

CALLEN ISD

INCENTIVE AND AWARDS PROCEDURES



Goal: Ensure that all staff and student incentive awards meet local, state, and federal guidelines, including the IRS Guidelines related to the Fringe Benefits Guide.

Section 1: General Information

“Incentive” for purposes of these guidelines refer to a “reward” for performing an activity, achieving a milestone, or some other form of recognition or appreciation. The purchase of these incentive awards with district funds (as defined below) are governed by this procedure.

Type of District Funds:

- The General Fund (Fund 199) and the Campus Activity Fund (Funds 46X) may be used only to purchase “allowable” staff and student incentives.
- Student Activity Funds (Fund 86X) may be used to purchase any reasonable student incentive. Although these funds belong to the respective student group, all purchases must be approved by the student group officers, sponsor, and campus principal, as appropriate.
- State and federal grant funds may only be used to purchase allowable awards and incentives.
 - TEA’s Budgeting Costs Guidance Handbook defines allowable awards and incentives as noted below:
 - Awards for Recognition and Incentives for Participation
 - Minimal-cost certificates, plaques, ribbons, small trophies, or instructionally-related items to be used in the classroom (such as pens and pencils) are acceptable incentives for participation in program activities or awards for recognition.

Donations: Incentive awards may be donated to the district by outside entities and are not governed by this procedure. The following items may be donated by others but may not be purchased with district funds: gifts or items that appear to be gifts, gift cards, door prizes, movie tickets, passes to amusement parks, discount cards, coupons, promotional items, or items that exceed \$25 per item (extravagant value). However, if the donating entity chooses to donate money and the District purchases the incentive or rewards, the purchases are then governed by this procedure.

Student Incentives: Student incentives shall not violate the UIL Side-by-Side Rules, nor the FMNV federal and state guidelines.

Cash prizes as awards to staff or students are strictly prohibited. This includes gift cards, or any other items that are a cash or cash-like equivalent.

Section 2: Food for Staff and Students

The following rules shall be followed for food provided to district staff with General Fund (Fund 199) and Campus Activity Fund (Funds 46X):

- Staff meals, refreshments, or snacks for staff appreciation, teacher in-service, or staff development are allowable, but should not exceed 5 per school year at a maximum cost of \$15 per person per meal (Campus Activity Funds only)
- Meals may be provided to staff during all day meetings (6 hours) or during a working lunch or working breakfast meeting, so long as they are infrequent and at a nominal cost. These meals are not considered an incentive or award. (General Fund and Campus Activity Funds only)
- Staff meals, refreshments, or snacks for staff relating to approved district activities

The following rules shall be followed for food provided to students with General Fund (Fund 199), Campus Activity Fund (Funds 46X), and Student Activity Funds (Fund 86X):

- Meals may be provided to students during school-sponsored events (academic day or extra-curricular) while the students are away from the school campus and for on-campus events such as Student of the Week events.

The following food purchase are strictly prohibited:

- **Alcoholic beverage purchases**
- Food of any kind (snacks, beverages, refreshments, meals, and so on) with State or Federal Grant Funds

Section 3: Staff and Student Incentives and Awards

Staff Incentive Types	Description	General Fund	Campus Activity Funds	State or Federal Funds	Student Activity Funds
Items that do not exceed \$25 per item (de minimus value)	Awards such as plaques or certificates, small non-personal items, small service awards, etc.	Allowable	Allowable	Not Allowable	Not Allowable
Items that exceed \$25 per item (extravagant value)	Extravagant awards or incentives, such as watches, televisions, etc.	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Gift Cards	Gift cards, gift certificates, or any other item with a pre-set dollar limit to be spent at the recipient's discretion	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Gifts, or items that appear to be personal gifts	Birthday or other holiday gifts, flowers, or candy	Not Allowable	Not Allowable	Not Allowable	Not Allowable

Staff Incentive Types	Description	General Fund	Campus Activity Funds	State or Federal Funds	Student Activity Funds
Food – Snacks	Cookies, ice cream, chips, nachos, etc. not served as part of a full meal	Not Allowable	Allowable	Not Allowable	Not Allowable
Food - Meal	Donuts, muffins, fruit, tacos, sandwiches, pizza, hamburgers, hot plates, etc. served as part of a full meal	Allowable	Allowable	Not Allowable	Allowable (only with students present, and off-campus or after school day)
Spirit Shirts	Spirit shirts that do not exceed 3 items per school year at a maximum cost of \$25 per item	Not Allowable	Allowable	Not Allowable	Allowable (only when purchased as part of a team set with student shirts)

Student Incentive Types	Description	General Fund	Campus Activity Funds	State or Federal Funds	Student Activity Funds
Items that do not exceed \$25 per item (de minimus value)	Awards such as plaques or certificates, small non-personal items, etc.	Allowable	Allowable	Not Allowable	Allowable
Items that exceed \$25 per item (extravagant value)	Extravagant awards or incentives, such as watches, televisions, etc.	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Gift Cards	Gift cards, gift certificates, or any other item with a pre-set dollar limit to be spent at the recipient's discretion	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Gifts, or items that appear to be personal gifts	Birthday or other holiday gifts, flowers, or candy	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Food – Snacks	Cookies, ice cream, chips, nachos, etc. not served as part of a full meal	Allowable (if related to testing)	Allowable	Not Allowable	Allowable

Student Incentive Types	Description	General Fund	Campus Activity Funds	State or Federal Funds	Student Activity Funds
Food - Meal	Donuts, muffins, fruit, tacos, sandwiches, pizza, hamburgers, hot plates, etc. served as part of a full meal	Allowable (only off-campus or after school day)	Allowable (only off-campus or after school day)	Not Allowable	Allowable (only off-campus or after school day)
Spirit Shirts	Spirit shirts that do not exceed 3 items per school year at a maximum cost of \$25 per item	Not Allowable	Allowable	Not Allowable	Allowable

Section 4: IRS Guidelines related to the Fringe Benefits Guide

- All district-issued property (with a value of \$25 and above) will be subject to federal employment taxes through payroll disbursements. Incentive awards presented to district employees directly by outside entities are not processed through payroll disbursements as the district is not making the award; therefore, these awards are not taxed by the district.
- Working meals are not taxable as they would meet the IRS regulation that states: Meals provided on the premises and for the convenience of the employer are not taxable. The meeting agenda and sign in sheet must be maintained by the meeting organizer as support for the expense.
- Meals provided to staff while on a day trip as a chaperone with students are not taxable as we have interpreted that they are excluded from taxes under the IRS directly-related or associated tests.
- Meals provided to staff for morale or goodwill, such as staff appreciation days, are generally taxable; however since they are provided on an infrequent basis and they have a minimal value, they are not taxable. IRS Regulations state: Infrequent meals of minimal value may be excludable [from taxes] as a de minimis fringe benefit.
- Meals provided to food service staff are not taxable as they meet the IRS guidelines which state: Meals you furnish to a restaurant or other food service employee during, or immediately before or after, the employee's working hours are furnished for your convenience. The district has elected to provide a meal to food service staff on a daily basis at no charge in accordance with Child Nutrition Program guidelines (TDA) which state: CNPs have the option to charge or not charge nutrition program employees for meals if the employees are directly involved in the operation or administration of meal planning, preparation, and service.
- Employee achievement awards, such as length-of-service or safety shall be presented to an employee as part of a meaningful presentation, i.e. End-of-the-Year Employee Recognition & Retiree Event to comply with the IRS regulations. These awards, if compliant with the IRS, are not taxable.