

**Subject:** Immediately withdraw the practice of issuing gift cards to employees.

**Member of Council:** Kash Heed

**Meeting:** General Purposes Committee (Public)

**Notice Provided on:** April 11, 2025

**For Consideration on:** April 22, 2025 in accordance with Procedure By-law No 7560

## **Background**

The misuse of gift cards in employee recognition has compromised their original intent. Rather than being meaningful rewards, they have often turned into instruments of favoritism or hollow praise. While giving gift cards to employees can be a thoughtful gesture, several problematic practices have emerged that challenge the fairness and integrity of this approach.

Linking gift card rewards to performance metrics may encourage unethical behavior within the workplace. Additionally, selectively awarding gift cards to certain individuals based on perceived bias fosters a toxic atmosphere, contradicting our core value of treating all employees fairly.

Recently identified gaps in communication have failed to clarify the terms and restrictions associated with gift card usage, leaving employees misinformed and diminishing the perceived value of the recognition. Furthermore, neglecting the tax implications related to gift card distributions has led to unexpected legal complications, with employees potentially facing tax liabilities on what they assumed were non-taxable gifts.

Moreover, using gift cards as a subtle means to influence employee behavior or to deter them from raising concerns about workplace issues has eroded trust within the organization.

It is essential to cultivate a workplace where employees feel genuinely appreciated for their contributions and open communication is encouraged. Relying on gift cards as a primary method of recognition, rather than offering competitive salaries or bonuses, can breed resentment, especially if employees feel their efforts are undervalued. By establishing clear guidelines for recognition that do not rely on gift cards, we can reduce the likelihood of misuse and ensure that acknowledgment remains meaningful and effective.

## **Motion**

1. That the Chief Administrative Officer (CAO) immediately withdraw the practice of issuing gift cards to employees;
2. That the CAO implement practices such as structured recognition programs that prioritize fairness and meaningful appreciation for employees; and,
3. That the General Manager of Finance and Corporate Services determine the cash value of the current stock of gift cards and a process to recover the cost and/or distribute the cards to charitable entities such as non-profits distributing food to our most needy.