

August 15, 2023

Everyone,

Re: Gift Card for employees

The CRA recently changed its rulings on gift cards. Gift cards, as long as the criteria below are met are no longer considered near cash. The requirements for the gift card are:

- It comes with money already on it and can only be used to purchase goods or services from a single retailer or a group of retailers identified on the card
- The terms and conditions of the gift card clearly state that amounts loaded to the card cannot be converted into cash
- the total amount provided in a calendar year does not exceed \$500 per employee
- is not a reward for the performance of an employee's day to day duties (This is compensation and needs to be taxed)

In response to this change, we took out the wording in the gift section of the expense policy that gift cards are not allowed as gifts. In providing employees a gift card as a gift, please follow the rules set out in section 13 of the expense policy.

Other examples where providing gift cards to employees is acceptable

- employees volunteer for duties outside of their normal duties and responsibilities:
 - speaks at an Ontario Tech hosted conference
 - volunteers for Ontario tech event
- prizes at employee events (raffle or draws)

A couple of notes:

We remind each area to be responsible with expenses and to operate within their budget.

Do not expense and keep an inventory of gift cards. Purchase and hand out the gift card within the same month. Any extra or unsured gift cards, please return them for a refund.

Although we have little control over what the employee can spend the gift card on, please avoid LCBO or the beer store where alcohol would be purchased with the gift card.

Any further questions on this, please contact:

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