

OFFICE OF COMPLIANCE SERVICES

or non-cash merchandise. Any department or division considering an employee award program where the value of the award(s) exceeds \$50.00 should consult with their professional in advance to obtain guidance on the proper administration of such a program.

A.

- Employee's name
- Employee identification number (PeopleSoft "emplid")
- Purpose of, or reason for, award
- Description and value of the award
- Date of issuance
- The issuing department's contact name and phone number
- Chartstring charged (if applicable)

Please note that awards or prizes given at calendar year-end require special attention to ensure the adherence of early final year-end payroll deadlines.

D. Exceptions

1. A **non-cash** "de minimis" fringe benefit may be provided tax-free to an employee. The frequency with which similar fringe benefits are provided to employees must be occasional, or infrequent. The University will use a threshold of \$100.00 for determining whether a non-cash item may be excluded from an employee's income under the "de minimis" fringe benefit exception. Uniforms are generally taxable and this exception does not apply to clothing provided that is required to be worn as part of a uniform.
2. Certain achievement awards of tangible property (not cash, gift cards, or other cash equivalents) may be given tax-free to an employee if they are awarded at a University sanctioned event for which there is a meaningful presentation that emphasizes the purpose of the award. The IRS limits the value of the achievement awards to \$400.00 per year per employee for tax purposes. These awards and additional criteria

calendar year, an IRS Form 1099-Misc will be issued by the University identifying the payment as 'Other Income.'

Awards in the nature of a scholarship should be processed through the Student Information System for University of Vermont students, rather than through the accounts payable system, in order to be captured for financial aid package considerations, as well as IRS Form 1098-T, Tuition Statement, reporting. For tax purposes, a scholarship or fellowship may be defined as any amount paid to an individual "for the purpose of aiding a student's study, training, or research." Refer to the *Payments to Students Policy* for guidance.

Student prizes that may be processed via Disbursement Center are those NOT in the nature of a scholarship, and not considered payment for services rendered. Student prizes processed via Disbursement Center are those awarded to students who have submitted entries to a judged competition which was open to both students and non-students. Complete a Check Request Form and attach the Student Prize Certification Form and other supporting documentation about the prize. Refer to the *Payments to Students Policy* for payment guidelines and further details on the definition of student prizes.

B. Other Awards and Prizes

Awards or prizes must be recorded in the University's Form 1099-Miscellaneous database. University units responsible for the award or prize drawing to a non-employee must send a Payment Acknowledgement Form to Disbursement Center via secure file transfer to: supplier@uvm.edu or to Waterman 205, 85 So Prospect Street, Burlington, VT 05405 within five (5) days of issuance of the prize/award. This is true regardless of the payment mechanism. The Payment Acknowledgement Form collects the following information:

- Recipient's name,
- Recipient's address,
- Social security number
- Purpose of, or reason for, award
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The responsible department must send the following information pertaining to the game of chance to Tax Administration, 237 Waterman, within five (5) business days after the event:

- Description and date of event,
- Wager amount,
- Department contact,
- Responsible chartstring,
- Winner(s) name, address, and social security number, and
- Description and fair market value of winnings.

See [*Summary of the Awards, Prizes and Winnings Reporting Requirements*](#).

Contacts

Questions concerning the daily operational interpretation of this UOP should be directed to the following:

About This Procedure

Responsible Official:	Vice President for Finance and Administration	Approval Authority:	Vice President for Finance and Administration
Affiliated Policy Number(s):	V. 4.10.2, V. 4.16.1	Effective Date:	July 15, 2015
Revision History:	<ul style="list-style-type: none"> • V. 4.3.5.1 approved by the President May 8, 2006 • V. 4.3.5.2/V. 4.2.2 approved by the President on February 3, 2011 • V. 4.2.3 Approved by the President February 13, 2015 • Awards, Prizes, and Winnings University Operating Procedure replaced the Awards, Prizes, and Winnings Policy July 15, 2015 • Minor revisions May 13, 2020 • Minor revisions April 18, 2024 		

University of Vermont Policies and Operating Procedures are subject to amendment. For the official, approved, and most recent version, please visit UVM's [Institutional Policies Website](#).