



Frequently Asked Questions

EMPLOYEE EXPENSES – RETIREMENT EXPENSES

Procedure No. 220.351

Q1. Our department is planning to purchase a retirement gift for an employee. Are there policies that we have to follow?

A1. The State Accounting Policy and Procedure Manual ([Procedure No. 220.351](#)) has a few simple rules to follow in order for the retirement recognition award to be reimbursable:

- Total cost of the Retirement Recognition Award cannot exceed \$75.00
- Personal funds cannot be added to, or supplement, the \$75.00 purchase amount
- Cash, gift certificates, savings bonds or other financial instruments are not allowable
- The item must be in the form of plaques, framed certificates, or similar items that express the gratitude of the State for the retiree's service
- The employee must have actually filed for retirement.

The Policy also gives instruction for payment of the Retirement Recognition Award:

- Payment must be made with a General Accounting Expenditure (GAX) document
- Object Code 2837 (Retirement Expenses) must be used
- The name of the employee(s) receiving the award must be included on the GAX.

Q2. My department purchased a gift for \$60.00. Can we purchase another item for the same person with the remaining \$15.00?

A2. Yes, as long as the combined total does not exceed \$75.00.

Q3. Instead of using the remaining \$15.00 for a second item, can we put the money toward an open house? We would like to serve punch and cake to the guests.

A3. No. Items such as punch, cake, mints, peanuts, and various products used for serving food are considered a personal expense and are not allowed to be purchased with public funds. Decorations are also considered a personal expense.

Q4. We have several employees who are retiring. One employee is receiving a gift that cost \$60.00. The second employee has requested an item that costs \$82.00. Can I take the left over money from the first employee and add it to the second employee's gift since it is Retirement Recognition Award money and we aren't adding personal funds to it?

A4. No. Retirement Recognition Award money is \$75.00 per employee and must be used for that employee only.

If you have additional questions, go to [Procedure No. 220.351](#) or talk to your Financial Manager.