

Policy Name:	Gift-in-Kind Policy		
Policy No:	7.3	Approval Authority:	Senior Leadership Team
Volume:	7, Office of Advancement	Responsible Party:	Advancement Director
Chapter:	3, Gift-in-Kind Policy	Responsible Office:	Office of Advancement
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Policy Statement

NSCAD University is committed to appropriate stewardship of all gifts made to the University, no matter the form those gifts take. All those involved in the negotiation, acceptance, administration, or management of gifts-in-kind must adhere to this policy. (See also the Gift Acceptance Policy)

Reason for Policy

NSCAD University complies with Canada Revenue Agency and the Income Tax Act to ensure fairness, regulatory requirements, clarity, and the mitigation of any risk to the University and our donors. This policy outlines valuation and receiving valuations and processes for donors of goods and services to the University.

Policy Applies to

- All units of the University

Who Should Read this Policy

- All members of the University involved in negotiating, accepting, administering, and managing gifts-in-kind provided to NSCAD
- Members of the Advancement Office
- Members of the Finance & Administration Office
- Members of the Board of Governors

Contacts

Approval Authority: Senior Leadership Team

Detail on policy meanings and application: Advancement Director, Office of Advancement, 902-494-8175 give@nscad.ca OR Chief Financial Officer, Office of Finance & Administration, 902-494-8119, finance@nscad.ca

Definitions

“Canadian Cultural Property Export Review Board”: The Canadian Cultural Property Export Review Board is an independent administrative tribunal that reports to the Minister of Canadian Heritage. As outlined in the *Cultural Property Export and Import Act* the Review Board is responsible for certifying cultural property for income tax purposes; reviewing export permit applications that have been refused; and determining fair cash offers to purchase cultural property for refused export permits.

“Gift-in-Kind”: Gift-in-Kind, also known as non-cash gifts, are gifts of property. They cover items such as artwork, books, equipment, securities, and cultural and ecological property. A contribution of service, that is, of time, skills, or efforts, is not property and, therefore, does not qualify as a gift or gift in kind for purposes of issuing official donation receipts.

“NSCAD University gift receipt”: As a registered charity, NSCAD University can issue official donation receipts (also referred to as "tax receipts") to acknowledge gifts. An official donation receipt is subject to particular requirements under the Income Tax Regulations including identification that it is an official receipt for income tax purposes.

“Significant Cultural Value”: The primary criterion is that cultural property must be of such outstanding significance and national importance that its loss to Canada would significantly diminish the national heritage.

The Policy

1. Benefits to donor

The donor of a Gift-in-Kind may be entitled to two Income Tax related benefits:

1.1. The NSCAD University Gift Receipt equal to the appraised value of the gift.

1.2. The second benefit, more limited in application, arises generally where the gift is of a value of \$1,000 or more, and is certified as being a Significant Cultural Value under the Cultural Property and Import Act (1977).

1.2.1. Application to the Canadian Cultural Property Export Review Board to have the gift certified must be made by NSCAD University with or on behalf of the donor. It is therefore imperative that, in considering acceptance of a gift that may be of Significant Cultural Value, NSCAD University makes known to the prospective donor the possibility of this benefit and initiates the necessary steps by advising the Chief Financial Officer, Office of Finance & Administration and the Advancement Director, Office of Advancement.

1.2.2. The Canadian Cultural Property Export Review Board has its own rules regarding appraisal requirements, and before applying for certification, both the donor and the University should consult the Review Board.

2. Acceptability of gifts-in-kind

2.1. To ensure that a gift-in-kind is appropriate for the University to accept, the relevant Dean, Chair, Director, or University Librarian will be asked for their decision as to whether the University can make use of the potential gift-in-kind.

- 2.2. The Vice-President (Academic & Research) and Provost, Chair, Director, or University Librarian may consult with appropriate staff prior to making a recommendation on whether the gift-in-kind should be accepted. Acceptance of any gift shall be in accordance with Gift Acceptance Policy.
- 2.3. If the gift-in-kind is deemed appropriate, then the University may accept the gift providing that:
 - 2.3.1. any additional expenditures as a result of accepting a gift-in-kind are understood and acceptable to the University;
 - 2.3.2. the University is free to determine the best use of all gifts-in-kind and is not bound by restrictive guidelines on the use of the gift-in-kind imposed by donor.
 - 2.3.3. the gift complies with regulatory and ethical standards.
 - 2.3.4. if a Charitable Registration Receipt is being requested for the gift-in-kind, the gift should be for an item(s) the University would normally acquire in the course of University operations.
- 2.4. The University does not normally accept gifts of art that it cannot appropriately steward and display or would not be otherwise purchased for operations or sale. Such a gift may be accepted on the understanding that it would be sold, and the proceeds directed as the donor wishes. Gifts of art require authentication and proof of provenance in accordance with the American Association of Museums (AMA) and the Association of Art Museum Directors (AAMD). Appraisal by a member of the Professional Art Dealers Association of Canada (PADAC) or a member of an equivalent international association is the basis upon which receipts are issued.
- 2.5. Canada Revenue Agency expressly forbids the issuance of receipts for a gift-in-kind in the form of service. However, a receipt may be issued when an individual or corporation invoices the unit receiving the service, receives payment for the service, and voluntarily returns all or part of the amount of the payment to the University as a donation.
- 2.6. The gift in kind should be such that it can be retained as a University asset and used in connection with University activities with the discretion of as to its use and management. The University does not accept general donation items.
3. Valuing gifts-in-kind
 - 3.1. Preliminary estimates of value may be given, without prejudice, based on information from the donor, but a final valuation and receipt shall only be given following formal appraisal. Appraisal of a gift has to conform to certain requirements.
 - 3.2. In the case of a gift that does not qualify for the Cultural Property benefit, the donation shall be valued in the following manner:
 - 3.2.1. A gift valued up to \$1000 (for a single item) shall be valued by a professional person or staff member with special knowledge about the market value of the object being donated along with supporting evidence from online research;
 - 3.2.2. A gift valued at, or in excess of \$1000 (for a single item) shall be valued by a qualified outside appraiser, knowledgeable about the market value of the object being donated. Donors are responsible for securing a qualified, reputable, independent appraiser to produce a well-documented appraisal to substantiate the Gift Receipt. Donors are encouraged to select the appraiser and pay the fee. The University reserves the right to obtain and rely on a second appraisal, at the University's expense, for

- the purpose of issuing a receipt.
- 3.2.3. Those persons making the valuation will be required to certify to the effect that their appraisal is, to the best of their knowledge, a fair estimate of the market value. This market value, if agreed to by the donor, will be the figure entered on the University Gift Receipt.
 - 3.2.4. The University reserves the right to refuse or accept the donation in accordance with the Gift Acceptance Policy.
- 3.3. In the case of a gift that may be considered eligible for the Cultural Property benefit, the donation shall be valued in the following manner:
 - 3.3.1. The appraiser shall be an independent person that does not associate with either the donor or the University. Dealers, appraisers, and other individuals knowledgeable about the market value of the object being donated may give an expert evaluation. Donors are responsible for securing a qualified, reputable, independent appraiser to produce a well-documented appraisal to substantiate the receipt. Donors are encouraged to select the appraiser and pay the fee. The University reserves the right to obtain and rely on a second appraisal, at the University's expense, for the purpose of issuing a receipt.
 - 3.3.2. An exception may be made when the value of the gift is \$1000 or less. Revenue Canada Taxation will consider a valuation made by a professional person or staff member, knowledgeable and qualified to appraise the gift at its fair market value.
4. Compliance
 - 4.1. Failure to comply with this policy may result in disciplinary action, up to and including termination, in accordance with the relevant collective agreement or employment guidelines. NSCAD also retains the right to pursue any action, including criminal prosecution and civil remedies, when misuse of its information or resources is suspected either during the course of employment or after the termination of employment.
 - 4.2. This policy is intended to be complementary to other policies and collective agreements governing the conduct of faculty and staff. In situations where this policy may be in conflict with Collective Agreements, the Collective Agreements shall prevail.

Forms and Tools

Canada Revenue Agency Guide Issuing Receipts: <https://www.canada.ca/en/services/taxes/charities.html>

Cultural Property Export and Import Act: <https://laws-lois.justice.gc.ca/PDF/C-51.pdf>