

Gift In Kind Donation Procedures

Gifts in kind, also referred to as in-kind donations, is a kind of charitable giving in which, instead of giving money to buy needed goods and services, the goods and services themselves are given. Gifts in kind are distinguished from gifts of cash or stock. Examples of in-kind gifts include goods like food, equipment, and building materials.

There are two types of receipts the College can issue for a Gift in kind.

- 1) Official Donation Receipt for Income Tax Purposes – charitable receipt
- 2) Business Receipt

Some gifts in kind are not eligible for charitable receipting. Examples of ineligible transactions include:

- a gift of service (ex. donated time, labour);
- a donation provided in exchange for advertising/sponsorship; and
- loans of property that have no financial value/cost.

Procedures

If a College employee is approached by a potential donor wishing to provide a gift in kind, the School Dean/Chair is to be consulted and the below should be considered:

- Ensure the School/Department needs it
- Ensure there is appropriate storage and space to use the item
- Ensure the item is operational
- Ensure ongoing maintenance or upkeep costs can be covered
- Ensure shipping can be covered by the School/Department or the donor
- Identify possible insurance related costs (this can be examined by the College)
- As per the CRA a gift received cannot be returned to a donor.

If a School/Department then wishes to accept a gift in kind the procedures below are to be followed:

1. School/Department contacts the Advancement Department to inform them of a possible donation. The School/Department fills in the "[Internal Gift In Kind Approvals 2021](#)" form for approval requests and forwards to Advancement to obtain approvals via Evolve.
2. If any of the approvers have questions or concerns about the gift, the School/Department will be notified by the Advancement Department in order to

obtain additional details. If possible photos of the item(s) should be included to assess space or utility consideration.

3. If the Gift is approved, the Advancement Department will advise the School that they can accept the gift. The donor is requested to complete the "GIK Transfer of Ownership" form outlining the terms of the gift. If the School/Department prefers, they may be the direct contact with the donor as opposed to Advancement however they still must provide donor correspondences and contact details to Advancement for tracking and auditing purposes.
4. If the donor is requiring an official charitable tax receipt as opposed to a business receipt (most commonly requested by companies), there are additional steps to be taken as per CRA regulations. The College will work with the donor to secure an invoice (gifts of new inventory) or secondary appraisals to determine fair market value (FMV).

CRA regulations regarding appraisals of gift in kind donations that are considered "used" states:

- if the estimated FMV is \$1,000 or less, a competent and qualified individual independent from the donor is to appraise the Gift (can be a College employee)
- if the estimated FMV is more than \$1,000, a competent and qualified individual independent from the donor and College is to appraise the Gift.

CRA regulations regarding appraisals of gift in kind donations of new products states:

- if the donation is a gift out of inventory and charity is to receive an invoice from the company showing the product, number of units and price the donation would receive on the open market.

For charitable receipts a donor cannot determine the FMV of a gift and appraiser's must not receive any compensation from the donor.

5. Once the gift in kind arrives on campus the School/Department will notify the Advancement Department in writing. The Advancement Department does not arrange shipping for the School/Department nor pay for this service.
6. The Advancement Department will issue any appropriate receipts (business or charitable) as well as a thank you letter to the donor.

Additional CRA Resources:

[Gifts out of inventory](#)

[Determining fair market value of non-cash gifts](#)