

Taxable Gift Cards as Awards

Ensuring compliance with Policy 505 & IRS

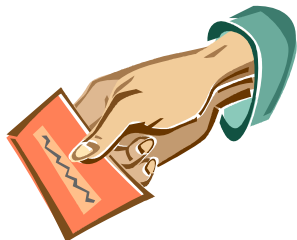
Gifts or awards given to an employee in the form of gift card or certificate are always subject to tax, regardless of value.

Per the Internal Revenue Service, awards in the form of gift card/certificate must be reported on the employee's W-2 as income.

To facilitate compliance with University Policy and Internal Revenue Service regulations, the University has developed a form to report to the Controller's Office the gift cards or gift certificates issued to employees.

The "Taxable Gifts and Awards Form" is available at the following web address:

<http://www.usu.edu/hr/policies/Taxable%20Gifts%20and%20Awards%20Form%20V2.pdf>



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Signatures & Approvals

Tips for signing by proxy or on behalf of someone else

In any organization, there may be instances when a department head or other approving authority is unavailable and the processing of paperwork cannot wait. Ideally, the document should be approved by the next higher level of management. Second choice would be an alternate signer in a lateral management position.

Prior to signing any document, e.g., a Travel Authorization, on another person's behalf, it's important to be aware of the following:

- The authorized signer should give explicit permission to sign on his or her behalf. If possible, keep a letter, form or email on file indicating the authority has been delegated to you.
- If you are not authorized to sign, you may be personally liable for the document, i.e., performance of the agreement or fees due.
- Do not sign a name other than your own! Writing the name of someone else in cursive handwriting could be construed as an attempt of forgery.

The proper method for signing by authority or proxy on someone else's behalf is:

- Sign your own name
- Print "FOR" to the right of your signature
- Print the name of the person for whom you are signing to the right of "FOR"

Signature Stamps: A signature stamp should not be used to approve documents which entail committing funds and approving expenditures. A signature stamp has the potential to be misused and obscures who actually approved the document.

Internal Controls

What are they and how do they apply to control self assessment?

By nature, a University environment is highly decentralized. Decentralization creates more flexibility but also greater responsibility for internal controls at the departmental level. Internal controls are everyone's responsibility!

Internal control is a process designed to help an organization effectively and efficiently meet its objectives, provide reliable financial reports and comply with the law. There are five components to internal controls:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

For auditors and management, often the emphasis is on the control activities, because these can be objectively evaluated and easily implemented. For example: Was a P-Card reconciliation completed? Was a TA signed by an authorized person?

However, the **“control environment”** is the cornerstone determining the success of all the other internal control components. Most of the major scandals, e.g., Enron, Worldcom, Tyco, were primarily due to their organizations' control environment. The lack of a strong control environment rendered the other internal controls ineffective. Control environment is defined by:

- The management philosophy
- How an organization delegates responsibility and authority
- The organizational structure
- The ethics and competence of the organization's people

Auditors have a much more difficult time assessing the intangible, subjective aspects of the control environment. How does an auditor assess the control environment?

This is where Control Self Assessment (CSA) comes in!

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Control Self Assessment (CSA)

What is CSA and why is IAS conducting CSA workshops?

Control Self Assessment (CSA) is a process for evaluating all five components of an organization's internal controls. The building block of the CSA is a team workshop. This workshop is conducted by two CSA facilitators/internal auditors with teams of 10 to 12 employees and managers.

How it works? The facilitators conduct an open question and answer forum where employees respond to questions anonymously through the use of an individual voting tool (similar to the voting tool used on *Who Wants to be a Millionaire*). Anonymity helps ensure participants are free to respond candidly, without being influenced by the team. The voting tool tabulates all the responses to each question. The poll results are projected to facilitate team discussion about the effectiveness of the control or ways to improve the control.

Internal Audit Services compiles a summary of the anonymous poll responses in a report for management. This report is given only to the work team and the team's management to use as a tool to make improvements as necessary. However, if significant egregious activities are discovered during this process, these must be reported to administration.

The results of the workshop are immediately visible. The team and their management undergo a comprehensive discovery of their own effectiveness. For most teams, this leads to immediate actions to address issues over which they have control. The effect is uplifting because, although problems are revealed, the issues have been identified and acknowledged.

Internal Audit Services will summarize all responses for a given area, e.g., administrative group or college. The summary report will be available to administration. The anonymous data from each workshop will be accumulated in a database which rolls up into an analysis of control for the University as a whole.

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