

Approval Date: November 25, 2011

Parent Policy: [Financial Management and Practices Policy](#)

Gift Expenditure Procedure

Office of Administrative Responsibility:	Office of the Vice-President (Finance and Administration)
Approver:	Vice-President (Finance and Administration)
Scope:	Compliance with this university policy/procedure extends to all Academic Staff and Colleagues and Support Staff as outlined and defined in Recruitment Policy (Appendix A and Appendix B).

Contact for questions about this procedure:	Senior Administrative Officer Vice President (Finance & Administration) 780-492-3540
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Overview

As a publicly funded institution, the University of Alberta is accountable for the prudent and effective stewardship of University funds. The University recognizes that gifts, where the primary purpose relates to the business of the University, may, on occasion, be made in carrying out its teaching, research and service activities.

The Canada Revenue Agency (CRA) considers the entire value of gifts of cash (currency, cheques) and near-cash (gift cards and gift certificates) to University staff to be included in employment income and processed as **taxable benefits**. Therefore, the University prohibits such gifts to staff. Gift cards and gift certificates given to non-staff are not considered by CRA to be taxable benefits as these individuals do not provide employment services to the University.

Awards to staff to recognize work performance (including awards, prizes or any other term used to describe such recognition) are taxable to the staff member and must be processed via Payroll.

Gifts of alcohol are not permitted in any circumstances. A donation up to \$100 may be made to a registered charity in lieu of flowers for sympathy or in lieu of gift for volunteer service, speaking, etc.

Purpose

The purpose of this procedure is to ensure that gift expenditures are made in a consistent and cost effective manner that supports the institutional mission with a clear University business purpose.

PROCEDURE

1. EMPLOYEE GIFTS

a. An employee gift is a modest token of appreciation given to a University of Alberta employee in recognition of a special occasion unrelated to work performance, or in sympathy.

b. University employees often personally contribute to gifts to honor fellow employees rather than using University funds. This practice is encouraged. Where this option is chosen, there is no need to consider the eligibility of the gift or taxation issues as detailed below.

c. When using University funds, an employee gift must meet the University's requirements for eligibility as to purpose, type and value. The following tables summarize eligible and ineligible employee gifts. Observation of these limitations is required to ensure taxable benefits are not conferred upon staff. Gifts must be reasonable, prudent and appropriate to the occasion and it is expected that units would rarely spend the maximum amounts indicated.

ELIGIBLE EMPLOYEE GIFTS		
Purpose of Gift	Type of Gift	Maximum Gift Value (Note 1)
long service award (note University has staff recognition program for long service of 25+ years)	trivial – e.g. UAlberta logo items, mugs, flowers, fruit baskets, plaques	Up to a maximum \$250 once every 5 years per employee. Units may set lower limits. The recommended limit is \$10 per year of service (eg. \$50 for a 5-year employee. \$100 for a 10-year employee, etc.) per staff member annually; units may require lower limits based on budget availability
gift or award for a work-related accomplishment that is not performance-related (e.g. efficiency improvement suggestion)	trivial – e.g. UAlberta logo items, mugs, flowers, fruit baskets, plaques	\$250 annually; units may require lower limits based on budget availability
University-wide celebration (e.g. 100 th anniversary)	UAlberta logo items	not applicable - these gifts are of trivial value
retirement or departure (note University holds an annual celebration for retirees)	trivial – e.g. UAlberta logo items, mugs, flowers, fruit baskets, plaques	Up to a maximum \$250 once every 5 years per employee. Units may set lower limits. The recommended limit is \$10 per year of service (eg. \$50 for a 5-year employee. \$100 for a 10-year employee, etc.) per staff member annually; units may require lower limits based on budget availability
	Equipment (Note: Refer to <i>Asset Disposal Procedure - Gift to Staff Member or Donation to Registered Charity</i>)	Combined value of equipment and other gifts given in the year of retirement or departure cannot exceed \$500 per employee
serious illness of staff member	flowers, fruit baskets	\$75 per occasion

sympathy/bereavement (death of employee or member of employees immediate family)	flowers, fruit baskets	\$75 per occasion
	donation to registered charity in lieu of flowers (Note: See 3. Donations to Registered Charities in Lieu of Gifts)	\$100 per occasion
INELIGIBLE STAFF GIFTS		
cash (currency, cheque), gift card or gift certificate (Note 2)		
gift, award or prize to recognize staff performance or gift in lieu of payment for work (e.g. completion of task/project, overtime) (Note 2)		
gift to staff member's spouse, partner or family member (Note 2)		
gift for special occasion (wedding, birth, birthday, religious holiday)		
Alcohol		

Note 1: The maximum gift value is non-cumulative. For example, if an employee has provided 15 years of service and is receiving a long service award for the first time, the maximum permissible gift value remains at \$250.

Note 2: These gifts are ineligible as they are required by CRA to be taxed to the employee. Due to the administrative effort involved in processing taxable benefits, the University prohibits these gifts.

CAUTION: Awards to staff to recognize work performance (including awards, prizes or any other term used to describe such recognition) are taxable to the staff member and must be processed via Payroll.

2. NON-EMPLOYEE GIFTS

a. A non-employee gift is a modest token of appreciation to an external individual (student, visitor, volunteer, donors, host institutions) in recognition of a contribution to the University. Non-employee gifts are generally not considered to be taxable benefits as they are not connected with employment services.

b. Non-employee gifts do not include contributions to other organizations. Such contributions would be considered a donation (if a registered charity) or sponsorship.

c. When using University funds, a non-employee gift must meet the University's requirements for eligibility as to purpose, type and value. The following table summarizes eligible and ineligible non-employee gifts:

ELIGIBLE NON-EMPLOYEE GIFTS		
Purpose of Gift	Type of Gift	Maximum Gift Value
UofA official visit to another institution	trivial – e.g. UAlberta logo items, mugs, flowers, fruit baskets, plaques, gift cards, gift certificates	\$250
recognition of voluntary service or contribution to University (e.g. guest speaker)	trivial – e.g. UAlberta logo items, mugs, flowers, fruit baskets,	\$250 (for gift)

visitor to the University	plaques, gift cards, gift certificates	\$100 (for donation)
bereavement (e.g. death of Board of Governors or Senate member)	OR donation to registered charity in lieu of flowers or gift (Note: See 3. Donations to Registered Charities in Lieu of Gifts)	
INELIGIBLE NON-EMPLOYEE GIFTS		
gift to recognize work for which the individual would normally be paid (e.g. honorarium, contract for service) – See Note 3		
cash (currency, cheque) – see Note 3		
alcohol		

Note 3: These gifts are ineligible as they are required to be reported to CRA as income to the recipient. Due to the administrative effort involved in reporting these to CRA, the University prohibits these gifts.

3. DONATIONS TO REGISTERED CHARITIES IN LIEU OF GIFTS

a. A donation to a maximum of \$100 may be given to a registered charity in lieu of flowers for sympathy or a gift for volunteer service to the University, speaking, etc. Such donations must be processed by completing a Payment Request as follows:

- i. indicate the CRA active registered charity Business Number (see RELATED LINKS)
- ii. use account code 502101 (Supplies & Materials General) – for the purposes of this procedure, donations are considered to be gifts
- iii. forward the Payment Request to Payment Services

Donations to registered charities for any purpose other than those described above require the approval of both the budget owner and the Vice-President (Finance and Administration).

b. A registered charity is not required by Canada Revenue Agency to issue a donation receipt to the University. Donation receipts received by units can be destroyed.

CAUTION: Donations do not include contributions to a political party, constituency or candidate. The University is prohibited from making political contributions by the Alberta Election Finances and Contributions Disclosure Act and CRA registered charity regulations.

4. ACCOUNTING FOR GIFT EXPENDITURES

Gift expenditures should be charged to account code 502101 (Supplies & Materials General).

DEFINITIONS

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [[▲Top](#)]

Employee	<p>A person defined as a member of the Association of Academic Staff of the University of Alberta (AASUA), Non-Academic Staff Association (NASA) or Excluded Staff groups and defined as an Academic, Support or Excluded staff member in Appendix A and Appendix B of the <i>Recruitment Policy</i>.</p> <p>Note: Therefore, a student may be either an employee or non-employee.</p>
Non-Employee	<p>A person who is not defined as an Academic, Support or Excluded staff member of the University of Alberta including, but not limited to, visitors, volunteers, prospective candidates, postdoctoral fellows, academic colleagues, contractors, and students.</p> <p>Note: Therefore, a student may be either an employee or non-employee.</p>
Taxable benefits	<p>Taxable benefits are non-cash benefits provided to employees by the employer in respect of, in the course of, or by virtue of the employment. In general, the <i>Income Tax Act</i> deems the value of the benefits of any kind received by employees to be taxable, subject to a few exceptions.</p>
Non-cash	<p>Non-cash gifts exclude gifts of cash (currency, cheques) and near-cash (gift cards, gift certificates). Examples of appropriate non-cash gifts include UofA logo items, mugs, flowers, fruit baskets and plaques.</p>
Long service award	<p>A non-cash gift awarded to an employee for a minimum of five years' service to the University. An employee may receive a long service award, in accordance within the limitations of the Gift Expenditure Procedure, once every five years.</p>
Budget owner	<p>An employee who has been assigned budget in the financial system and therefore has signing authority to make expenditures within the amounts and scope of his/her budget and within maximum limits. This includes employees identified in the financial system as holding a deptID or projectID.</p>

FORMS

Should a link fail, please contact uappol@ualberta.ca. [[▲Top](#)]

[Payment Request](#)

RELATED LINKS

Should a link fail, please contact uappol@ualberta.ca. [[▲Top](#)]

[Canada Revenue Agency - Charities Listings](#) (Canada Revenue Agency)