**Allowable Purchases of Awards UPPS No. 03.01.03**

**and Flowers Issue No. 9**

**Effective Date: 07/31/2019**

**Next Review Date: 06/01/2024 (E5Y)**

**Sr. Reviewer: Associate Vice President for Financial Services**

**01. POLICY STATEMENTS**

01.01 This policy sets forth guidelines for the purchase of awards and flowers for allowable activities by Texas State University.

01.02 The Texas State University System (TSUS) Board of Regents has determined that the expenditure of institutional funds, that are not otherwise restricted, for the purchase of awards and flowers assists the university in carrying out its educational functions, promotes education in the state of Texas, and provides an important public purpose.

01.03 Accordingly, the TSUS Board of Regents authorizes Texas State to use such funds for the purchase of awards and flowers in accordance with the guidelines set forth in this policy.

01.04 The [TSUS Rules and Regulations, Chapter III; Section 6.8](https://www.tsus.edu/about-tsus/policies.html), authorizes the president to implement this policy through appropriate directives and delegation. Those requesting authorization and approval of specific expenditures must document the request in accordance with the requirements of Section 06.05. Documentation should occur on the [Alcohol, Flowers, Food, or Refreshments Expense Authorization Request (AP-12)](https://www.txstate.edu/gao/ap/forms.html) attached to a procurement card log when purchases are made in accordance with the applicable policy governing the use of the procurement card, a purchase requisition, or an e-NPO.

01.05 Expenditures must have a clear business purpose and meet one or more of the following criteria:

a. the recognition or promotion of academic achievement, athletic achievement, scholarship, or service to Texas State or the state at officially recognized events;

b. the promotion or communication of intellectual ideas or exchange of administrative and operational information on programs or allowable activities of the institution among students, faculty, staff, administrators, and representatives of the public;

c. the support of student events and activities that are sponsored by Texas State;

d. the promotion of the exchange of ideas with business and community leaders regarding the role of Texas State in support of economic development, cultural enrichment, and partnerships within the community;

e. the support of a continuing education program sponsored by Texas State; or

f. the representation of the university to significant external constituents by one of the primary offices charged with such duties. The Office of the President, offices of Cabinet-level officers, the Office of the Associate Vice President for Research and Federal Relations, offices of academic deans, and the Dean of Students Office are the primary offices charged with these duties.

01.06 Specific exemptions from the requirement of Section 01.05 include the following:

a. purchases of awards and flowers from agency funds; and

b. reimbursement to a non-employee in the course of providing services to the university.

01.07 The current [General Appropriations Act](http://www.lbb.state.tx.us/Documents/GAA/General_Appropriations_Act_2018-2019.pdf), Internal Revenue Service Code rules and regulations, and the following govern employee achievement awards:

a. Only items of tangible personal property (e.g., a pen, crystal bowl, clock) are allowable employee achievement awards.

b. Cash or cash equivalents, gift cards or certificates, tickets to the theatre or sporting events, vacations, and real property are not allowable employee achievement awards.

c. Unless excludable from an employee’s wages, the achievement award must be reported as taxable income to the employee. The maximum amount allowed for exclusion from an employee’s wages for an employee achievement award is $400 per tax year per employee. Items of tangible personal property awarded as achievement awards may be excludable when awarded as:

1) a *de minimis* benefit;

2) a length of service award following the employee’s first five years of employment, but no more often than in five-year intervals; or

3) safety achievement awards when “given to an employee other than a manager, administrator, clerical employee, or other professional employee,” per [IRS Publication 535 (2018), Business Expense](https://www.irs.gov/publications/p535#en_US_2018_publink1000208670).

d. Length of service and safety achievement awards must be awarded as a part of a meaningful, but not necessarily elaborate presentation.

e. Texas State’s scholarship coordinator in the office of Financial Aid and Scholarships must receive notification of achievement awards for students.

01.08 The university prohibits spending institutional funds on flowers for personal use during routine day-to-day operations.

01.09 The university prohibits purchasing flowers for employees’ spouses, children, and other family members.

01.10 Expenditures incurred for personal reasons are not allowed.

01.11 Exceptions to this policy may only be made with approval from the president or the requestor’s respective Cabinet officer. Approval must be indicated on the payment document. The approval role cannot be delegated by the Cabinet officer.

**02. DEFINITIONS**

02.01 Awards – items given to employees or students as recognition for an achievement.

02.02 Institutional Funds – all funds received or generated by the university other than those held at the State Treasury and funds held in trust as agency funds.

02.03 Agency Funds – funds held in trust by Texas State for other entities and are not considered assets of the university.

**03. FUNDING SOURCES FOR PURCHASE OF FLOWERS**

03.01 The following conditions apply, depending on the funding source indicated:

1. Other university funds may be used to purchase flowers, unless they are restricted funds prohibiting this type of purchase or are listed below.
2. The university prohibits using state-appropriated funds, including education and general revenue, as well as statutory undergraduate and graduate tuition to purchase flowers for any of the reasons covered under this policy.
3. The university prohibits using locally-generated income from course and instructional fees, Physical Plant administrative overhead charges, or scholarship, loan, university endowment, and Facilities construction fund accounts to purchase flowers for any of the reasons covered under this policy.

**04. FUNDING SOURCES FOR EMPLOYEE ACHIEVEMENT AWARDS**

04.01 Annually, the President’s Cabinet allocates a nominal amount of funds for appreciation celebrations or achievement awards at functions such as faculty receptions, commencement, retirement receptions, award banquets, school receptions, division receptions, and receptions for important guests.

a. Alcohol is not an allowable expense for these events.

b. These funds are maintained by the Finance and Support Services division (see [FSS/PPS No. 03.08](http://policies.txstate.edu/division-policies/finance-and-support-services/03-08.html), Discretionary Budgets and Expenditures, for additional information).

04.02 State law permits the use of state appropriations, including education and general revenue, as well as statutory undergraduate and graduate tuition for awards for professional achievement and other outstanding service (e.g., safety) for current employees, volunteers, and retirees. For allowable awards paid from state appropriations, the cost per current employee, volunteer, or retiree shall not exceed the amount specified in the most current [General Appropriations Act](http://www.lbb.state.tx.us/Documents/GAA/General_Appropriations_Act_2018-2019.pdf). Examples of acceptable awards include lapel pins, plaques, and engraved certificates.

04.03 The university allows the use of institutional funds to purchase achievement awards in excess of the cost per current employee, volunteer, or retiree allowed in the most current [General Appropriations Act.](http://www.lbb.state.tx.us/Documents/GAA/General_Appropriations_Act_2018-2019.pdf)

04.04 Refer to Section 01.07 for IRS regulations regarding achievement awards.

**05. PROCEDURES FOR PURCHASE AND PAYMENT OF AWARDS AND FLOWERS**

05.01 Purchase requisitions are normally required for acquisitions of awards or flowers. The account manager must approve the purchase and then forward it to the Procurement and Strategic Sourcing Office for processing. The account manager is responsible for reviewing and approving the transaction according to Texas State policy and procedures.

05.02 In extraordinary circumstances in which processing a purchase requisition into a purchase order is not feasible:

a. A department may request reimbursement for expenditures by submitting an e-NPO if it is in accordance with Texas State policy and procedures; or

b. A department may submit a [P-card Waiver Request](https://www.txstate.edu/procurement/forms.html) to the P-card administrator to obtain advance approval to use a university-issued P-card to pay for an expenditure, provided it is in accordance with Texas State policy and procedures.

05.03 An itemized receipt or vendor invoice is required to support the purchase of awards or flowers. If paid by credit card, the charge slip must be itemized. The method of payment should be reflected on the documentation provided by the vendor if paid at the time of purchase.

**06. REVIEWERS OF THIS UPPS**

06.01 Reviewers of this UPPS include the following:

Position Date

Associate Vice President for June 1 E5Y

Financial Services

Director, Procurement and June 1 E5Y

Strategic Sourcing

Director, General Accounting Office June 1 E5Y

Director, Payroll and Tax Compliance June 1 E5Y

**07. CERTIFICATION STATEMENT**

This UPPS has been approved by the following individuals in their official capacities and represents Texas State policy and procedure from the date of this document until superseded.

Associate Vice President for Financial Services; senior reviewer of this UPPS

Vice President for Finance and Support Services

President