







<b>Policy &amp; title</b>	PAY008 – <b>Gift vouchers</b>
<b>Effective date</b>	1 December 2009
<b>Objective</b>	To provide guidance on the use of gift vouchers at UCT.  <b>Note</b> From a SARS perspective, gift vouchers are viewed as cash equivalents and are therefore taxable, if used as a payment for services rendered.
<b>Definitions</b>	For the purposes of this guideline, the following definitions apply: <ul style="list-style-type: none"><li>• <i>Gift voucher</i> - a gift, with a certain monetary amount, that is exchangeable for goods at a designated retailer.</li><li>• <i>External party</i> – parties not employed by UCT or registered students at UCT e.g. guest speakers.</li></ul>
<b>Applicable to</b>	All UCT staff, students, organisations, committee members, associated parties, including UCT Joint Staff on PGWC or NHLS conditions.
<b>Additional information</b>	<a href="#">GEN001</a> – Funds deposited with or held by UCT <a href="#">PAY005</a> – Reimbursements <a href="#">PAY009</a> – Staff functions and gifts
<b>Policy</b>	The <b>general principle</b> is that <ul style="list-style-type: none"><li>• Gift vouchers cannot be used as a payment for services rendered; and</li><li>• 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.</li></ul> <b>Gift vouchers to UCT staff / students</b> <ul style="list-style-type: none"><li>• Gift vouchers <b>cannot</b> 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.</li></ul> <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>  <b>Note</b> Instead of a gift voucher, a request for additional pay ( <a href="#">HR105</a> ), may be submitted. PAYE will be deducted. <li>• A physical gift, for example, flowers, chocolates, or a book, can be given if appropriate per the guideline on Staff functions and gifts.</li> <li>• Gift vouchers given to <b>students</b> for casual work are treated the same as cash payments, and <b>are</b> allowed where the amounts are below the tax threshold for reporting purposes.</li> <p><b>Example:</b> <i>Student assistance required for a UCT function.</i></p>  <b>Note</b> This does not include formal student employment (e.g. tutoring), which must be routed via HR. <b>Gift vouchers to external parties</b> <ul style="list-style-type: none"><li>• Gift vouchers can be given to external parties, where this is given as a token of appreciation and <b>not</b> as a payment for services rendered.</li></ul>  <b>Note</b> 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**

Finance helpdesk  
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<b>Policy category</b>	Payments
<b>Policy owner</b>	The Executive Director of Finance
<b>Last reviewed</b>	December 2009
<b>This review</b>	July 2015
<b>Approval</b>	Audit Committee