






Policy & title	PAY008 – Gift vouchers
Effective date	1 December 2009
Objective	To provide guidance on the use of gift vouchers at UCT.  Note From a SARS perspective, gift vouchers are viewed as cash equivalents and are therefore taxable, if used as a payment for services rendered.
Definitions	For the purposes of this guideline, the following definitions apply: <ul style="list-style-type: none">• <i>Gift voucher</i> - a gift, with a certain monetary amount, that is exchangeable for goods at a designated retailer.• <i>External party</i> – parties not employed by UCT or registered students at UCT e.g. guest speakers.
Applicable to	All UCT staff, students, organisations, committee members, associated parties, including UCT Joint Staff on PGWC or NHLS conditions.
Additional information	GEN001 – Funds deposited with or held by UCT PAY005 – Reimbursements PAY009 – Staff functions and gifts
Policy	The general principle is that <ul style="list-style-type: none">• Gift vouchers cannot be used as a payment for services rendered; and• If gift vouchers are used as a token of appreciation, they must be a small fraction in relation to the market-related rate for that service by that individual. Gift vouchers to UCT staff / students <ul style="list-style-type: none">• Gift vouchers cannot be given to UCT staff members. The University’s tax consultants have confirmed that there are no circumstances where an employer can give gift vouchers to staff, without tax consequences. <p>These circumstances include, but are not limited to, long-service awards; payment for overtime or additional work even if unrelated to job description; and payment in lieu of a year-end function.</p>  Note <p>Instead of a gift voucher, a request for additional pay (HR105), may be submitted. PAYE will be deducted.</p> <ul style="list-style-type: none">• A physical gift, for example, flowers, chocolates, or a book, can be given if appropriate per the guideline on Staff functions and gifts.• Gift vouchers given to students for casual work are treated the same as cash payments, and are allowed where the amounts are below the tax threshold for reporting purposes. <p>Example: <i>Student assistance required for a UCT function.</i></p>  Note <p>This does not include formal student employment (e.g. tutoring), which must be routed via HR.</p>



Gift vouchers to external parties

- Gift vouchers can be given to external parties, where this is given as a token of appreciation and **not** as a payment for services rendered.

 **Note**

The token of appreciation must be a small fraction in relation to the market-related rate for that service by that individual.

- Gift vouchers can be given as reimbursements for costs, where individuals have willingly participated in a survey / trial.

Example: Reimbursement of costs incurred by drug trial participants.

Procedure

When requesting a reimbursement / payment for gift vouchers, the supporting documentation must include the names of the individuals receiving the vouchers, whether these are UCT staff members / UCT students / external parties, and the reason for the payment.

 **Note**

All individual gift vouchers, greater than R500, must be approved by the Executive Director: Finance or nominee. If this is required, please complete [FM041 Request for Exception to Finance Policy](#).

Implementation responsibility

The HOD is responsible for ensuring all policies and procedures are communicated to and implemented by the responsible individual(s), including research staff. The faculty/PASS finance manager has to ensure reasonable controls exist to support the implementation of policies.

Direct queries to

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Policy category	Payments
Policy owner	The Executive Director of Finance
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