

Memorandum

To: Employment Ontario (EO) Transfer Payment Recipients

From: David Cronin, Director
Program Delivery Support Branch

Date: April 12, 2022

Subject: Purchasing Gift Cards with Government of Ontario Funding

The Ministry of Labour, Training and Skills Development (the “**ministry**”) would like to clarify the proper use of Government of Ontario funds for all Transfer Payment Recipients (TPRs) regarding purchasing gift cards for program participants.

While the ministry appreciates the intention of this practice, the purchase of gift cards to incentivize program participants or for any other reason, using operational or financial supports is not considered an acceptable use of your Transfer Payment Agreement (TPA) funding and should cease immediately. This does not apply to Performance-based Funding earned by Service System Managers. Note: transit passes are not considered gift cards.

To promote transparency and maintain accountability to the public, the ministry needs to be able to verify how TPA funds are spent. Gift cards are considered cash equivalents, and for this reason, gif cards present a financial control challenge due to the inability to guarantee that gift card proceeds are only used for eligible expenditures. What this means for financial supports is that participants should continue to be reimbursed for actual expenditures, as demonstrated on receipts submitted to the TPR. Alternately, TPRs may make financial supports purchases on a participant’s behalf, retaining receipts for all transactions.

If you require clarification on what is considered an eligible expenditure under a particular program, I encourage you to review program guidelines on the [Employment Ontario Partners’ Gateway](#) or Schedule “H” of your TPA. For an overview of the rules governing the ministry’s transfer payments, please review the [Transfer Payment Accountability Directive](#), available on Ontario.ca.

If you have any questions regarding the contents of this memo, please contact your ministry

representative.

Thank you,

David Cronin
Director

cc: Charles Bongomin, Central Region – A/Regional Director
Heather Cross, Western Region – Regional Director
Andrew Irvine, Northern Region – Regional Director
Tariq Ismati, Eastern Region – Regional Director