CSUSM Corporation by emailing corp@csusm.edu when a non-employee is paid \$600 or more in a calendar year so a 1099 Misc form can be issued.

Purchase cards only from the vendors and for the amounts which were approved on the Gift Card Request.

VI. Storing Electronic Gift Cards

Electronic gift cards must be stored in a secure SharePoint site set up by IITS. For more information on setting up a secure site, please contact helpdesk@csusm.edu.

VII. Auditing

Retain and make available to CSUSM Corporation all related documents in accordance with CSUSM Corporation Records Retention Policy and governing laws and regulations for auditing purposes. CSUSM Corporation has the right to audit these files at any time in partnership with the CSUSM Institutional Review Board (IRB).

VIII. Missing Cards

If gift cards are discovered missing, the requester/PI/PD must notify CSUSM Corporation immediately by emailing corp@csusm.edu. The CSUSM Corporation Executive Director or designee will consult with appropriate representatives to determine appropriate next steps. Requestors may be required to return or pay back the CSUSM Corporation project for the cost of any missing, unissued, or misused cards.

IX. Procedures

Requesting Gift Cards:

1. You must have an approved Hospitality Request prior to submitting the Gift Card Request. This must be attached to the Gift Card Request form.
 - a. Exception: Hospitality Request is not needed if your gift card request includes an IRB approval.
2. The requestor will submit the [Gift Card Request Form](#) at least ten (10) days prior to the purchase of the cards. Once the request is approved, the purchasing process can take more time than expected, especially for larger quantities of gift cards. Start the process early to avoid delays in approval or purchasing.
3. Upon pressing "Submit," the request will be automatically routed by email through the approvers.

Title	85xxx Projects	81xxx and 86xxx Projects
Supervisor*	Always Approving	Always Approving
Fiscal Authority*	Always Approving	Always Approving
Sponsored Projects Analyst*	Always Approving	
Director of Sponsored Projects**	Approving if single card is \geq \$150 and over or total purchase is \geq \$2500.	
CSUSM Corporation Admin**		Always Approving
Executive Director of CSUSM Corporation**		Approving if single card is \geq \$150 and over or total purchase is \geq \$2500.

*Requesters will enter the email addresses for these individuals on the form.

**Requesters will not need to enter the email addresses for these individuals on the form.

4. Once the request has been approved or denied, the requester and all approvers will receive an automatic notification.

Purchasing Gift Cards:

- a. All gift card purchases must be made on a CSUSM Corporation ProCard - Purchasers must follow all ProCard guidelines and reconciliation procedures, including submitting the itemized receipt and purchase approval for the gift cards. Direct Pay Forms and personal funds cannot be used for gift card purchases and will not be reimbursed.
 - b. For 85xxx Projects: If the cards were purchased on behalf of a PI, the PI will be responsible for tracking and reporting the disbursement of gift cards to the ProCard holder.
1. Gift cards must be distributed **within 30 days** of approval unless an extension is approved by the CSUSM Corporation Executive Director or designee.
 2. Once all cards have been distributed and the gift card distribution log is complete, the requestor must scan the completed log **within 10 days** of distribution to CSUSM Corporation at corp@csusm.edu. If an employee received a gift card, the signed [acknowledgement form](#) must be attached to the distribution log.
 3. The gift card recipient log will remain at the CSUSM Corporation business office for audit purposes. CSUSM Corporation reserves the right to audit any gift card activities at any time and share the results of audit with Office of Graduate Studies and Research (OGSR) and CSUSM Institutional Review Board if applicable.
 4. New gift card requests for the same project will not be reviewed until recipient logs from previous requests have been submitted to CSUSM Corporation, unless approved by the CSUSM Corporation Executive Director or designee.

ADDITIONAL PROCEDURES FOR SPONSORED PROJECTS / GRANT FUNDS (PROJECT 85XXX)

Sponsored projects may provide research incentive payments to individuals or human subjects that are participating in research. Such payments must be allowable and specified in the sponsor approved budget. In the event of a conflict between sponsor and CSUSM Corporation policy, the stricter of the two policies shall apply. CSUSM IRB is required to approve, in advance, the method and incentive amounts to all human or research subjects. PIS may not deviate from the IRB approved amount, type, or timing of the incentive payment without first obtaining a modification to the approved protocol.

1. Gift cards purchased for one sponsored project must not be distributed on another sponsored project as the tracking for the gift card serial numbers will be jeopardized. As such, gift card requests cannot be submitted with multiple sponsored project numbers and must be separately accounted for.
2. The balance of gift cards remaining plus the amount distributed to recipients must equal the authorized gift card purchase amount. Discrepancies must immediately be reported to the Dean of OGSR and OSP.
 - a. *Confidential studies* – When completing the distribution log, recipient names and other confidential information including relationship to CSUSM may be redacted. Recipients may be assigned an enrollment identification number and/or code, such as Participant A, B, C, etc. PIs must create a key document, such as a study log, that cross-references the name of the subject and their enrollment identification number/code. This must be maintained in a secure location, and available for audit.
 - b. *Anonymous studies* – When completing the distribution log, recipient names and other confidential information including relationship to CSUSM may be left blank. The PI must provide proof that incentive payments made to human subjects or participants equal/reconcile to the number of cards requested and purchased. This proof must be from an original source of record, i.e. a report generated by a third party survey company, or document that is signed by another individual, other than the requestor, involved in the distribution of incentive payments.
3. OSP and OGSR reserve the right to audit departmental gift card records at any time.
4. The PI is ultimately responsible for ensuring compliance with these procedures, including the requirement of providing an adequate log to the purchaser at the time of ProCard packet reconciliation.

X. UNUSED GIFT CARDS

If cards are not distributed within the 30-day window and project has not already received an approved exemption, any remaining cards on-hand are considered Unused Gift Cards (UGC's) and the following procedure must be followed:

1. PI/PD is responsible for submitting an email to corp@csusm.edu and their assigned OSP Analyst (if 85xxx project) on or before the 30-day mark notifying of the situation.
2. PI/PD is responsible for submitting a Gift Card Exemption Memo to corp@csusm.edu for routing and approval on or before the 40-day mark (when the log would originally be due). The Memo must provide details for the exemption being requested, including the number/description of the unused cards and the revised timing of distribution.
 - a. If Gift Card Exemption Memo is not approved, PI/PD will be prohibited from receiving approval of any further Gift Card Requests until the UGC's are resolved.
3. If cards can still be used by the requesting project for the originally approved purpose:
 - a. PI/PD must provide the Gift Card Log with information completed for all cards distributed and identification of cards remaining within the normal required timeframe.
 - b. PI/PD will hold the UGCs and will submit the signed completed Gift Card Log once all UGCs are distributed.
 - c. PI/PD is responsible for providing a monthly confirmation of UGC inventory they have on hand to CSUSM Corporation Staff by the 3rd business day of the month.
4. If cards cannot be used by the original project, such as in the case of a project's closure:
 - a. It is the responsibility of the PI/PD to identify another non-sponsored project that may be able to use the UGC's or can accept the value (such as an IDC).
 - b. The receiving Project must complete the Gift Card Request procedure and be approved to authorize the purchase and usage of the cards.
 - c. A Financial Transfer must be completed to make the original Grant/Project whole.
 - d. If either the original project or the receiving project are sponsored projects, OSP must approve the transfer.
 - e. If the receiving project is a non-SMURS business unit, that business unit's procedures must be followed.
 - f. The receiving project's Approving Authority must sign the original Gift Card Log as the recipient of the cards, after which the original Requestor must submit their completed Gift Card Log per the standard procedure.
 - g. Until cards are transferred to a new project, the PI/PD is responsible for providing a monthly confirmation of UGC inventory they have on hand to CSUSM Corporation Staff by the 3rd business day of the month.