

## Gifts and Gift Certificates at McMaster

### Employees:

Canada Revenue Agency rules are specific with regard to the giving of gifts and gift certificates to employees.

Employees are allowed to receive up to two 'non cash' gifts per year with a value not to exceed \$500. On the other hand; gift certificates/cards given to employees are treated as cash-in-kind and therefore deemed a taxable benefit at any dollar value by the Canada Revenue Agency.

For this reason, we strongly encourage departments to give 'non cash gifts' rather than 'gift certificates or gift cards' to employees.

### Non Employees

- *Volunteers can receive gift certificates up to \$500 in a year with no tax consequences.*
- *Guest lecturers can receive gift certificates up to \$500 in a year with no tax consequences.*

### Reporting at Calendar Year End

Please note that it is the responsibility of the department to track the amount/value of gift reward given during the taxation year. A reminder email will be sent to all department heads in January of each year reminding you of the information that must be provided to the payroll department for inclusion in the taxation file where applicable, to ensure compliance with the CRA regulations

To assist the departments, a sample [spreadsheet](#) to facilitate the tracking, recording, and reporting process is available. The original spreadsheet should remain in the department and a copy sent to the payroll office in January each year for the prior calendar year.

### Reimbursement for purchasing gifts and gift certificates

When submitting a claim to A/P for reimbursement of costs for gifts, the following information is required on the claim:

- For employee recipients, provide the name and employee ID #, and note if they are paid or unpaid staff.
- For non-employee recipients, including volunteers, list the names and addresses of each.
- For study participants, provide the name and address of each participant and the study in they are involved.

In every situation, indicate the value of the gift given to each person, and the reason for the reward.

Please see the CRA website for further information on the specific rules and amounts that are considered taxable for each type of reward, or contact [payroll@mcmaster.ca](mailto:payroll@mcmaster.ca).

<http://www.cra-arc.gc.ca/gifts/>

March 6, 2008, v3