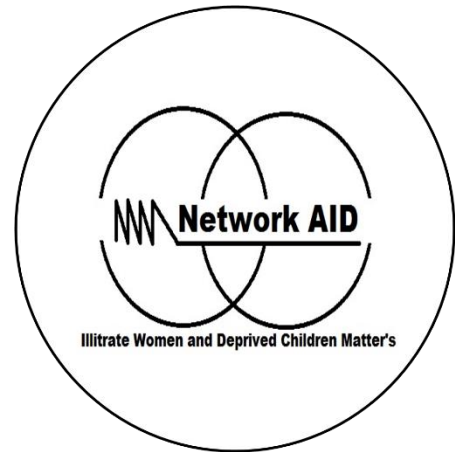




# **NETWORK AID**

## **GIFT POLICY**

**What To or Not To Take**



### **ABSTRACT**

To help prevent employees/volunteers etc giving or accepting inappropriate gifts/hospitality by providing guidance, The policy will outline the organisation's position on gifts and hospitality and set out good practice for employees etc.

# Network AID Gift Policy 2023

## Scope

Department, Employee, Volunteer/Intern, Partners, Vendors, etc

## I. General Policy Statement

This policy addresses the giving of gifts using Network AID funds or receiving of gifts and hospitality and the related tax consequences.

The gift policy requires employees to demonstrate the highest standards of ethics and conduct about potential and existing partners, donors, vendors, suppliers, and customers. It ensures that employees practice equal treatment, unbiased professionalism, and non-discriminatory actions.

## II. Reason for Policy/Purpose

The purpose of this policy is to identify the circumstances under which gifts that are purchased with Network AID funds can/cannot be given, the form of such gifts can/cannot be taken, and, where applicable, any tax withholding or reporting requirements related to giving such gifts.

The Gift policy aims to maintain uniformity in exchanging, distributing, and receiving gifts from the employees/employer, including gratuity and rewards. Network AID firmly believes that no employees must be gifted to benefit from them as it negatively influences other employees' morale.

This policy considers requesting a gift in connection with any contract or transaction wherein the public officer in his official capacity has to intervene or in exchange for help to be given in securing or obtaining any Government permit or license as a corrupt act punishable by law.

To help prevent employees/volunteers etc giving or accepting inappropriate gifts/hospitality by providing guidance, The policy will outline the organisation's position on gifts and hospitality and set out good practices for employees, etc.

## III. Policy

**Policy Guidance and Information is provided under the following sections:**

1. Length of Service Awards
2. Retirement Gifts to Network AID Employees
3. Life Event Gifts to Employees
4. Gifts to Non-Employees
5. Gifts to Volunteer/Intern
6. Gifts to Affiliate
7. Charitable Contributions
8. Additional Important Information
9. Unallowable Gifts
10. Payments Not Covered Under this Policy
11. Three Main Elements Needed for a Gift
12. Types of Gifts
13. Taxation

**1. Length-of-Service Awards**

Salute to Service, A Network AID-wide recognition program for employees celebrating milestone anniversaries beginning at 15 years of service, and continuing at 5-year increments, is administered by the Office of Human Resources/Administration. The awards given under this program meet the specific requirements generated by the Human Resources Office/Administration to qualify as achievement awards that are non-taxable to the employee. Awards/gifts to individuals by departments using Network AID funds for length of service are not allowed.

**2. Retirement Gifts**

The following guidelines have been developed following the current National Revenue Authority regulations:

1. Timing – The retirement gift may not be made to an employee with less than five years of service.
2. Dollar Limit – The value or cost of the gift should not exceed \$2500. Retirement gifts with a value or cost over \$2500 will be taxable to the recipient to the extent the value or cost exceeds the dollar limit (e.g., if a gift with a value of \$2550 is given, the \$50 value that is more than \$2550, is taxable to the employee). Also, if an employee receives a length-of-service award (as described in #1 above) and a retirement gift in the same calendar year, and if the combined value or cost of the award(s) exceeds \$2500, the excess over \$2500 is taxable to the employee.
3. Form of Gift – It is recommended that retirement gifts be in the form of tangible personal property. If a retirement gift is given in the form of cash, check, or gift certificate, the entire value of the gift is additional wages subject to tax withholding regardless of the cost or value.
4. Meaningful Presentation – The gift must be presented as part of a special event or celebration that marks the occasion, such as a departmental meeting, party, luncheon, etc.

### **3. Life Event Gifts to Employees**

Gifts of tangible personal property, such as flowers, etc., may be presented as an expression of celebration in the event of the birth or adoption of a child to the employee, an expression of concern in the event of an illness, hospitalization, or surgery of the employee, or an expression of sympathy in the event of the death of the employee or a member of the employee's immediate family or household.

1. An employer may give tangible personal property gifts of nominal value on a tax-free basis. Network AID has established its nominal value to be \$1500 or less. Gifts over \$1500 must be authorized by the department head. The total value of any tangible personal property gift over \$1500 may be taxable income to the employee recipient.
2. Cash Contribution – As an alternative to a gift of tangible personal property for celebration, concern, or sympathy, a cash contribution may be made to the employee, a family member of the employee, the required entity, and/or a registered charitable organization. Such contributions must be made by Network AID check and be accompanied by a transmittal letter on official Network AID letterhead, which states that the payment/donation was made by Network AID in honor of the employee. Proof of an organization's tax-exempt/charitable status must be provided when requested by the Finance Office. These contributions may be made up to \$1500. Contributions may be made to any non-charitable organization or any political campaign promoting Network AID constituents, committees, or groups engaged in any attempt to influence the general public concerning legislative matters, elections, or referendums in line with Network AID's mission, vision, values, and philosophy.

### **4. Gifts to Non-Employees**

Gifts of tangible personal property to non-employees (trustees, advisors, goodwill ambassadors, donors, business associates, visiting dignitaries, alumni, guests) that are not given as payment for services provided to the Network AID are allowable as follows:

1. Gifts of tangible personal property, (ceremonial objects, regalia, Syracuse Network AID clothing, and accessories, or other memorabilia, etc.) may be presented as an expression of recognition of an individual's accomplishments or achievements at Network AID and/or in the community, or of life events (birth, death, medical, etc.). Expenditures for gifts given to non-employees must be properly substantiated with appropriate documentation and reported to Disbursements Processing.
2. Gifts of cash or cash equivalents are allowed (gift cards are acceptable).
3. Such gifts, if more than \$1500, must be authorized by the department head of the paying department. The authorization must be documented and accompany the substantiation of the expense.
4. The value of gifts of this nature may be taxable to the recipient and reportable by Network AID to the recipient and the NRA to the extent they exceed NRA thresholds.

## **5. Gifts to Volunteer/Intern**

A volunteer/intern is any currently enrolled individual who holds temporary, part-time, or full-time, engagement who is not an affiliate (as defined below in section 6).

1. Gifts of tangible personal property may be given to volunteer/intern for academic, internship, volunteer performance, or other Network AID achievement/recognition /competition, or as part of volunteer/intern-life events. Expenditures for gifts given to volunteers/interns must be properly substantiated with appropriate documentation and reported to Disbursement Processing. The value of gifts of this nature may be taxable to the recipient and reportable by the Network AID to the recipient and the NRA to the extent they exceed NRA thresholds.
2. Gifts of cash or cash equivalents are allowed (gift cards are acceptable).
3. Such gifts, if more than \$1500, must be authorized by the department head of the paying department. The authorization must be documented and accompany the substantiation of the expense.
4. Gifts made to volunteer/intern may impact the volunteer/intern financial aid package.

## **6. Gifts to Affiliate**

An affiliate is any group/individual formed by Network AID or Network AID that is part of or has dealings with, with a view toward the affiliate's ultimate participation in programs. This includes prospective affiliates not yet formed etc. Any other affiliate becomes an affiliate only when the affiliate is formed and operational.

Any gifts to affiliates must receive prior written approval from the Programme Quality Office to ensure that they comply with the rules.

1. Gifts of tangible personal property may be given to students, athletes, etc., for academic or other Network AID achievement/recognition/competition, or as part of an affiliate-life event. Expenditures for gifts given to affiliates must be properly substantiated with appropriate documentation and reported to Disbursement Processing. The value of gifts of this nature may be taxable to the recipient and reportable by the Network AID to the recipient and the NRA to the extent they exceed NRA thresholds
2. Gifts of cash or cash equivalents are allowed (gift cards are acceptable).
3. Such gifts, if more than \$1500, must be authorized by the department head of the paying department. The authorization must be documented and accompany the substantiation of the expense.
4. Gifts made to affiliates may impact affiliate financial aid packages.

## **7. Charitable Contributions**

Gifts to Charitable organizations (other than Life Event Gifts described in #3 above) must be authorized by one of the following: Chief Country Coordinator, Country Coordinator, Chief Financial Coordinator, Advisory Team Member, Programme Quality Coordinator, or Goodwill Ambassador. The authorization must be documented and accompany the request for the contribution. Contributions must be made by Network AID check and be accompanied by a transmittal letter on official Network AID letterhead, which states that the donation was made on behalf of Network AID. Proof of the recipient organization's tax-exempt/charitable status must be provided when requested by the Finance Office. Contributions may not be made to any non-charitable organization or any political campaign, political party, committee, or group engaged in any attempt to influence the general public concerning legislative matters, elections, or referendums.

## **8. Additional Important Information**

1. Gifts allowable under this policy cannot be purchased or reimbursed with sponsored funds (i.e. Fund 13).
2. Under no circumstances will employees or non-employees be reimbursed for gifts of cash or personal checks given to employees, affiliates, guests, or others.
3. Gifts to non-resident aliens are subject to tax withholding and reporting. For more information on nonresident alien taxation contact the Admin/Finance Office.

## **9. Unallowable Gifts**

1. Except as outlined in Section 3 above, gifts for celebratory events and/or to honor individuals for personal, non-work-related achievements or events (e.g., birthdays, holidays, administrative professional's day, termination of employment that is not retirement, weddings, baby showers, house-warming, etc.).
2. Gifts to individuals or entities unrelated to Network AID (e.g., the UPS/FedEx delivery person).
3. Contributions to any non-charitable organization or to any political campaign, political party, committee, or group engaged in any attempt to influence the general public concerning legislative matters, elections, or referendums.
4. As Network AID is a registered voluntary, charity, and human rights organization, state law regulates the giving of gifts to local, and state officials by any employee. Network AID does not allow the giving of gifts to elected officials or government employees. Also not allowed are tokens of appreciation or recognition, or providing travel or meals related to official Network AID events or business, without first contacting the Office of Government and Community Relations responsible for such.
5. Intangible property.

## **10. Payments Not Covered Under this Policy**

1. Employment performance-based payments to employees. These must be paid through Payroll.
2. Payments for services provided to Network AID by non-employees
3. Payments to research subjects and survey participants. These are payments for services.

4. Expenses incurred to promote general morale, such as occasional group luncheons or gatherings to celebrate anniversaries, achievements, or holidays. These are ordinary business expenses.
5. De-minimis (\$25 or less, non-cash/non-gift certificate) items that are given for marketing purposes (pens, cups, posters, T-shirts, etc.). These are ordinary business expenses.

## **11. The Three Main Elements Needed for a Gift**

The three elements of a gift are

- i. Donative Intent,
- ii. Delivery, and
- iii. Acceptance.

The rules governing these elements were historically rigid but in recent years courts have become more lenient in their application by ignoring or circumventing the formal delivery requirement and elevating the importance of donative intent. Acceptance of a valuable gift is typically presumed by courts and thus is rarely a legal issue.

### **Donative Intent**

The donor of the gift must have a present intent to make a gift of the property to the donee. A promise to make a gift in the future is unenforceable, and legally meaningless, even if the promise is accompanied by a present transfer of the physical property in question.

Suppose, for example, that a man gives a woman a ring and tells her that it is for her next birthday and to hold on to it until then. The man has not made a gift, and could legally demand the ring back at any time before the woman's birthday because an immediate transfer has not occurred. In contrast, suppose a man gives a woman a deed and tells her it will be in her best interest if the deed stays in his safe deposit box. The man has made a gift and would be unable to legally reclaim it because he has given her a present interest in the deed. There is a special exception for engagement rings which most states recognize: the transfer of an engagement ring is subject "to an implied condition that the marriage occurs", thus if the engagement ends without a marriage, the giver of the engagement ring is entitled to revoke the gift.

### **Delivery**

The gift must be delivered to the donee. If the gift is of a type that cannot be delivered in the conventional sense – a house, or a bank account – the delivery can be effected by a *constructive delivery*, wherein a tangible item allowing access to the gift – a deed or key to the house, a passbook for the bank account – is delivered instead. *Symbolic delivery* is also sometimes permissible where manual delivery is impractical, such as the delivery of a key that does not open anything but is intended to symbolize the transfer of ownership.<sup>[1]</sup>

Certain forms of property must be transferred following particular formalities described by statute law. In England, real property must be transferred by a written deed.<sup>[4]</sup> The transfer of equitable interests must be performed in writing by the owner or their agent.

A gift is assumed when the property owner deeds real estate as joint tenants with rights of survivorship. Regardless of contribution to the purchase price, such a deed guarantees each tenant equal shares upon the sale or partition of the property.

## Acceptance

The donee must accept the gift for the property transfer to take place. However, because people generally accept gifts, acceptance will be presumed, so long as the donee does not expressly reject the gift. A rejection of the gift destroys the gift so that a donee cannot revive a once-rejected gift by later accepting it. For such an acceptance to be effective, the donor would have to extend the offer of the gift again.

## 12. Types of Gifts

Gifts can also be either:

### *causa mortis*

- i. deathbed gifts (*gift causa mortis, donation mortis causa*) - a future gift made in expectation of the donor's imminent death. A gift *causa mortis* is not effective unless the donor dies of the impending peril that he or she had contemplated when making the gift, i.e. these gifts can only be made when the donor is in a terminal condition.

Gifts can also be:

- ii. **Outright**  
outright – made free of any restrictions, such as being subject to a trust;
- iii. **onerous**  
onerous – made with a burden or obligation imposed on the donee; or
- iv. **remunerative**  
remunerative – made to compensate for services rendered

## 13. Taxation

All gifts donated to Network AID are subject to the laws applicable to the country

## IV. To Whom Does This Policy Apply

Advisors, Ambassadors, Contractors, Affiliate, Department, Employee, Volunteer/Intern

## V. Appendices (as applicable)

### A. Procedures

The procedures for making purchases of tangible personal property using Network AID funds should be followed as indicated in the policies referenced in Section D.

### B. Definitions

**Cash Equivalent** – Cash equivalents include gift cards and gift certificates, as well as government treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper, money market instruments, other short-term securities, and cash-like instruments.



**Tangible Personal Property** – Property, except land or buildings, that can be seen, weighed, measured, felt, touched, or otherwise perceived by the senses. Tangible personal property generally does **not** include items without a physical form such as stocks, bonds, copyrights, deeds, licenses, etc. These items are **Intangible Property** and are never allowable. For purposes of this policy, cash is tangible personal property.

### **C. Forms**

Requisition forms and other forms utilized by Network AID and the gifty institutions.

### **D. Other Related Policies and Documents**

HR and Administrative Policy, Procurement Policy, Expenses Reimbursement Policy, etc