
Employee Gift Expenditure Policy

Policy Sponsor:	Vice President, Finance & Administration
Policy Contact:	Director, Financial Services
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Review Date:	To be reviewed biennially
Procedure:	Employee Gift Expenditure Procedure

Purpose

To ensure that Gift expenditures to Athabasca University (the University) employees are made in a consistent and fiscally responsible manner that minimizes any potential risks including reputational, financial, political and compliance risks.

Definitions

Account Holder	The individual employee who has delegated expenditure approval authority for expenditures against a specific budget or account.
Cash	Currency, cheques, money orders.
Departing Employee	An employee who is leaving or has just left the employment of Athabasca University for a reason other than retirement.
Employee	An individual who performs services for AU under a contract of services, as defined by the Canada Revenue Agency (CRA) and the Income Tax Act . Departing Employees or



Retiring Employees are included in the definition of Employee for the purposes of this policy.

Fair Market Value	The price for which an item would be sold by a willing seller to a willing buyer in an arms-length transaction in an open market, each party having full knowledge of the facts.
Family Member	A person who does not deal at arm's length with the Employee, such as the Employee's spouse, partner, significant other, child or sibling.
Gift	An item purchased, using Athabasca University funds, and given to an individual in recognition of a special, unfortunate or celebratory event. A Gift given in substitution for an honorarium (gift in lieu of money) is considered a taxable benefit by the Canada Revenue Agency (CRA).
Near-cash Gifts	Items that can easily be converted to cash, such as gift certificates, gift cards, pre-paid credit cards or travel vouchers.
Non-cash Gifts	Gifts that are not cash (currency, cheques, money orders) or Near-cash Gifts. Examples of appropriate Non-cash Gifts include Athabasca University logo items, mugs, flowers, fruit baskets and plaques.
Retiring Employee	An Employee who is leaving Athabasca University with sufficient service to have qualified for a pension.
Taxable benefits	Non-cash benefits provided to Employees (as well as persons not at arm's length to the Employee, such as the Employee's spouse, partner, child or sibling) by the employer in respect of, in the course of, or by virtue of employment. In general, the value of the benefits of any kind received by an Employee is taxable under the Income Tax Act, subject to a few exceptions.
Taxable Gifts	Gifts that result in employment income (T4) or other income (T4A) to the individual recipient, as determined by Canada Revenue Agency (CRA) regulations.
Trivial Gifts	Gifts that are not considered to be a taxable benefit and do not result in employment income as determined by Canada Revenue Agency (CRA) regulations. Examples include pins, mugs, hats, and T-shirts with employer logos, valued at less than \$25, and plaques or trophies.



University Funds

Includes all sources of revenue directed to an account managed by Athabasca University. It includes grant funds awarded from both university and non-university sources, as well as funds awarded under the terms of contracts.

Policy Statements

As a publically funded institution, Athabasca University is accountable for the prudent and effective stewardship of University Funds.

It is common for Employees to personally contribute voluntarily towards the purchase of Gifts for fellow employees, or their Family Members. This practice is outside of the scope of this policy; it is not intended to replace or otherwise interfere with this practice.

All Gifts from the University to Employees must be administered in accordance with the [Income Tax Act](#). According to the Canada Revenue Agency (CRA), Gifts may have tax implications for Employees if the Gifts are Near-cash Gifts or if the Fair Market Value of the Gifts received by an individual Employee is greater than \$500 in a calendar year.

University Funds may be used for Gifts to an Employee when:

- a) the Gift is permitted under this policy;
- b) the expenditure is in accordance with the procedures attached to this policy and related policies; and
- c) the expenditure is permitted under the terms and conditions of the specific funding source.

Gifts are appropriate when they are given as:

- a) appreciation for participation in an event;
- b) appreciation for participation in an academic research project;
- c) appreciation for service to the University,
- d) recognition as part of the University's formal service and performance awards,
- e) an award for winning a competition or contest;
- f) a prize for attending an event;
- g) an expression of sympathy;
- h) a celebration of a significant event or occasion;
- i) a celebration of retirement; and
- j) recognition of an accomplishment.

The University prohibits the use of University Funds to purchase the following gifts:

- Cash;
- alcoholic beverages;
- Gifts in lieu of payment of wages.



Gifts to an organization on behalf of an Employee are governed under the Sponsorship, Donation and Non-Employee Gift Expenditure Policy.

Gifts to external individuals (students, visitors, volunteers, donors etc.) or other institutions or organizations, in recognition of contributions to the University are governed under the Sponsorship, Donation and Non-Employee Gift Expenditure Policy.

Applicable Legislation and Regulations

[Alberta Post-secondary Learning Act](#)

[Alberta Freedom of Information and Protection of Privacy Act](#)

[Canada Revenue Agency Charity Regulations](#)

[Canada Revenue Agency Guidelines - T4130 Taxable Benefits and Allowances](#)

[Income Tax Act](#)

Related References, Policies, Procedures and Forms

[Employee Gift Expenditure Procedure](#)

[Employee Gift Expenditure Form](#)

[Delegation of Expenditure Approval Authority Policy](#)

[Purchasing Policy](#)

[Sponsorship, Donation and Non-Employee Gift Expenditure Policy](#)

[Sue and Derrick Rowlandson Memorial Award for Service Excellence Policy](#)

[Craig Cunningham Memorial Award for Teaching Excellence Policy](#)

[President's Award for Tutoring/Mentoring Excellence \(PATME\) Policy](#)

[President's Award for Research and Scholarly Excellence \(PARSE\)](#)

[Rob Koons Memorial Award for Health and Safety Excellence \(AHSE\) Policy](#)

[Travel and Expense Claim Policy](#)

History

The Governors of Athabasca University, January 22, 2015, Motion # 194-04 (approved)