

Section:	Human Resources (HR)
Subject:	Compensation and Benefits
Legislation:	
Effective:	September 14, 2023
Revision:	

APPROVED: _____
President and CEO

POLICY

The policy of the Board of Governors is to provide benefit options that support the health and well-being of employees and their dependents.

PROCEDURE

DEFINITIONS

- Approver** A member of the SAIT community who has the authority to approve a claimant’s eligible expenses.
- Claimant** A member of the SAIT community who incurs the expense.
- Employee** A person employed on SAIT’s payroll, whether paid by annual salary or hourly wage.
- Employee contest** A contest in which only employees of SAIT are eligible to enter.
- Open contest** A contest which is open more broadly than just to SAIT employees (for example, open to students, contractors, alumni, or external community members).
- SAIT community** SAIT’s governors, employees, and independent contractors.

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GOVERNING PRINCIPLES

1. This procedure provides a framework of accountability for the effective oversight of processing employee gifts in alignment with the Canada Revenue Agency's (CRA) administrative policy, which can be found at <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/benefits-allowances/gifts-awards-social-events/gifts-awards-long-service-awards.html#non>
2. The following principles govern claimants and approvers:
 - a) SAIT's funds are to be used prudently and responsibly focusing on accountability and transparency.
 - b) Purchases must align with the CRA's administrative policy guidelines and not exceed the \$500.00 annual limit per employee.
 - c) Employee gifts must only be purchased on the SAIT BMO Corporate Credit Card and include the employee's name and business reason.
 - d) Claimants should seek agreement for incurring the expense from the approver before the purchase.
 - e) Expenses arising from non-compliance with this procedure and/or related procedures are not eligible for reimbursement.
 - f) Employee Services is responsible for administering and supporting compliance with this procedure, with school/department approvers and claimants ultimately accountable to this procedure.

PROCEDURE

A. Employee Gifts, Awards, and Rewards

1. SAIT may provide gifts, awards, and rewards to employees for recognition as follows:
 - a) Cash and near-cash: Where gifts or awards of cash or near-cash (including in some cases gift certificates and/or gift cards) are issued to employees, they must be purchased on the BMO Corporate Card and may be a taxable benefit to the employee receiving the gift.

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- b) Non-cash: The total fair market value of all non-cash gifts or awards (for example, books, clothing, gift baskets, etc.) must not exceed \$500 in a calendar year in order to be received tax-free. In some cases, gift cards may be considered non-cash gifts and be received tax-free (where they comply with all CRA requirements). Although employees should not receive non-cash gifts in excess of \$500 annually, if this happens to occur, the amount in excess of \$500 will be a taxable benefit to that employee.
- c) Contests, draws, and prizes:
 - i) Employee contest: This is considered a benefit of employment, and any prizes won are subject to being a taxable benefit. A prize in excess of \$500 (including cash, near-cash prizes, or non-cash prizes) must be reported to Employee Services.
 - ii) Open contest: Notwithstanding paragraphs A.1(a) and (b), a prize in an open contest is considered a windfall and is not taxable in the hands of the winner.
- d) Long service programs:
 - i) Employee Services operates programs to reward employees for their long service to SAIT. Through Employee Services administered programs or otherwise, employees may receive gifts totaling a value of no more than \$500 in intervals no more frequently than five years. Gifts may be given in addition to those offered through Employee Services administered programs, so long as the value and frequency limits are not exceeded.
- e) Events for employees:
 - i) Social events: where the event's primary purpose is social, the cost will not be a taxable benefit for participants, so long as it does not exceed \$150 per participant. Where the cost exceeds \$150 per participant, the total event costs and participant list must be provided to Employee Services, and the costs will be a taxable benefit to participating employees.
 - ii) Business hospitality events: where the primary purpose of the event is business related (including education, planning, or networking), the cost will not be a taxable benefit for participants.

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B. Supporting Documentation

1. All purchases must be made on SAIT's BMO Corporate Credit Card.
2. All purchases require sufficient and appropriate supporting documentation for approval and audit purposes. This documentation includes:
 - a) A receipt which provides:
 - i) Name of the vendor.
 - ii) Date of purchase.
 - iii) Description of goods or services received.
 - iv) Amount of the expense.
 - v) Method of payment.
 - b) Information that clearly explains the who, what, when, where, and why of the purchase.
3. The claimant is responsible for ensuring that the employee gift does not exceed the annual limit and aligns with the CRA administrative policy guidelines.

C. Approval

1. Authority for approvals is set out in procedure [FN.12.1.1 Signing Authority - Revenue Generating, Expenditure and Other Agreements/Contracts](#)
2. The approver is responsible for determining when expenses are necessary.

POLICY/PROCEDURE REFERENCE

HR.1.5	Benefits policy
HR.1.5.1	Long-Term Disability procedure
HR.1.5.2	General Sick Leave procedure

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