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Creation Date: May 6, 2025	Version Date: October 31, 2025	Review Date: October 31, 2028
Authority: VP Admin and Finance	Responsibility: Comptroller	

1. Purpose

- 1.1. As a publicly funded institution, the University of Prince Edward Island (the University) is accountable for the prudent and effective stewardship of University funds. The University recognizes that gifts, where the primary purpose relates to the business of the University, may, on occasion, be made in carrying out its teaching, research and service activities.
- 1.2. The Canada Revenue Agency (CRA) considers certain types of gifts to be taxable income to individuals. These guidelines set out the circumstances when the University must collect information for tax reporting for employees and non-employees.

2. Scope

- 2.1. These guidelines apply to all gifts (cash, near cash and non-cash) purchased or reimbursed using University funds.
- 2.2. These guidelines do not apply to gifts received by the University from external organizations or individuals.

3. Definitions

- 3.1. **University** means the University of Prince Edward Island.
- 3.2. **Employee** means any individual currently on University of Prince Edward Island payroll, including faculty, staff, sessional instructors, and student hires.
- 3.3. **Non-Employee** means any individuals not falling into the definition of Employee. For clarity purposes this would include all students attending, but not employed by the University, adjunct faculty and staff, and independent contractors.
- 3.4. **Procurement Card** means a corporate credit card authorized and issued by the University of Prince Edward Island.
- 3.5. **Gift** means an item purchased for an individual, using University funds, in recognition of an event or contribution to University teaching, research or service activities.
- 3.6. **Cash** means currency or cheques.
- 3.7. **Near-cash** means easily converted to cash, such as a gift certificate or gift card.
- 3.8. **Non-cash** means non-cash gifts or tangible items and excludes Cash and Near-cash Gifts.
- 3.9. **Gift Card** means a stored value or similar instrument issued in lieu of cash or cheque. For the purpose of this document, the phrase gift card is synonymous with gift certificate.

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- 3.10. **Trivial Gift** means non-cash gifts that are more symbolic in nature rather than with any real monetary value (e.g. University logo items, mugs, flowers, fruit baskets, plaques).
- 3.11. **Taxable Benefit**, for the purpose of these guidelines, means a benefit that the value of, per the Income Tax Act, is deemed to be taxable.
- 3.12. **Nominal value** as per Canada Revenue Agency means less than \$500.
- 3.13. **University funds** means all resources available for spending through the University Operating, Endowment, Capital, Ancillary, Research and Special Purpose accounts.
- 3.14. **Token** means that the gift itself does not compare to the action that was taken; symbolic gesture.

4. Responsibilities

- 4.1. These guidelines are authorized by the Vice-President, Administration and Finance.
- 4.2. The development and maintenance of these guidelines is the responsibility of the Comptroller.
- 4.3. The Comptroller shall be responsible for the administration of these guidelines, including the development and oversight of procedures for carrying out the terms of these guidelines.

5. Guidelines

- 5.1. A Gift may be given to an individual, including an Employee, when;
 - 5.1.1. the reason for giving the Gift supports the mission of the University, in accordance with 5.2;
 - 5.1.2. the Gift itself is permitted under these guidelines, any terms and conditions of the specific funding source as well as all other related University policies and procedures; and
 - 5.1.3. the expenditure is submitted in accordance with the Gift Giving and Gift Card Procedures.
- 5.2. Appropriate reasons for giving a Gift include:
 - 5.2.1. a token of appreciation for participation in an event;

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5.2.2. a token of appreciation for participation in an academic research project;

5.2.3. a non-cash award for winning a competition or contest;

5.2.4. a non-cash prize for attending an event;

5.2.5. expressions of sympathy;

5.2.6. retirement;

5.2.7. award;

5.2.8. prize, as the result of a draw or lottery; and

5.2.9. other special situations as approved by the Comptroller.

5.3. The following are ***not permitted*** as Gifts:

5.3.1. Alcohol and/or cannabis or Gift Cards for direct supplier of alcohol or cannabis;

5.3.2. Donations to another charity greater than \$100;

5.3.3. Cash for Employees, including research participant incentives when the employee is participating in a University research study

5.4. Tax Implication and Reporting for ***Non-cash and Near-cash Gifts:***

5.4.1. Non-employees: Non-cash gifts given to non-employees **will not** incur a taxable benefit, provided they are of nominal value and not given in lieu of cash compensation that might otherwise have been agreed upon.

5.4.2. Employees: An Employee may receive any number of non-cash gifts and awards in the course of a calendar year without incurring a taxable benefit, provided the cumulative value of those gifts does not exceed \$500, from all University sources. Gifts exceeding \$500 must be reported as dictated by the Gift Giving and Gift Cards Procedures. Trivial gifts are not considered a taxable benefit.

5.5. Tax Implication and Reporting for ***Cash and Near-cash Gifts:***

5.5.1. Non-employees: When cash and near-cash gifts are given to non-employees, the purchaser must submit the necessary information for tax reporting and cash controls as required by the Gift Giving and Gift Card Procedures.

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5.5.2. Employees: Cash and near-cash gifts are *always* a taxable benefit for an employee and must be reported as dictated by the Gift Giving and Gift Cards Procedures to ensure appropriate treatment of this income for tax purposes as per CRA administrative policy.

5.6. Research Participants

5.6.1. All UPEI research funding is by definition “University funds” and therefore is subject to the terms of these guidelines.

5.6.2. Gifts are a recognized practice to encourage study participation, to acknowledge the research participant’s time and to defray out-of-pocket expenses such as travel costs.

5.6.3. These guidelines and associated procedures are *not* meant to replace any current practices or procedures in place to protect the confidentiality of subject participants in University Research Studies.

5.6.4. In order to directly receive cash or a near-cash gift as a participant in a research study, an individual participant must provide the required information as prescribed in the Gift Giving and Gift Card Procedures. This does not apply to participants receiving research incentive via third-party participant pool platforms where UPEI funds are instead paid to the platform. If they do not wish to provide this information, they may still participate in the study, but may be required to forgo receiving the cash or near cash gift.

5.6.5. It is the responsibility of the Principal Investigator to reconcile all cash and near-cash gifts with Financial Services as dictated by the Gift Giving and Gift Card Procedures.

5.7. Compliance

5.7.1. Any gifts purchased that are not in compliance with these guidelines or the Gift Giving and Gift Card Procedures will not be reimbursed.

5.7.2. If gifts are purchased using a Procurement Card, and are not in compliance with these guidelines or the Gift Giving and Gift Card Procedures, the cardholder will become personally liable pursuant to the Procurement Procedures.

5.7.3. It is the responsibility of the principal investigator to ensure that participant gift cards and all other aspects of their research are done in compliance with the UPEI Responsible Conduct of Research, Scholarly, and Creative Work Policy.

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6. Review

6.1. These guidelines shall be reviewed every three (3) years, or as circumstances dictate.