FISCAL MANAGEMENT

Gift Cards/Certificates

I. Purpose

The purpose of this regulation is to establish guidelines for the purchase and use of gift cards.

II. Definition

A. For the purpose of this regulation, gift cards are defined as:

1. Retailer-issued cards issued by specific retailers for use only in their establishments.

2. Gift certificates issued by specific retailers for use only in their establishments. These are similar to retailer-issued cards, but come in paper form.

3. Bank-issued cards that can be purchased at many local and national banks or retail stores that can be redeemed anywhere major credit cards are accepted.

4. Other cash equivalent vehicles.

III. Procedures

A. The use of gift cards as a means of providing awards and incentives to students is allowed, but requires specific procedures because of their cash equivalency.

1. Because gift cards are cash equivalents, they must be stored as if they were cash. They should be stored in a locked box and secured in a safe or locked cabinet at all times.

2. Gift cards may only be used to provide awards and incentives to students of Prince William County Public Schools.
a. If an employee purchases the gift cards, the receipts should be accompanied by the approval for the incentive or award and sent to Accounts Payable for reimbursement.

b. If funds are encumbered for this purpose, then the approval should be sent to Accounts Payable with the invoice and purchase order for payment.

c. If the purchasing card is used to purchase gift cards, then the monthly submission of the purchasing card statement and receipts should be accompanied by the approval for the incentive or award.

3. Regulation 781-1, “Awards,” is subordinate to this regulation.

B. The Internal Revenue Service (IRS) requires that employers treat gift cards as cash equivalents. As a result, any gift cards given to employees must be tracked and added to the gross wages of individual employees at the end of each calendar year and reported to the IRS as part of the employee’s wages. Additionally, gift cards being cash equivalents, present several internal control challenges. Therefore, the use of gift cards for purposes other than providing awards and incentives to students is prohibited.

The Associate Superintendent for Finance and Support Services, or designee, is responsible for implementing and monitoring this regulation.

This regulation and related policy shall be reviewed at least every five years and revised as needed.

Adopted: July 11, 2007
Revised: April 11, 2018

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS