

Policy Title: Gift-In-Kind (Non-monetary donations)	Category: FR-3 (Page 1 of 2)
Policy Type: Fundraising	Approved: April 17, 2015 Revised: January 30, 2019
Review Frequency: Annually	When: December

INTENT:

The Western Development Museum (WDM) may accept gift-in-kind contributions that can be used to advance the ENDS of the WDM, any of its Museum locations, or which can be readily converted into cash.

A gift-in-kind is a voluntary contribution of goods or services and an important source of support for the WDM.

These gifts and the relationships with the donor must be documented and celebrated.

Donations of artifacts are dealt with in the WDM **Acquisition Policy**.

GOAL:

To augment government and community funding, the WDM will pursue appropriate gift-in-kind donations.

REGULATIONS:

1. The WDM will adhere to the Canada Income Tax Act and regulations when issuing charitable tax receipts for all donations.
2. Museum Managers and Department Heads shall ensure all gift-in-kind requests are pre-approved by the Manager of Philanthropy before being accepted.
3. If the gift is accepted, the WDM Gift-In-Kind Acceptance Form must be completed and the gift entered in the WDM donor data base.
4. The WDM shall issue non-charitable receipts for gift-in-kind donations that do not meet the requirements for charitable tax receipts.
5. Gift-in-kind donations will be recognized as per the WDM **Donor Recognition Policy**.

PROCEDURES:

- 1. CHARITABLE TAX RECEIPTS FOR NON-MONETARY GIFTS** - Pursuant to the Canadian Income Tax Act, the following requirements must be met before a non-monetary gift is eligible for a tax receipt:
 - a) The gift is valuable to the WDM,
 - b) The donor does not receive any residual benefit from the donation, and
 - c) An independent appraisal has been made of the fair market value of the gift if the value exceeds \$1,000.

- 2. APPRAISAL OF NON-MONETARY GIFTS** - In order to issue a tax receipt for gifts other than cash, a qualified professional must complete an assessment of the gift's worth. The following rules apply:
 - a) Appraisals for income tax purposes should be made by an appraiser not associated with the donor;
 - b) The value of the gift is in the donor's interest and, therefore, the donor should be encouraged to obtain and pay for the appraisal wherever possible; and
 - c) Where the value of a gift does not meet the Canada Revenue Agency's threshold for an appraisal, the valuation may be made by a WDM staff member providing the staff member is knowledgeable in the field and is qualified to establish the value of the gift.

- 3. GIFTS OF SERVICES** - The WDM does not issue charitable tax receipts for gifts of services (i.e.in-kind labour or professional services).

If the WDM pays a service provider for services rendered and the service provider then chooses to donate the money back, a charitable tax receipt for the monetary donation can be issued. For this to occur, two distinct transactions must take place and be fully documented;

- a) The service provider must provide a service to the WDM, issue an invoice and be paid for that service.
- b) The service provider must make a voluntary cash gift to the WDM.