

# Radford University

## Payments to Employees

**Purpose:** To communicate Radford University's (RU) policy with regard to payments to employees excluding salaries and wages.

**Goods:** It is Radford University's policy to prohibit payments for goods to employees (including members of the employee's immediate family-see note below) for any reason.

**Services:** Radford University's policy to prohibit payments to employees (including members of the employee's immediate family-see note below) through the university's purchasing system for services. For proper reporting and tax withholding, all payments to employees for services must be submitted on a Personnel PR40 form. Payments for services to classified and wage employees must also meet provisions of the Fair Labor Standards Act and the Dual Employment policy as administered by the Personnel Office.

**Monetary prizes and awards:** All monetary prizes and awards to employees are considered taxable income by the Internal Revenue Service. For proper reporting and tax withholding, monetary prizes and awards to employees must be submitted for payment on a Personnel PR40 form as a one-time pay. If the prize or award is for employee recognition, it is not a proper charge against state funds and cannot be paid by the university unless a specific exception has been granted to RU.

**Cash-like and non-monetary prizes and awards:** All cash-like prizes and awards (e.g., savings bonds, gift certificates, RU Express credits) and most non-monetary prizes and awards (e.g., season tickets to sporting or theatrical events, employer provided automobile) to employees are also taxable income and must be reported at fair market value. Non-monetary prizes and awards valued at \$100.00 or less are excluded from taxation. The prize or award should be procured through the university's purchasing system, the RU Express office, or as appropriate. If the prize or award is for employee recognition, it is not a proper charge against state funds and cannot be paid by the university unless a specific exception has been granted to RU. All pertinent information about the prize or award and the recipient (name, address, social security number) must be included on the request. The prize or award should be reported to the Tax Compliance Manager (Box 6921) for appropriate tax determination and reporting.

### Questions:

Regarding employee and/or student payments, contact the Tax Compliance Manager at (540) 831-7020.

Regarding the Fair Labor Standards Act and/or the Dual Employment Policy for Classified and Wage Employees, contact the Director of Human Resources at (540) 831-5008.

Regarding proper charges against state funds, contact the Accounting Services Manager at (540) 831-7619.

Note: The immediate family includes a spouse and any other person residing in the same household as the employee who is a dependent of the employee or of whom the employee is a dependent (e.g., son, daughter, mother, father, brother, sister).