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Subject: Giving of Gifts to Employees
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The following is being sent on behalf of Corporate Tax, Compliance and Payroll

As we approach the holiday season, Corporate Tax, Compliance and Payroll would like to remind you about University policies regarding giving gifts to employees.

Individuals may give personal gifts to their colleagues provided University funds are not used for this purpose.

However, giving cash, cash equivalents or gift cards/coupons to faculty, staff, or students is ***against University policy***. Please refer to [Financial Policy 2326 Gifts Based on University/Employee Relationship](#) for more information.

Under IRS regulations, cash and cash equivalents (including gift cards, coupons, etc.) given by employers to employees ***are deemed to be wages and are subject to employment taxes*** without regard to their value.

Further, ***it is not appropriate to spend any University funds in recognition of employees for non-work-related achievements such as holidays (Christmas, Hanukkah, Kwanza, etc.)***, birthdays, weddings, baby showers, housewarmings, etc. See [Guidance on Employee Gifts and Awards](#) for more information.

Gifts or awards to employees in recognition of work-related achievements require approval by Human Resources and may be taxable to employees.

If you have any additional questions, please contact Beth Knaul at knaul@upenn.edu.

The Penn Employee Solution Center is now available to help with your HR/payroll questions. Knowledgeable Solution Center Specialists are available Monday through Friday, during business hours, to answer your questions. The number to call is 215-898-7372 or you may send an email to solutioncenter@upenn.edu.