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Finance Procedural Statement: Recognition and Training [1]

Effective Date: January 1, 2026 *(see Revision Log for what changed on this date)*

Introduction

This Procedural Statement (a) sets forth university rules and requirements for using university funds to pay for recognition and training for employees, associates, and other individuals (including students); and, (b) is designed to provide reasonable assurance that recognition awards, rewards, and prizes distributed by the University are properly captured and subject to appropriate tax reporting.

This Procedural Statement is divided into the following sections:

- Recognition Grid
- Recognition Categories
- Recognition Programs
- Recognition Events
- Staff Appreciation Meals
- Recognition Limits
- Training
- Recording Recognition Awards, Rewards, and Prizes
- Safeguarding Awards, Rewards, and Prizes

Procedural Statement

In striving to create and sustain an encouraging and supportive work environment for its employees, the University may hold a recognition event (which is a type of official function) to recognize employees and/or present an award, reward, or prize (which can be cash, cash - like, or non - cash) to an employee. On occasion, the University may hold a recognition event and/or give an award, reward, or prize to a non - employee, i.e., associate or other individual (including students and supporting organizations) as a gesture of appreciation or as an indication of goodwill and esteem. Any type of recognition event, award, or prize should be funded only after careful review of the Administrative Policy Statement Propriety of Expenses and its Tests of Propriety, specifically in considering the costs in relation to the benefits and the availability of funds, and in accordance with the provisions of this statement as well as the Finance Procedural Statement Sensitive Expenses.

A. Recognition Grid

First, determine the type of award: cash, cash - like, or non - cash. Next, determine the value of the award. Finally, identify the recipient: employee or non - employee.

The recognition grid summarizes requirements related to programs, forms, and tax reportability. Terms and procedures are explained in the subsequent sections of this

procedural statement.

If the value of the recognition award, reward, or prize is greater than $2,000 per award, approval by the appropriate officer – in addition to other required approvals noted in the grid – must be obtained.

Type of Award	Value	Requirements	For Employees	For Non-Employees
Cash	Any	Program needed?	Recognition program (see Section C) approved by campus Human Resources Director and appropriate officer	Recognition program approved by Org Fiscal Principal
		RR/PR form needed?	None (see Section H)	None (see Section H)
		Tax reporting?	Generally tax reportable on Employee's W-2; see Recognition Categories (Section B)	Tax reportable; PSC issues 1099-MISC if $2,000 or more in calendar year
		Payment method?	HCM (see Section H)	Payment Authorization form
Cash - like	>$100 individually or in aggregate during calendar year	Program needed?	Recognition program approved by campus Human Resources Director and appropriate officer	Recognition program approved by Org Fiscal Principal
		RR/PR form needed?	Recognition Reporting form sent to Employee Services	Payment Reporting form sent to PSC *if individual or aggregate payments exceed $700 in calendar year*

Type of Award	Value	Requirements	For Employees	For Non-Employees
		Tax reporting?	Generally tax reportable on Employee's W-2; see Recognition Categories (Section B)	Tax reportable; PSC issues 1099-MISC if $2,000 or more in calendar year
		Payment method?	Any allowable procurement process, such as Procurement Card	Any allowable procurement process, such as Procurement Card
Cash - like	up to $100 individually or in aggregate during calendar year	Program needed?	Recognition program approved by campus Human Resources Director and appropriate officer	None
		RR/PR form needed?	Recognition Reporting form sent to Employee Services	None
		Tax reporting?	Generally tax reportable on Employee's W-2; see Recognition Categories (Section B)	None
		Payment method?	Any allowable procurement process, such as Procurement Card	Any allowable procurement process, such as Procurement Card
Non - cash				

Type of Award	Value	Requirements	For Employees	For Non-Employees
1. Awardee name is engraved on the award and the award item (plaque, trophy, or medal) is not made of precious metal or stone	Any	Program needed?	None	None
		RR form needed?	None	None
		Tax reporting?	None	None
		Payment method?	Any allowable procurement process, such as Procurement Card	Any allowable procurement process, such as Procurement Card
2. Other types of non-cash awards, rewards, or prizes not listed in #1 above	Any	Program needed?	Annual employee evaluation	Not applicable
		RR form needed?	Recognition Reporting form sent to Employee Services	Not applicable
		Tax reporting?	Tax reportable on Employee's W-2	Not applicable
		Payment method?	Any allowable procurement process, such as Procurement Card	Not applicable

Type of Award	Value	Requirements	For Employees	For Non-Employees
	>$100 individually or in aggregate per program during calendar year and not associated with an annual employee evaluation program	Program needed?	Recognition program approved by campus Human Resources Director and appropriate officer	Recognition program approved by Org Fiscal Principal
		RR/PR form needed?	Recognition Reporting form sent to Employee Services	Payment Reporting form sent to PSC *if individual or aggregate payments exceed $700 in calendar year*
		Tax reporting?	Generally tax reportable on Employee's W-2; see Recognition Categories	Tax reportable; PSC issues 1099-MISC if $2,000 or more in calendar year
		Payment method?	Any allowable procurement process, such as Procurement Card	Any allowable procurement process, such as Procurement Card
	up to $100 individually or in aggregate during calendar year and not associated with an annual employee evaluation program	Program needed?	None	None
		RR/PR form needed?	None	None
		Tax reporting?	None	None

Type of Award	Value	Requirements	For Employees	For Non-Employees
		Payment method?	Any allowable procurement process, such as Procurement Card	Any allowable procurement process, such as Procurement Card

B. Recognition Categories

1. Length of Service – Length of Service recognition is given to employees (including retirees), associates, or other individuals who have achieved benchmark anniversaries in their years of service to the University. Five years is the minimum length of service that can be recognized, and recognition may not take place more frequently than every five years.

Employee length of service awards may not exceed $400; these are not tax reportable if the award is non-cash. All Internal Revenue Code limitations and limits, in effect at the time of the award, will be considered before adjustments are made to the W-2 or 1099.

2. Merit – The Merit category provides recognition for excellence, providing exemplary customer service, a quality deserving praise or approval, or demonstrated ability or achievement.

Examples include:

- For employees, payments as authorized under the respective university personnel system, for exemplary performance Individual acts of excellence derived from personal initiative which have led to an increase in morale or efficiency in the organizational unit
- Demonstrated and ongoing excellence in service and leadership over a long period of time which has led to the betterment of the organizational unit as a whole
- An identified group, team, unit, or section within the organizational unit that has displayed exemplary teamwork, effectiveness, exceptional service, or other accomplishments in support of the organizational unit's stated mission
- Provision of substantial assistance to the organizational unit, or any of its members, that is above and beyond the scope of normal responsibility
- Letters of commendation or other awards received from non-university agencies or private citizens that bring great credit to the individual and the organizational unit
- Significant positive impact on the university community through the use of problem solving, partnership development, or community service
- Special administrative or enforcement assistance provided to the organizational unit or any of its members

Merit awards are reportable as taxable income. All Internal Revenue Code limitations and limits, in effect at the time of the award, will be considered before adjustments are made to the W-2.

3. Safety – The Safety category provides recognition for acts intended to prevent adverse effects related to danger, risk, or injury. Only people in front line positions are eligible for safety awards. Per IRS regulations, this type of award cannot be given to managers, administrators, or clerical employees. In addition, no more than 10% of an organizational

unit’s employees (total employees of the organizational unit, not just those eligible to receive a safety awards) can be given a safety award during a particular calendar year.

- Examples of safety awards include:
- Acts of courage or heroism in which an individual risked her or his life in the performance of her or his job duties
- Acts of excellence and effort derived from personal initiative, that led to solving a major crime(s) including the arrest of the criminal
- An act of bravery or self-sacrifice
- Demonstrating exemplary conduct and demeanor that enabled an individual to successfully resolve an extraordinarily hazardous situation
- A life - saving situation in which, had the individual not acted, a person likely would have died. (This example does not apply when the individual who saves the life of another carelessly or intentionally created the life-threatening situation.)
- An individual who is killed, wounded, or seriously injured in the performance of an official action

Safety awards are not tax reportable if the award is $400 or less and non-cash. All Internal Revenue Code limitations and limits, in effect at the time of the award, will be considered before adjustments are made to the W-2.

4. Participation – Participation recognition is given to employees, associates, or other individuals because of their involvement in a university activity.

Examples include:

- Receiving a door prize for attending a university event
- Receiving an award, reward, or prize for completing a university survey

Participation awards are reportable as taxable income. All Internal Revenue Code limitations and limits, in effect at the time of the award, will be considered before adjustments are made to the W-2 or 1099.

C. Recognition Programs

In most cases, a recognition program must be in place prior to spending university funds for awards, rewards, or prizes. Exceptions to the recognition program requirement include: staff appreciation meals (see Section E below), retirement gifts, and certain items as noted in the recognition grid, above.

Recognition programs can be established at the organizational unit , campus, or university level. Approvals are required as noted in the grid, above. After approval, all eligible individuals must be notified about the program.

Human Resources approval provides reasonable assurance that the program complies with pertinent regulations. Officer or Org Fiscal Principal approval provides reasonable assurance that the formal program complies with the Administrative Policy Statement Propriety of Expenses, is in the best interest of the organizational unit, and has available funds.

All of the following items must be addressed in each recognition program, and should be included in the documentation -- on the Recognition Program Authorization (RPA) form -- prior to requesting review and approval:

- The name of the recognition program;
- The recognition category (Length of Service, Merit, Safety, Participation – see Section B, above);
- A description of who is eligible to receive the recognition award, keeping in mind that there must be more than one eligible person;
- A clear and distinct description of the recognition award criteria;
- An explanation of the selection method; and,
- A description of the recognition award, including individual award limits or ranges as well as total aggregate award limits or ranges.

D. Recognition Events

Recognition events are official functions and, therefore, the Finance Procedural Statement Official Functions and the Finance Procedural Statement Sensitive Expenses are applicable. As specified in the Finance Procedural Statement Official Functions, certain costs require additional approvals. If alcoholic beverages are served at the recognition event, then the Administrative Policy Statement Alcoholic Beverages Purchased for University Events and related procedures must be followed.

As stated in the Finance Procedural Statement Sensitive Expenses, attendance at recognition events should be limited to those necessary to recognize the individual(s) receiving the award, reward, or prize. In certain circumstances – e.g., retirement functions – it may be appropriate for one or more immediate family members to attend the recognition event.

E. Staff Appreciation Meals

A staff appreciation meal is an infrequent, unique, official function that is hosted and attended by the head of an organizational unit for the purpose of showing appreciation to a continuing or departing staff member, or a group of staff members.
Generally, such events should be associated with a specific performance trigger and would not be expected to occur more often than quarterly.
Staff appreciation meals must adhere to the following:
Other than the meal itself, a staff appreciation meal includes no additional recognition awards, rewards, or prizes. (If a staff appreciation meal involves an additional recognition award, reward, or prize, it is considered to be an employee recognition event, and is subject to the award guidelines stated in this document.). Approval procedures set forth in the Finance Procedural Statement Official Functions ; and, If alcoholic beverages are served at the staff appreciation meal, then the Administrative Policy Statement Alcoholic Beverages Purchased for University Events and related procedures must be followed.

F. Recognition Limits

1. Employees

- Length of Service awards may not exceed $400.
- Any award, reward, or prize that is greater than $2,000 requires appropriate officer

approval.

2. Associates/Other Individuals and Supporting Organizations

- The recognition must be directly related to the instructional, research, or public service mission of the university.
- Recognition can be in the form of honoraria.
- Any award, reward, or prize that is greater than $2,000 requires appropriate officer approval.

G. Training

1. Employees

Employee training is an essential component of creating and sustaining an encouraging and supportive work environment. Employee training also may serve as a component of the university's personnel performance evaluation programs. Training decisions must meet all Tests of Propriety (in particular, being sensitive to the availability of funds, the relevance of the training to the employee's job responsibilities and university career, and the role and mission of the respective organizational unit). The information that follows provides criteria for using university funds to pay for employee training opportunities and programs.

- Employee training must provide a benefit to the university and cannot be solely for the personal or professional development or advancement of the employee. In other words, the training must result in the enhancement or advancement of the employee in relation to her or his university job performance and career.
- Whenever possible, employees should participate in training that is offered through existing campus programs. Examples include, but are not limited to, university-hosted training classes or the opportunities associated wtih the Administrative Policy Statement Tuition Assistance Benefit.
- When training is not provided through existing campus programs, the training should be funded only after careful review of the costs in relation to the tangible, demonstrable benefits.

2. Associates and Other individuals

The University provides training to associates and other individuals when they are involved in activities that support the instructional, research, or public service mission of the university. One such example is the training offered to members of the Board of Regents. Training for associates or other individuals should be funded only after careful review of the Tests of Propriety, specifically the availability of university funds and the direct benefit to the University.

H. Recording Recognition Awards, Rewards, and Prizes

1. Cash Awards, Rewards, and Prizes

Cash awards to employees are processed through Employee Services, in HCM, issuing Additional Pay [2] with earnings type of Award (AWR).

Cash awards to non-employees are processed through the Procurement Service Center using the Payment Authorization (PA) form.

2. Accounting Entries and Account ChartFields

Awards, rewards and prizes may be acquired through purchase or donation. If purchased through an approved procurement method, the following accounts are used

- 550101 – Performance/Support Awards Cash/Non-Employees
- 550105 – Performance/Support Awards Non-Cash/Non-Employees
- 550106 – Non-Cash Recognition Employees
- 550108 – Non-Cash Participation/Recognition Non-Employees

If an award, reward, or prize is donated, then the value of the award is recorded in Fund 34 as a Gift-in-Kind. Debit the appropriate account from above (550105, 550106, or 550108) and credit account 240606 Gifts In Kind less than $5,000. Include a full description, including the business purpose, on the transaction used to record the acquisition of the award, reward, or prize.

I. Safeguarding Awards, Rewards, and Prizes

Organizational units must operate in a way that minimizes the risk of theft or damage to the awards, rewards, and prizes in their possession. This can be achieved through internal controls such as:

- Keeping an inventory of all awards, rewards, and prizes;
- Limiting the inventory to generally no more than 60 days;
- Using locked bags, file cabinets, safes, etc. for storing the awards, rewards, and prizes; and/or,
- Limiting the number of people who have access to the awards, rewards, and prizes.

Exceptions

Unless approved by the appropriate campus controller [3], there are no exceptions to this procedural statement.

Related Administrative Policy Statements (APS), Finance Procedural Statements (FPS), and Forms

- APS Alcoholic Beverages Purchased for University Events [4]
- APS Propriety of Expenses [5]
- FPS Official Functions [6]
- FPS Sensitive Expenses [7]
- Recognition Program Authorization Form [8]
- Recognition Reporting Form [9]
- Payment Reporting Form [10]

Questions

- Questions about expenditures of funds pertaining to recognition and training should be directed to the appropriate campus controller's (finance) office [3], who will consult with the Associate Vice President & University Controller, as appropriate.

Revision Log

- Updates 1/1/2026: Changed IRS reporting threshold from $600 to $2,000. Updated CU internal reporting of cash-like/non-cash items to non-employees to be required over $700 (instead of over $100) and to use the Payment Reporting form (instead of the Recognition Reporting form).
- Updates 4/1/2025: Changed authority to approve exceptions from the Associate Vice President & University Controller to the appropriate campus controller.
- Updates 5/1/2025: Updated to reference the new RPA (Recognition Program Authorization) form.
- Supersedes PSC Procedural Statement Recognition & Training dated 4/1/2025.

Have a question or feedback?

For questions or feedback contact fss@cu.edu [11].

Groups audience:
Controller

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