



## **De Minimis Gifts and Awards Guidelines (Non-Cash)**

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**Effective Date:** 9/1/2025

**Responsible Office:** Controller's Office: Payroll & Tax Compliance

**Applies To:** All University Departments

### **Purpose**

To define allowable non-cash gifts and awards provided to employees that may qualify as de minimis fringe benefits under IRS guidance and be excluded from taxable income.

### **Guidelines Statement**

The University permits departments to recognize employees through small, occasional non-cash gifts or awards that meet IRS criteria for de minimis fringe benefits (i.e., so small as to make accounting for them unreasonable or administratively impracticable).

### **De Minimis - Not Taxable**

To be excluded from taxable income, the item must meet all of the following criteria:

Category	Allowable Threshold
Per-Item Limit	< \$100 (fair market value)
Annual Limit per Employee	≤ \$200 total
Frequency	Occasional only (e.g., birthday, holiday, milestone)
Nature	Non-cash, of nominal value, not tied to job performance

### **Retirement Gifts Exception**

Non-cash retirement gifts are allowed up to a value of \$400, per IRS Publication 525. The gift must be tangible property (e.g., plaque, watch, crystal) - not cash or gift cards.

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## Always Taxable - Must Be Reported

The following are not considered de minimis and must be reported as taxable income via Payroll:

- Gift cards or certificates, regardless of amount
- Cash, bonuses, or anything convertible to cash
- Frequent gifts, even if under \$75 each
- Tickets with high resale value (e.g., concerts, games)
- Any non-cash item over \$75, except for retirement as noted

## Examples

Example	Taxable?	Notes
\$25 holiday food basket	✗ No	De minimis
\$10 Starbucks gift card	✓ Yes	Cash equivalent
\$50 branded polo shirt (once/year)	✗ No	De minimis
\$120 engraved crystal award	✓ Yes	Over threshold
\$350 retirement plaque	✗ No	Allowed under \$400 retirement rule
\$500 watch for retirement	✓ Yes	Over retirement threshold

## IRS References

- IRS Publication 15-B (Fringe Benefits Guide):  
<https://www.irs.gov/publications/p15b>
- IRS Publication 525 (Taxable & Nontaxable Income) - Retirement Gifts:  
<https://www.irs.gov/publications/p525>
- IRS Chief Counsel Advice 200108042 (rejecting \$100 item as de minimis):  
<https://www.irs.gov/pub/irs-wd/0108042.pdf>

## University Guidelines

- Track gifts by employee and event (e.g., holiday, birthday, retirement).
- Avoid gift cards unless you are prepared to report them as income.
- Contact the Controller's Office: Payroll & Tax Compliance ( [payroll@fau.edu](mailto:payroll@fau.edu) or [tax@fau.edu](mailto:tax@fau.edu) ) for taxability guidance if unsure.

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