

Gift Card Procedures

The following procedures are established pursuant to Policy 9180: Gift Cards and Alternative Payment Methods.

Tax Matters

As of May 2025, regulatory guidance generally establishes the following. Guidance may change over time, and users are responsible for verifying that the following information remains current.

- Gift Cards, regardless of value, are considered by the IRS to be cash payments, and taxable.
- The value of all gifts, gift cards, and bearer checks in an aggregate amount of \$600.00 or more per calendar year must be reported to the IRS on Form 1099-MISC as other compensation.
- Cash and cash equivalent payments to nonresident aliens are subject to federal tax and are reporting on Form 1042-S. Payments to nonresident aliens are to be made using bearer checks. (Users must notify Accounts Payable so that payments can be adjusted to withhold tax, where appropriate. Users and/or sponsoring units will be fiscally accountable for any failure to withhold taxes that result from the omission of notice to Accounts Payable.

Purchase Logistics

Gift Card purchases must be made through the Wright Buy Amazon punchout using a University Procard for payment. Internal comments must include **IRB Number and date of IRB approval along with acknowledgement of policy and tracking requirements**. Account code 717305 for IRB Human Subjects or either 751400 or 773200 for approved prizes and Activity Code GCARD are required for these purchases.

Bearer checks require a PO issued through Wright Buy using Account Code 717305 for IRB Human Subjects and Activity Code GCARD. Internal comments must include **IRB Number and date of IRB approval along with acknowledgement of policy and tracking requirements**. A release email to accounts_payable@wright.edu is also required to print needed bearer checks.

Audit

Purchases described by this policy are subject to unannounced physical counts or audits by the Office of Audit, Risk Management, and Compliance.

Reporting

Annually on or before December 15, the sponsoring unit will securely submit electronic logs to Accounts Payable and the Payroll Department to be consolidated and reviewed for annual tax reporting on IRS Form 1099 or 1042-S.

Inventory records must be maintained utilizing the attached Distribution Log (also available on the [Research Compliance website](#) in xlsx format) and must be reconciled monthly (or at other appropriate shorter intervals) to ensure unissued Gift Cards plus those distributed equal the authorized purchase. Logs should only include social security numbers for non-resident alien participants where reporting is required for amounts over \$0.01. Participants with an aggregate amount of \$600 or more will be

[illegible]