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

Gift Expenditure Procedure

Office of Administrative Responsibility:	Office of the Vice-President (University Services, Operations and Finance)
Approving Authority:	Vice-President (University Services, Operations and Finance)

Purpose

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

Gifts are provided to employees for long service milestones, workplace achievements, university wide celebrations, as support during illness and for sympathy or bereavement. Gifts are also provided to non-employees during official visits, recognition of service or contribution to the UofA, and bereavement.

The Canada Revenue Agency (CRA) identifies gifts to employees into two categories:

- **Cash/near cash (taxable)**
- **Non-cash (Non-taxable)**

The University does not allow for gifts of cash/near cash to employees however does allow for non-cash gifts to employees that are non-taxable.

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 UofA.

Awards with monetary value 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 a gift for volunteer service, speaking, etc.

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 UofA business purpose.

Definitions

A definitions table as attached establishes the terms used in this procedure and any unique rules of interpretation that apply..

Scope/Application

Compliance with this University procedure extends to all academic, support and excluded staff, postdoctoral fellows, and academic colleagues as outlined and defined in the *Recruitment Policy* (Appendix A and Appendix B: Definitions and Categories).

Procedure

1. EMPLOYEE GIFTS

- a. An employee gift is a modest token of appreciation given to a UofA employee in recognition of a special occasion unrelated to work performance, or in sympathy.
- b. UofA employees often personally contribute to gifts to honor fellow employees rather than using UofA 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 UofA funds, an employee gift must meet the UofA'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, Payment Method and Supporting Documentation Requirements	Gift Value (Note 1)
Long service award (note UofA has staff recognition program for long service of 25+ years).	<p>Type of Gifts: Tokens of appreciation – e.g. UAlberta logo items, mugs, flowers, fruit baskets, plaques or Gift cards of non-cash.</p> <p>Payment Method: Purchased with a Corporate Purchasing Card (PCard)</p> <p>Gift Card Supporting</p>	<ul style="list-style-type: none"> • Long service awards begin after 25 years of service is complete; • Up to a maximum \$250 once every 5 years per employee after 25 years; • The recommended limit is \$10 per year of service (e.g. \$250 for a 25, 30, 35 and 40 year

ELIGIBLE EMPLOYEE GIFTS		
Purpose of Gift	Type of Gift, Payment Method and Supporting Documentation Requirements	Gift Value (Note 1)
	Documentation and requirements: <ul style="list-style-type: none"> ● Money is preloaded ● Retailer(s) are identified on card ● Amount on card cannot be converted to cash ● log is maintained that includes: <ul style="list-style-type: none"> ○ Employee name ○ Date provided ○ Reason for providing gift card (e.g social event, gift or award) ○ Type of card ○ Amount of card ○ Retailer name ○ Itemized digitized receipt 	employee); <ul style="list-style-type: none"> ● Units may set lower limits based on budget availability.
Prize Employee prize for a team building event, e.g. team building event - bowling event where department employees attend and a prize is randomly dispersed through a draw or competition, such as lowest or highest score, or randomly selected prize at a department sponsored event. e.g. UofA hosted tradeshow, gift cards are purchased by the hosting department and dispersed randomly to attendees through draw or within gift bags. Dispersed only to non-employees of the hosting department.	Type of Gifts: Tokens of appreciation – e.g. UAlberta logo items, mugs, flowers, fruit baskets, plaques; Non-cash gift card. Payment Method: PCard Supporting Documentation: Itemized digitized receipts and additional details as outlined in Gift Card supporting documentation above	Employee Prize \$25 maximum; Randomly selected prize \$50 maximum.

ELIGIBLE EMPLOYEE GIFTS		
Purpose of Gift	Type of Gift, Payment Method and Supporting Documentation Requirements	Gift Value (Note 1)
Gift or award for a work-related accomplishment that is not performance-related (e.g. efficiency improvement recommendation)	Type of Gifts: Tokens of appreciation – e.g. UAlberta logo items, mugs, flowers, fruit baskets, plaques; Non-cash gift card. Payment Method: PCard Supporting Documentation: Itemized Receipts and additional details as outlined in Gift Card supporting documentation above.	\$250 annually; units may set lower limits based on budget availability.
University-wide celebration (e.g. 100th anniversary).	UofA giveaways.	not applicable - these gifts are of low value.
Retirement or departure (note UofA holds an annual celebration for retirees).	Tokens of appreciation – e.g. UofA logo items, mugs, flowers, fruit baskets, plaques; Non-cash gift card (details outlined above); Payment Method: PCard Supporting Documentation: Itemized Receipts and additional details as outlined in Gift Card supporting documentation above.	<ul style="list-style-type: none"> ● The recommended limit is \$10 per year of service to a maximum of \$250 ● Examples: <ul style="list-style-type: none"> ○ \$100 for a 10 year employee ○ \$250 for a 25 year employee ○ \$250 for a 30, 35 and 40 year employee ● 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/ employee.
Serious illness of a staff member.	flowers, fruit baskets.	\$100 per occasion (delivery cost is extra).
Sympathy/bereavement (death of employee or member of employees immediate family).	flowers, fruit baskets.	\$100 per occasion (delivery cost is extra).
	Donation to registered charity in lieu of flowers (Note: See 3. Donations to Registered Charities in Lieu of Gifts).	\$100 per occasion.

INELIGIBLE EMPLOYEE GIFTS
Cash (currency, cheque); (Note 2 below).
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 below).
Gift to spouse, partner or family member (Note 2 below).
Gift for special occasions (wedding, birth, birthday, religious holiday).
Alcohol.

Note 1: The maximum gift value is non-cumulative. For example, if an employee is receiving a 25, 30, 35 or 40 year long service award, the value would be \$250 for each milestone.

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 UofA 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 (e.g. student, visitor, volunteer, donors, host institutions) in recognition of a contribution to the UofA. 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 UofA funds, a non-employee gift must meet the UofA’s requirements for eligibility as to purpose, type and value. The following tables summarize 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.	Token of appreciation - e.g. UofA logo items including mugs, flowers, baskets, plaques, gift cards, gift certificates.	\$250.

ELIGIBLE NON-EMPLOYEE GIFTS		
Purpose of Gift	Type of Gift	Maximum Gift Value
Recognition of voluntary service or contribution to the UofA (e.g. guest speaker). Visitor to the UofA.	Token of appreciation - e.g. UofA logo items including mugs, flowers, baskets, plaques, gift cards, gift certificates;	\$250 (for gift).
Bereavement (e.g. death of Board of Governors Senate member).	OR Donation to a registered charity in lieu of flowers or gift (see section 3 below for payment details).	\$100 (for donation).

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/near 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 UofA 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 UofA, 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 of account code 502101 (Supplies & Materials General) – for the purposes of this procedure, donations are considered to be gifts;
 - iii. forward the Payment Request to the Staff Service Centre (Shared 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 (University Services, Operations and Finance).

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

CAUTION: Donations do not include contributions to a political party, constituency or candidate. The UofA 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

<i>Any definitions listed here apply to this policy document only with no implied or intended institution-wide use.</i>	
Budget Owner	An employee who has been assigned a 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. A Budget Owner is identified in the financial system as holding a deptID or projectID.
Cash - Near-cash (taxable)	<p>Cash includes:</p> <ul style="list-style-type: none"> • Currency, or its equivalent; • Cheques which can be taken into any store or bank and deposited or spent as the employee wishes. <p>This includes reimbursements, where the employee selects and purchases something and then submits a receipt to the employer, receiving cash in return.</p> <p>Near-cash includes:</p> <ul style="list-style-type: none"> • Something easily converted to cash such as bonds, securities, or precious metals/jewels; • A gift card that does not meet <u>all conditions for the card to be considered non-cash</u>; • A prepaid card issued by a financial institution to certain payment card networks (e.g. MasterCard, Visa and American Express) that can be used to pay for purchases; • Digital currency which is electronic money (for example, cryptocurrencies which are not issued or governed by a government or central bank).

Employee	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> . Includes employed PDF's and Graduate Students.
Long Service Award	A non-cash gift awarded to an employee for a minimum of twenty five years' service to the university. An employee may receive a long service award, in accordance with the limitations of the Gift Expenditure Procedure, once every five years after 25 years of employment.
Non-cash (non-taxable)	Includes non-cash gift cards, UofA logo items, mugs, flowers, fruit baskets and plaques.
Non-Employee	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. Note: a student may be either an employee or non-employee.
Taxable benefits	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 Income Tax Act deems the value of the benefits of any kind received by employees to be taxable, subject to a few exceptions.

Related Policy Documents (UAPPOL)

- [Financial Management and Practices Policy](#)

Related Links

- [Charities Listing](#) (Canada Revenue Agency)
- [Payment Request Form](#) (University of Alberta)

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

*Contact for questions about this procedure:
Office of the Vice-President (University Services, Operations and Finance) vpusof@ualberta.ca*

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