Kent State University Accounts Payable 237 Schwartz Ctr. 330-672-2607 payments@kent.edu	**Gift Reporting: Process and Workflow Instructions**

Overview

The gift reporting workflow is the mechanism for providing the necessary information to comply with federal income tax reporting requirements. The Internal Revenue Code broadly defines gross income and as a result, Kent State is required to report gifts, prizes, awards, rewards and other incentives unless an exception applies.

Submission deadline

Gifts must be reported by the last business day of the month in which they are given. While the purchase of gift item(s) requires VP approval, gift reporting does not. As a result, the process has been streamlined, which makes timely reporting possible. The submission deadline for gifts given in December is the day before University closure. Please keep the submission deadline in mind and plan accordingly when giving out gifts.

Exceptions

It is not necessary to report certain gifts through the workflow. Do not report gifts that meet the following exceptions:

1. Cash gifts processed by a payment request through accounts payable.

2. Cash equivalent and non-cash gifts already reported through human resources, for example, those processed through the employee transaction workflow.

3. Non-cash gifts to employees that are *de minimis*.
    - ❖ Non-cash items are considered to be considered *de minimis*, when the following conditions apply:
        - The total fair value is less than $25 AND
        - Only non-cash items are given (no cash equivalents such as gift cards are given with the non-cash items) AND
        - The items are granted on an occasional basis AND
        - The items are so small that accounting for them would be unreasonable and administratively impracticable.
    - ❖ NOTE: The cost of the item may or may not be the total value. For example, plaques may cost more than twenty-five dollars but because the plaque has the individuals name on it, the plaque may have zero fair market value because it has no value to anyone other than the individual.

4. Non-cash gifts that are qualified scholarships.
    - ❖ To be considered a *qualified scholarship*, the gift must be restricted to students seeking a degree and be used for tuition, books, and/or required supplies (e.g., when a department allows a student to purchase books/supplies through a direct billing arrangement with Barnes & Noble.)
    - ❖ Prizes that are restricted to a credit against tuition will be reported to Student Financial Aid.

Process

Gift, Prize and Award Recipient Acknowledgement Form

Before reporting a gift, a department must gather specific information about the person to whom the gift is being given. This information is obtained via the *Gift, Prize and Award Recipient Acknowledgement Form* ("gift form".) The department is responsible for completing the first two fields on the gift form:

- Describe the item(s) received – This should be a brief description of the gift being given (e.g., $100 Amazon gift card)
- Fair Market Value – This is equal to what the recipient would pay to replace the gift.
    - A $100 gift card that was purchased for $100 and has no activation fee has a fair market value of $100
    - A $100 gift card that was purchased for $100 and has a $4.95 activation fee has a fair market value of $104.95.
    - A $100 gift card that was donated to the department has a fair market value of $100

The gift recipient must complete all remaining fields on the gift form for tax reporting purposes.

- Name and Address – This information will be used to mail any required tax forms
- Kent State Employment and Student Status – The recipient must circle the applicable answers.
    - If the recipient circles any YES, a Flashline ID or Kent State ID ("Banner number") must be provided and the individual must indicate whether or not she is a US Citizen. This information is gathered in lieu of an SSN or ITIN.
    - If the recipient circles every NO, she must provide an email address and an SSN or ITIN.
- Signature of Recipient – all gift forms should be signed and dated

In order to comply with the university's retention policy, departments must retain the completed *Gift, Prize and Award Recipient Acknowledgement Forms*, in their original hard copy form or in the form of a clear and readable electronic copy, for four years.

Gift Reporting Workflow

Once the gift recipient has submitted a completed gift form, the department making a gift must submit it through the gift reporting workflow. It is important to note that departments can submit gift reports in groups when the same type of gift is given to more than one person for the same reason or event. For example, a department that awards $100 gift cards to five people for one event can submit all five gifts via the same workflow submission, as long as they are all given in the same month.

The following instructions describe how to submit gift reports via the workflow.

Creating a New Gift Report

1. Go to https://apps.kent.edu/giftreportingform/and login using your Flashline username and password.

2. Click on the **Create New Gift Report** button.

3. Complete the **GIFT / EVENT INFORMATION** section

GIFT / EVENT INFORMATION:

Report Name: *

2018 Golden Flash Celebration - First Prizes

Description of Gift, Prize, or Award: *

Foot Locker gift cards

Fair Market Value: *   ⓘ

100

Cost (if different): *   ⓘ

100

Date Of Purchase: *

09/14/2018

Method of Purchase: *

Check Request

Vendor Name: *

Foot Locker

Department: *

Controller

Index: *

100304

Account Number: *

72011: Athl & Rec Supplies

4. Complete the **Business Purpose** section

Business Purpose

Who is eligible for the gift, prize, or award? ⓘ

All students living in residence halls ↺

What Did the Individual do to Receive the Gift/Award? * ⓘ

Complete scavenger hunt or escape room first ↺

How does giving the gift, prize, or award benefit Kent State or how does it further the university goals? * ⓘ

Fosters student involvement in campus activities ↺

5. Click the **Save & Continue** button. (The **Save Draft** button at the bottom of every page allows you to save a report in draft form so that you can add information to it at a later time.)

6. Click the **Add Gift Recipient** button.

7. Complete the **Gift Recipient** section.

- If the gift recipient was a student or employee of the university, entering either the KSU ID, Flashline username, or last name in the Kent State ID / Flashline ID box will bring up a list of names. Choose the correct name and the information will fill the field.

Enter recipient's Kent State ID or Flashline User Name. If no Kent State ID or Flashline User Name, enter the recipient's Name and Social Security Number.

Kent State ID / Flashline ID   ehermon

8▮▮▮▮▮: Emily Hermon (ehermon)

OR

- If the gift recipient was not a student or employee of the university, enter the individual's first name, last name, and SSN in the appropriate fields.

- Complete the Kent State Employment Status, US Citizen/Permanent Resident, and Received Date fields. The Received Date is the date on which the *Gift, Prize and Award Recipient Acknowledgement Form* was signed.

- Click the Click the Submit Recipient button. Repeat this step for every person who received the same gift and for whom you have a completed *Gift, Prize and Award Recipient Acknowledgement Form.* When you have entered all recipients, click the Save and Continue button.

First Name	Last Name	Kent State ID	Actions
Barbara	Biltz	800363151	✎ Edit | 🗑 Delete
Emily	Hermon	800292562	✎ Edit | 🗑 Delete

2 records

< Back   Save Draft   **Save and Continue**

8. Scan the completed *Gift, Prize and Award Recipient Acknowledgement Forms* and upload them to the workflow. The files can be uploaded individually, per participant, or in batches.

   - To upload files individually, click **One File Per Recipient**, then click on the blue **Upload File** link next the name of the person whose form you want to upload. Locate the file then click **Upload**. The name of the file will populate in the **File Name** column. You will also see a **Delete File** option.

5

- To upload a batch file, click **Batch File For All Recipients**. Then click **Upload Batch File**. Locate the file then click **Upload**. The name of the file will populate next to **Batch File:**.

- Click the **Save & Continue** button.

9. Review the information provided on the **Review and Submit** screen. Click on **Edit** if you need to change or add any information. When the information is complete, click **Submit Report**.

10. After reading the **Confirm and Submit** statement, click **Submit**.

Creating a Gift Report From a Copy – Many departments give gifts related to recurring events. It is possible to copy a previously-submitted gift report and change only the applicable fields for subsequent gift reporting. To do this:

- On the Home screen, locate the report that you want to copy and click the blue **Copy** link, which is located on the far right.

Search	Reset	⦿ Show All ◯ Submitted ◯ Draft		
ID	**Gift Report Name**	**Status**	**Date Saved/Submitted**	**Action**
GRF-31	2018 Golden Flash Celebration - First Prizes	Submitted	10/17/2018	» Review | ⧉Copy
GRF-21	Research Subject Psychology August $100.00	Draft	10/08/2018	✎ Edit | 🗑 Discard

2 records

- Click the **OK** button.

Message from webpage ✕

? Are you sure you want to copy this Gift Report?

OK   Cancel
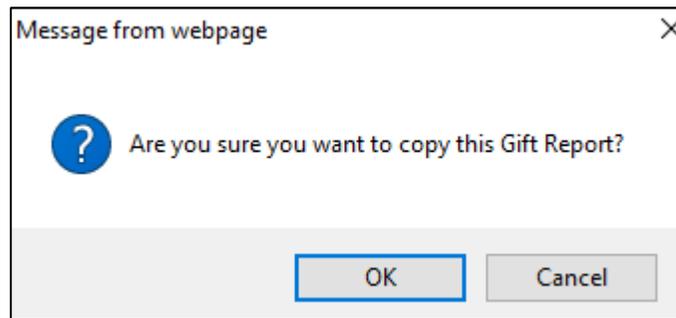
- You will then be taken to the report. Change the name to indicate the new event and then make any other needed changes before clicking **Save & Continue**.

- The **Gift Recipient** page will not have any of the previously-reported individuals' names or files listed. You will then follow steps 7 through 10 above to submit the new report.