



## Policy for Gifts Central Administration Staff and Units

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### Policy Statement

Central Administration Units may spend modest pre-approved amounts from appropriate funding sources to recognize employees under certain circumstances.

The use of University funds for a gift is allowable for the following occasions:

- Work-related achievement (performance recognition, length of service).
- Employee departing gifts. Employee must be in good standing and have achieved 5 years of service to warrant a departure gift with University funds. Gift not to exceed \$100. For celebrations for departing employees, please reference the “Policy for Food in the Workplace and Celebratory Events” for guidelines.
- Sympathy upon death or serious illness of an employee or employee’s immediate family member (not to exceed \$100 with delivery included).

The use of University funds is NOT appropriate for the following occasions:

- Recognition of personal events or achievements unrelated to work (birthdays, weddings, graduations, baby showers, housewarming, etc.)
- Holiday recognition gifts
- Non-immediate family sympathy or illness

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### Reason for Policy

Having a policy to address best practices for gifts will improve equity and the recognition experience of Central Administration staff. Inconsistent policies create negative perspectives between departments and senior administrators in Central Administration. Therefore, it is imperative for Central Administration units to have a clear protocol, reducing the administrative burden for unit payroll and administrative staff.

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### Who Must Comply

All Harvard Central Administration staff, departments and units regardless of funding source.

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### Procedures

Ensure the gift is for an allowable occasion.

- **Work-related achievement.** Examples include:
  - To mark achievement of a major department goal.
  - To honor an employee in connection with a work-related employee recognition program.
  - To honor an employee who is leaving the department.
  - To honor a retiring employee.
- **Sympathy** upon the death or serious illness of an employee or employee’s immediate family member.
  - Appropriate sympathy gifts include a flower arrangement or a memorial gift. With Finance Department approval, a donation to a charity in lieu of flowers is also allowable.
  - In all cases, the card or donation notation should indicate “from Harvard University’s [department name].”



## CENTRAL ADMINISTRATION FINANCIAL POLICY

Responsible Office: Central Finance and Administration  
Date Effective: July, 2016  
Revision Date: May, 2017

- **Comply with the \$100 threshold for nontaxable gifts.**
  - Generally, gifts to employees must be under \$100, including sales taxes, delivery fees and other service charges. Gifts of personal property valued up to \$400 may be made to a long-service employee *in recognition of* that employee's service upon retirement. Gifts must be approved by the local unit VP and finance leader.
  - Gift certificates and/or gift cards are not permitted.
  - If the unit makes a taxable gift to an employee, the unit must complete an Additional Pay Form (available in PeopleSoft) and send it to central Payroll for processing.
  - Generally, the number of gifts should be limited to no more than one per year per employee.
  - See Appendix for matrix of gift taxability.
  
- **Use an appropriate funding source.**
  - Federally sponsored funds should never be used to charge employee gifts.
  - Non-federally sponsored funds may be used only if the budget specifically includes such an expense.
  - Departmental restricted funds may be used only if within the fund terms.
  - Departmental unrestricted funds may be used at the discretion of the department within the criteria of the policy and within the approved budget.
  
- **Record the gift or event expenses to the proper object code.**
  - Donations to charities in lieu of flowers must be charged to object code 8454, "Charitable Contributions^Expenses Ineligible for Federal Reimbursement."
  - All gifts must be charged to object code 8450, "Expenses Ineligible for Federal Reimbursement, GENERAL."
  - This is required for ALL Harvard units even if the expense is unrelated to federally sponsored research and even if the unit has no sponsored awards.

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### Responsibilities and Contacts

Central Administration units and department finance and administrative leaders are responsible for ensuring all staff in Central Administration complies with this policy.

Central Finance and Administration (CFA) is responsible for final approval when arbitration is needed. CFA is also responsible for reviewing the policy on an annual basis and making updates when needed.

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### Definitions

**Gift:** a transfer for which the dominant motive is detached or disinterested generosity or affection, respect, admiration, charity, or like sentiment. They may take the form of tangible personal property such as a watch, pen, or briefcase.

**Longer-service employee:** the IRS defines longer-service employees as individuals employed five years or longer.

**Occasional:** for purposes of this policy, "occasional" is defined as once per quarter.

**Sympathy gift:** a memorial gift, donation to a charity or flower arrangement upon the death or serious illness of an employee or an immediate family member of an employee.

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### Related Resources

The University Financial Policy website: <http://policies.fad.harvard.edu/>, which includes the University's "Employee Gifts and Celebratory Events policy."

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**Appendix:  
Gifts to Employees: Allowable Monetary Value**

Scenario	Gift Amount	Event	Event Amount	Frequency
Work-Related Achievement	\$5-\$50	No	n/a	No more than 1 per quarter
Departing Gift	\$25-\$100; must have achieved 5 years of service to warrant a departure gift with University funds	Yes	See "Policy for Food in the Workplace and Celebratory Events"	n/a
Retirement Gift	\$400 with at least 5 years of service and assuming the employee meets retirement criteria	Yes	See "Policy for Food in the Workplace and Celebratory Events"	n/a
Immediate Family* Sympathy	\$5-\$100 (inclusive of delivery for flowers)	No	n/a	n/a
Charitable Donation (in lieu of flowers for sympathy only)	\$5-\$100	No	n/a	n/a
Recognition of Personal Events/Achievements	No Gift	No	No	No
Non-Family Sympathy or Illness	No Gift	No	No	No
Holiday Recognition Gifts	No Gift	No	No	No

*\*"Work Relationships" on HARVie – Immediate Family: Someone’s spouse, parents and grandparents, children, grandchildren, brothers and sisters, mother-in-law, father-in-law, brothers-in-law, sisters-in-law, daughters-in-law and sons-in-law. Adopted, half, step members are also included.*