06 August 2014

**REMINDER ON FINANCE PRACTICE NOTE: PAY009 STAFF FUNCTION AND GIFT**

Please note that gift vouchers cannot be given to UCT staff members. The SA Revenue Services ( Tax Authority) treat gift vouchers as cash equivalents and tax rules apply. Our tax consultants have confirmed that there are no circumstances where an employer can give staff gift vouchers, without tax consequences.

The PAY009 Staff Function and gift practice note  refers to a ‘gift’ as a physical gift, not a monetary/gift voucher.

In summary, with respect to gifts for people leaving UCT or moving departments/positions within UCT, gift vouchers cannot be given to staff; however gifts can be given in the form of collections from the departments or a small gift of appreciation (less than R500) is considered reasonable. i.e. physical gift, not cash/gift vouchers.

**Eliza Hui**

**Faculty Finance Manager**