



I.D.E.A. Industry Update - August 15, 2003

Your Feedback . . .

Many suppliers and manufacturers offer vacation trips of various lengths and often to exotic locations, sales incentives gifts, evening sports events, and day sports events, such as golfing, which are sometimes tied in with a field tour. What is your company policy with regard to your staff accepting these incentives? Here's how you responded . . .

1. How are these trips/events/gifts disbursed to staff and owners?
 - *We try to be fair to all owners and staff. (16% of respondents)*
 - *Depends on what it is. Exotic trips usually are for owners or occasionally senior management. Golf trips and field trips are usually for senior staff and occasionally for admin or operations staff.*
 - *At the owner's discretion. (36% of respondents)*
 - *They can be accepted by the personnel that interact directly with the giver. (16% of respondents)*
 - *Owners first, on major trips; secondly, to branch managers. (16% of respondents)*

2. Who on staff is eligible for these incentives?
 - *Everyone (67% of respondents)*
 - *All staff, owners and families.*
 - *Events are usually related to the specific areas people work in*
 - *All full time staff.*
 - *Small sales incentives gifts can go to anyone.*
 - *Management (33% of respondents)*
 - *Senior management or sales staff.*
 - *Owners or branch managers*
 - *Sporting events with field tours go to branch managers.*

3. It time off given with pay? Yes - 100% No - 0%

4. Is time off given as part of the annual vacation? Yes - 33% No - 67%
 - *For short one day field trips, no, otherwise, yes.*

5. Is there a value placed on these incentives for tax purposes? Yes - 17% No - 83%
 - *On occasion, and depending on the value.*

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6. Are these incentives considered as part of the employee's compensation package?

Yes - 16% No - 84%

7. Other comments:

- *Day trips, like a field tour with golf after, are not counted as holiday time. However, a week-long trip to an exotic location would be considered holiday time. Since the companies offering these incentives do not offer cash in lieu, we try to take in as many of these as possible with a representative from our staff.*
- *These trips are valuable for the following reasons: (1) Boosts staff morale to be chosen for a special activity; (2) Trips usually encompass an educational tour which you could not buy for yourself not matter how much money you would pay; (3) They provide an opportunity to rub shoulders with your peers.*
- *We have a policy: gifts can not exceed \$150. We do not accept gifts of value that we can not pay back equal value.*
- *It is our policy that any award, trip, etc., be cleared with the owner of the company prior to discussing with the employee.*