



WAKE FOREST
UNIVERSITY

Gifts, Prizes, Donations, and Awards from University Funding Sources

Administrative Policy

Approved By: B. Hofler Milam, Senior Vice President for Finance and
Administration & CFO
Effective Date : March 12, 2014
History: Approval Date: March 12, 2014
Revisions: n/a
Type: Administrative Procedure
Finance Policy Number: 3.14.01
Responsible Official: Associate Vice President for Finance & Controller
Related Policies:

Administrative Policy Statement

Wake Forest University includes the value of gifts, prizes, donations and/or awards as taxable income to the recipient in accordance with federal and state regulations. It is the purpose of this administrative policy and accompanying procedure to outline the tax implications and procedures for documenting such gifts by University funding sources.

Reason for the Administrative Policy

The University must properly account for gifts, prizes, donations, and/or awards for tax purposes. Because the majority of these items are identified through employee reimbursement, procurement card activity, or charges made directly to the departmental budget, cooperation and assistance are necessary to ensure the proper treatment and reporting of gifts for tax purposes.

Responsibilities and Primary Guidance

When spending University funds to purchase a gift, there is additional documentation that must be completed, depending on the relationship of the recipient to the University. It is very important to communicate the potential taxation of the gift to the recipient and the pertinent information to Accounts Payable along with the invoice or expenditure voucher form. The Internal Revenue Code (“IRC”) Sections 74, 132, and 274 provide guidance on the taxation of gifts, prizes, and awards.

This administrative policy and accompanying procedure serves as a guideline and is not intended to describe every situation. Please address any related questions to:

Director of AP at campus telephone 5183,
Director of Payroll at campus telephone 4861, or
Director of Tax at campus telephone 3760.

Responsible University Office or Officer

Procedure Contacts:	University Controller	x5233
	Payroll Office	x4861
	Accounts Payable	x5183

Who Is Governed By This Administrative Policy

Any person, any company, or any organization being paid from University funds or through a University Account is governed by this administrative procedure.

Who Should Know This Administrative Policy

- Administrative Managers
- Faculty
- Staff
- Students
- Budget Officers
- Department Heads
- Vice Presidents
- Trustees