

Procedure Title	Gift Card Procedure
Procedure Holder	Senior Director – Financial Services Manager – Financial Services
Procedure Approver(s)	Senior Team
Related Policies	Ch2-s1-05 Honarium Ch2-s1-10 Gift Card Policy Ch2-s2-06 Corporate Card Policy
Related Procedures	
Appendices	Appendix 1 Gift Card Approval Form Appendix 2 Gift Card Log Appendix 3 Gift Card Acknowledgement Form
Storage Location	Website - https://www.confederationcollege.ca/policies-and-procedures
Effective Date	2020-11-03
Next Review Date	2022-03-29

Purpose

The purpose of this procedure is to provide a step-by-step process for when gift cards are purchased with college funds.

Scope

This procedure applies to all staff at Confederation College.

Definitions

Award – An item given to an employee for an employment-related accomplishment such as outstanding service, or employees' suggestions, or meeting or exceeding safety standards. It is recognition of an employee's overall contribution to the workplace, not recognition of job performance.

BPS – Broder Public Sector

CRA – Canada Revenue Agency

E-Gift Cards – E-Gift Cards (or electronic gift cards) work just like regular gift Cards, except a digital card with a code is emailed to the recipient.

Gift – Examples: An item given to a speaker at an event or to an employee on a special occasion such as a religious holiday, a birthday, a wedding, or the birth of a child.

Gift Cards – A prepaid [stored-value money card](#), usually issued by a [retailer](#) or [bank](#), to be used as an alternative to cash for purchases within a particular store or related businesses. Examples of gift cards include:

- Anywhere/anytime cash such as Visa, MasterCard, etc.
- Store gift certificates or cards that are redeemable for a large variety of commodities, such as Walmart or grocery store gift cards
- Gift cards or gift certificates to restaurants
- Gift cards to the College Bookstore
- Virtual gift cards such as Amazon

Paper gift certificates are considered the same as gift cards.

Gift Card Log – Log to record gift card information required by the Finance Department to be able to issue applicable tax forms, if required. Log should include gift card number, payee name or participant ID.

Honorarium – The CRA does support the notion of small payments that are not subject to the usual tax rules under employment income or business income. The criteria for these payments include:

- They are nominal - \$500 or less in a calendar year;
- They are made to an individual for voluntary services for which fees are not legally or traditionally required;
- They are not reflective of the value of the work done;
- They are made on a one-time or non-routine basis to an individual as a “thank you”

P-Card/Purchasing Card – College issued procurement card for the purchase of day-to-day operating supplies (\$3,000 or less, plus HST)

Governing Laws and Regulations

Gifts, awards and long-services awards:

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/benefits-allowances/gifts-awards-social-events/gifts-awards-long-service-awards.html>

Cash or near-cash gifts or awards:

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/benefits-allowances/gifts-awards-social-events/gifts-awards-outside-policy.html>

Procedure Statements

1 Procedure

1.1 Responsibilities

1.1.2 Employee

Completes the initial pre-approval form and initiates the gift card purchases using either a P-card or a purchase order. In rare circumstances, a gift card may be purchased using the employee's own fund and reimbursement submitted using the Request for Payment form. Distributes gift cards and coordinates with the cost centre manager to ensure the information required on the gift card log is complete.

1.1.2 P-Card Holder

P-Card holders are responsible for following the College's P-Card Policy. All gift card purchases must adhere to both the Gift Card policy and the P-Card policy, along with all other College and BPS guidelines. Purchases must be reconciled in accordance with regular credit card reconciliation procedures and a detailed business purpose must be provided. Receipts, Gift Card Approval Form, Gift Card Log and Gift Card Acknowledgement Form must be maintained and submitted along with your credit card statement.

Original copies of the approval form, gift card log, and acknowledgement form must be retained by the P-Card holder for audit purposes.

1.1.3 Cost Center Manager/Department Head

Responsible for developing and overseeing gift card controls in their department. Gift cards must be treated like cash and always safeguarded, including being kept in a locked drawer, cabinet or safe. Responsible for reviewing and reconciling the gift card log and ensuring gift card recipients information is kept confidential.

1.1.4 Purchasing Department

Reviews and approves purchase requisitions for gift certificates and gift card purchases. Issues purchase orders as required.

1.1.5 Accounts Payable

Reviews supplier invoices, ensures appropriate documentation is included and processes invoices for payment. Conducts audit of gift card purchases.

1.1.6 Finance Department

Senior Director Finance or Manager Accounting Services: pre-approval of all Gift Card Approval Forms.

1.2 Purchasing a Gift Card

2.1.1 The **purchase of all gift cards must be pre-approved, including pre-approval from Finance**, using the attached form. This includes pre-approval in advance of any event for which gift cards are going to be distributed.

2.1.2 Gift cards may be purchased by using a P-card, purchase order, or the purchaser may be reimbursed using an expense report.

2.1.3 Individual gift cards may not have a face value greater than \$50.

2.1.4 Gift cards must be charged to unrestricted funds.

2.1.5 Gift Card purchases **must be charged to account code 44812 – Gift Cards**.

2.1.6 When purchasing on a P-card, ensure the above code is charged when reviewing during the month-end review and reconciliation of P-card charges.

2.2 Maintaining and Distributing Gift Cards

2.2.1 When gift cards are purchased, **log all the gift card numbers on the gift card log**. Keep that log with that group of gift cards. Gift card logs are required to support federal tax reporting obligations.

2.2.2 Until disbursed, cards should be maintained in a secure, locked area.

2.2.3 When disbursing gift cards, log the recipient's information on the gift card log as we are required to report this information to CRA. Payments include cash, check, and gift cards and include payments made by multiple departments.

- *It is important to collect the gift card recipient's full legal name and home.*
- The recipient of the gift card must complete the "Gift Card Acknowledgement Form"
 - In those instances where "e-cards" are being distributed, an email from the vendor confirming delivery to the

recipient will suffice to replace the above acknowledgement form.

Revision History

Version	Change	Author	Date of Change
Ch2-s2-10 – Original		Financial Services Senior Director and Manager	2020-10-03
Ch2-s2-10 – v2	Change to limits	VP Finance and Administration	2021-03-29
Ch2-s1-10 – v3	Non-Compliance wording	Senior Team	2022-01-25

APPENDIX 1 – Gift Card Approval Form

Gift Card Approval Form



This form is to be completed in advance of all gift card purchases.

Date:			
Name of Requestor:		Department:	
		<small>(Name & DRGN Code)</small>	
Email:		Phone:	
Gift Card Supplier:			
<small>(Eg. Amazon, Walmart)</small>			
Number of Cards Requested:		Value of Individual Gift Cards:	
		<small>(Max value of \$100/card)</small>	
Total Value of All Gift Cards (\$):			
Method of Payment:			
Name of Event/Program:			
Reason Gift Card(s) is/are Required:			
Signature of Requestor:		Date:	
Approval (Signature) of Cost Centre Manager:		Date:	
<i>The Requestor and Cost Centre Manager acknowledge that these Gift Cards are being purchased exclusively for College business and agree to abide by the terms of the Gift Card Policy, including maintaining appropriate logs and ensuring safekeeping of all gift cards.</i>			
Finance Approval:		Date:	

APPENDIX 3 – Gift Card Acknowledgement Form

Acknowledgement of Gift Card Receipt

This form is to be completed by all gift card recipients.

Date:			
Name of Recipient:			
Email:		Phone:	
Address: Street City, Prov, Postal Code			
Gift Card Supplier: <small>(Eg. Amazon, WalMart)</small>			
Serial Number:			
Card Value (\$):			
Signature of Recipient:		Date:	
Confederation College Employee Signature:		Date:	
<i>This form must accompany all gift card tracking logs and applicable credit card reconciliations.</i>			