

Cash and Gift Card Payments

Issued: March 8, 2017

POLICIES

Responsible Official: Vice President for Finance and Administration

Responsible Office: Business Office

Policy Statement

It is the policy of Austin Peay State University to ensure adequate internal control practices are in place and specific measures are taken to adequately account for cash and gift card payments.

Purpose

The purpose of this policy is to establish the process for low dollar payments to through cash or gift card. Cash or gift card payments are generally made to research participants but this Policy extends to any cash or gift card payments made by the University.

Procedures

General

- A. Payments to students, employees and others, regardless of delivery method (check, direct deposit, cash, traditional gift card or electronic gift cards) are considered compensation by the Internal Revenue Service. Any individual receiving more than \$100 in any calendar year for one purpose must provide name, SSN and home address at the time of the receipt of payments.
 - 1. Personally identifiable information should be gathered in a manner which prevents disclosure of personal information to others.
 - 2. Signatures must be obtained from recipients indicating receipt of the cash or traditional gift card payment.

- B. Payments of greater than \$100 for participation in studies or other events should be made through the accounts payable or payroll office as applicable via check or direct deposit.

- C. Some research studies use low dollar payments to compensate participants for time, inconvenience, or as an incentive to increase participation. Additionally, low dollar payments may be utilized as employee awards or event prizes. When such payments are no more than \$100 per payment, per individual, and individual payments aggregate to less than \$600, it may be appropriate to make payments utilizing cash, traditional gift cards or electronic gift cards as long as the following procedures are followed.

Prohibition from use of cash or gift cards in research studies

- A. No payment from cash or gift cards may be made to a University employee unless HR is notified of the payment or non-resident aliens.
- B. Cash may not be used to purchase gift cards.

Procedures for safeguarding and accounting for cash and gift cards in research studies

- A. Cash or gift cards must be assigned to a custodian, e.g. a member of the research study staff, responsible for safeguarding the cash or gift cards.
- B. Cash or gift cards must be maintained under lock and key by the custodian of the funds.
- C. Access to the cash or gift cards must be controlled by the custodian of the funds.
- D. The balance of cash gift cards on hand plus individual receipts must equal the cash and gift cards authorized and obtained. If a shortage of cash or gift cards on hand is determined, the shortage must be reported to Student Account Services immediately.
- E. Cash or gift cards must be used for approved purposes only and may not be used for departmental or other research expenses.
- F. Cash and gift cards purchases are subject to audit at any time by the University, State Audit, or funding agency.
- G. Cash and gift cards purchased for any purpose are required to be closed out at the end of the event or research study and any excess cash or cards must be returned to Student Account Services.

Distribution of cash or gift cards to research participants

- A. Cash or traditional gift cards must be hand delivered to individuals. These funds cannot be sent through the mail. If payments must be mailed, cash or gift cards cannot be used and the payments need to be in the form of a check or direct deposit processed through the Accounts Payable or payroll department as applicable.

- B. The method of tracking gift cards should record the following information:
 - 1. Recipient name or, in the case of anonymous or confidential human subject participants, the participant ID number;
 - 2. Date of distribution;
 - 3. Signature of PI or responsible employee authorizing disbursement to recipients;
 - 4. Purpose of payment;
 - 5. Serial number of the gift card;
 - 6. Amount of gift card;
 - 7. Signature or initials of study participant or recipient, if available.

- C. Alternate method of record keeping for anonymous and confidential surveys - for anonymous surveys and confidential research participants, the PI must maintain a reconciliation of the number of cards given equaling the number of surveys or participants.
 - 1. This reconciliation must be approved by the supervisor of the person disbursing the cards.

- D. Payments aggregate to \$600 or more per participant are required to be reported as income to the Internal Revenue Service.

Revision Dates

APSU Policy 4:026 – Issued: March 8, 2017

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Student Affairs
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Approved

President: signature on file
