

DATE: September 26, 2008

TO: Executive Committee Members, Assistant Vice Presidents, Chairs, Directors and Department Heads, Assistants to the Deans and Vice Presidents, and Departmental Administrators and Office Managers

FROM: Harry S. Lynch, Jr.
Executive Vice President for Business Affairs and Chief Financial Officer

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SUBJECT: EMPLOYEE GIFT CARDS PROHIBITED

Effective immediately the University will no longer approve the purchase and award of gift cards to HSC employees. According to Internal Revenue Service (IRS) guidelines, a gift card, certificate or coupon of any amount is considered to be cash or a cash equivalent and is deemed taxable income to the employee. Therefore, to ensure compliance with IRS regulations and avoid the tax withholding and reporting obligations associated with gift cards the University will no longer allow reimbursement or payment for gift card purchases for employees.

For additional information refer to the *UTHSCSA Handbook of Operating Procedures, Section 6.1.7* at: <http://www.uthscsa.edu/hop2000/>

Please note: This prohibition does NOT apply to the purchase of gift cards for patients, volunteers, or other non-employee recipients.

Please distribute this information to the appropriate individuals in your departments.