

Complete Policy Title: <b>Gifts and Awards Policy</b>	Policy Number:
Approved by: <b>President</b>	Date of Most Recent Approval: <b>November 1, 2013</b>
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Responsible Executive: <b>Vice-President Administration</b>	Enquiries: <b>Human Resource Services</b>
<i><b>DISCLAIMER:</b> If there is a discrepancy between this electronic policy and the written copy held by the policy owner, the written copy prevails.</i>	

## Purpose

The purpose of this policy is to clarify the distinction between gifts and awards; outline when it is acceptable as an employee to receive gifts or awards, and the appropriate value of gifts and awards. The policy also explores the tax implications associated with gifts, awards and events.

## Scope

This policy applies to all University employees.

## Definitions

**Gift:** Something given for a special occasion, for instance, a religious holiday, a birthday, a wedding, a farewell or the birth of a child.

**Award:** Something granted for an employment-related accomplishment; for example, outstanding service, or employees' suggestions. It is given to recognize an employee's overall contribution to the workplace and is not linked to job performance.

## Policy

### 1. Gifts to Individuals for Special Occasions

A Department as a whole, or individuals within a department, may provide a gift to an employee. The employee may receive such a gift.

The University will not cover the cost of the gift. The cost of the gift cannot be charged to the University or submitted for reimbursement by the University. Individuals within the department are not required to contribute to the gift; their decision is voluntary.

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## **2. Retirement Gifts**

The department can provide a gift to an employee who is retiring. The value of the gift should be proportionate to length of service. The employee may receive such a gift.

The University may cover the cost of the gift upon submission of original receipt(s) and appropriate approvals.

## **3. Gifts for Bereavement or Illness**

The department can provide a gift to an employee who is ill, or who has lost a loved on. The employee may receive such a gift.

The University may cover the cost of the gift upon submission of an expense report including the original receipt(s) and appropriate approvals.

## **4. Other Gifts**

Employees can accept a gift provided to attendees at a conference, seminar, workshop or lecture. Employees can also accept door prizes.

Employees can accept gifts and/or plaques provided in recognition of their participation and/or contribution to an event.

## **5. Gifts to Procurement Staff**

Procurement staff can only accept gifts of a nominal value, from existing or prospective suppliers. Gifts that exceed a nominal value could be perceived as an influence, which could cause conflict with the best interests of the University, or prejudice the University's reputation.

## **6. Tax Implications In accordance with Canada Revenue Agency (CRA) Requirements**

Non-cash gifts and awards given to an employee where the total value is less than \$500 are not deemed to be taxable benefits.

Cash and near-cash gifts and awards (i.e. gift cards and certificates, precious metal or securities) are considered to be taxable benefits to the recipient.

Employees can accept honorariums. The full value of the honorarium is a taxable benefit.

See Policy AP-01 "*Reimbursement to Individuals for University Business*" for further guidance on gift cards and certificates. [http://www.mcmaster.ca/bms/policy/accounts\\_payable/ap01-rem\\_univ\\_bus.pdf](http://www.mcmaster.ca/bms/policy/accounts_payable/ap01-rem_univ_bus.pdf)

## **7. Parties or Social Events**

When the University or one of its departments hosts a party or social event for its employees and the cost associated with it is \$100 or less per person, the employees are not considered to have received a taxable benefit.

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If the cost of the party or social event exceeds \$100 per person, the value of the amount per person is a taxable benefit. In such instances, the department should report the event attendees and the total value of the social event per person to their Human Resources Advisor. The value of the benefit will be added to their taxable income.

#### **8. Service Recognition Awards**

Each year, the University may recognize staff for long service to the University.

#### **9. Limits of Gifts**

The total value of any gift shall not exceed \$500. As such, the employee will not derive any taxable benefit.

### **Related Procedures or Documents**

Reimbursement to Individuals for University Business

[http://www.mcmaster.ca/bms/policy/accounts\\_payable/ap01-rem\\_univ\\_bus.pdf](http://www.mcmaster.ca/bms/policy/accounts_payable/ap01-rem_univ_bus.pdf)

Conflict of Interest Policy for Employees

[http://www.mcmaster.ca/policy/Employee/Conflict\\_of\\_Interest\\_Policy.pdf](http://www.mcmaster.ca/policy/Employee/Conflict_of_Interest_Policy.pdf)

Cumulative Service Recognition Program

<http://www.workingatmcmaster.ca/med/document/Cumulative-Service-Recognition-1-48.pdf>