## GIFTS AND TIPPING POLICY

[Organization Name] understands the complexities of gift giving and tipping. Accepting gifts, honours, and favours in connection with official duties may appear to create an obligation and compromise our independence and impartiality whereas improperly practiced tipping can create inequality.

This policy therefore details [Organization Name]'s gift giving and tip pooling policies for eligible employees. It is in compliance with the *Employment Standard Act, 2000* and the *Protecting Employees' Tips Act* (2015), which regulates how tips and other gratuities are handled in any workplace that accepts them, and the *Conflict of Interest Act*.

DEFINITION

The [*Conflict of Interest Act*](https://laws-lois.justice.gc.ca/eng/acts/c-36.65/page-1.html#h-92024)defines ***Gift or other advantage*** as:

* **(a)** an amount of money if there is no obligation to repay it; and
* **(b)** a service or property, or the use of property or money that is provided without charge or at less than its commercial value. (*cadeau ou autre avantage*)”

Under the *Employment Standards Act*, 2000, a **tip or other gratuity** is any:

* voluntary payment left by a customer for an employee or group of employees;
* voluntary payment left by a customer for the employer to give to their employee(s);
* service or other similar charge or fee imposed by the employer (e.g. a service charge from a catering company, banquet hall, or other type of event centre) in which a reasonable person would believe the payment would be kept by an employee or shared among employees.

A **tip pool** is a collection of employees’ tips that is redistributed among some or all employees. This includes tip outs, which are payments from one employee to other employees because it is required by the employer’s policy. For example, a server "tipping out" a busser for clearing tables.

GIFT GIVING

Employees of [Organization Name] are prohibited from accepting any of the following in return for completing any work that we pay them to do:

1. gifts (items, products, or services offered by any current or potential customer or vendor),
2. money,
3. discounts,
4. meals,
5. tickets to events, or
6. favours including a benefit to family members, friends, or business associates

Employees, however, may access promotional gifts (e.g., promotional coffee mugs, t-shirts, etc.), coffee or perhaps a lunch purchase, or gifts with a monetary value of less than five dollars ($5).

Employees are directed to report any customer attempt to create bias or offer of a gift with a monetary value in excess of $5.00 to management.

In the event that any employee receives a gift that carries a monetary value in excess of $5.00, they are directed to:

* notify management
* return it to the sender with written acknowledgement of the gift
* politely decline the acceptance of the gift by making reference to our Conflict of Interest Policy.

In the event that a return of the gift is not possible, any unreturned gifts must be forwarded to management. Unreturned gifts shall be donated for charitable purposes.

Management will generate a letter to the individual or business that provided the gift to inform them of the decision to donate the gift to charity. A copy of this letter shall be kept on file.

TIPPING

[Organization Name] has implemented a tip pooling system to ensure all eligible employees are provided with tips in a fair and equitable manner. Participation in the tip pooling system is [mandatory/optional].

The following employees are eligible to be part of the tip pooling system:

* Insert

No supervisor or manager is eligible for a tip pool share.

In order to pool the tips collected from all sources, [Organization Name] will withhold or deduct tip amounts that are provided electronically, or require employees to return cash gratuities received directly from clients. The total gratuities collected will then be pooled and distributed to eligible employees according to the procedure set forth below.

Please note: [Organization Name] will not remove funds from the tip/gratuity pool to cover:

* spilled food or drink
* faulty goods (e.g. dishes and glassware)
* losses (e.g., theft or non-payment)

Tip Pool

[Organization Name] will collect tips and compile them into a tip pool. The total amount of the tips will be split by hours worked throughout eligible parties after the following amounts have been removed:

* Credit card fees that were specific to tips
* Insert other

Pooled tips are distributed to employees weekly via [INSERT METHOD e.g., bank account, cash].

Responsibilities

In order for the tip pooling process to work effectively, each team member must understand their responsibilities. Each eligible employee will be given a copy of this policy and will be required to sign it.

Employees are responsible for:

* Tracking how much they pay into tip pools;
* Tracking the tips they receive, including the amount they receive from a tip pool; and
* Adhering to the rules of this policy by returning gratuities received so they may be split amongst the team.

Management/supervisors are responsible for:

* Giving a copy of the policy to employees and having it signed;
* Posting the tip pooling policy where employees can see it;
* Tracking the amounts collected and/or redistributed in the tip pool;
* Tracking the tips and other gratuities paid electronically (e.g. by debit or credit card); and
* Ensuring that only permitted deductions are removed from the pool and that funds are distributed according to the guidelines set out within this policy.

[Organization Name] will indicate who or what that money is intended for (e.g. tips for servers or facilities charges, etc.) when including a service charge on an invoice or venue rental agreement.

Any questions regarding this policy should be directed to [INSERT PERSON].

Employees who fail to comply with the tip pooling policy may face disciplinary action up to and including termination of employment.

Legal Compliance

[Organization Name] will adhere to CRA, EI, and CPP requirements for reporting or deducting from tips/gratuities as required or ordered.