

When you are hosting a silent auction, gift-in-kind donations are an important element of your fundraiser. Below are a few tips that will help identify situations in which a gift-in-kind request may be appropriate, as well as how the Alberta Cancer Foundation can recognize these gifts with charitable tax receipts in compliance with the Canada Revenue Agency.

### What is a gift?

A gift is a voluntary transfer of property to the Alberta Cancer Foundation in which the donor receives no advantages or benefits.

### What documents are required to qualify for a charitable tax receipt?

Proof of the fair market value (FMV) of the item must be provided (valued at the time of the donation) in order to qualify for a gift-in-kind tax receipt.

Fair market value is normally the highest price, expressed in dollars, that property would bring in an open and unrestricted market, between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of each other.

Proof of fair market value may be shown in the form of an original invoice or receipt. In situations where the fair market value might be difficult to determine, the donor is responsible for having the item professionally appraised by a third party (someone who is not associated with either the donor or the charity) in advance of the donation. Appraisals are especially common for gifts of artwork.

If the gift was acquired less than three years before the time of donation, the receipt must be issued for the lesser of the gift's fair market value and its cost to the donor. Therefore the donor is required to provide proof of the current fair market value and of the original cost to the donor.

### What kinds of in-kind gifts do not qualify for a charitable tax receipt?

- Donated time, skills or efforts, such as a massage, yoga lesson, DJ services, etc.
- Gift Certificates that have been received directly from the issuer or the supplier (note that gifts of inventory by the issuer or supplier are eligible).
- Sponsorship (when businesses give cash or property with the expectation of receiving a business advantage such as promotion or advertising) NOTE: most businesses will choose to sponsor an event to allow for a 100% tax deduction versus a charitable gift when given the option.
- The use or enjoyment of property (ie. time share).
- Any expenses associated with the fundraising event, such as rentals, food & beverage, etc.
- Gifts where the fair market value or deemed fair market value cannot be determined.

**\*Receipts are issued at the discretion of the Alberta Cancer Foundation after all documentation is reviewed\***

Be sure to ask an Alberta Cancer Foundation Development Officer if you have any questions about gift-in-kind donations and receipts or call 1.866.412.4222.

For more information please visit <http://www.cra-arc.gc.ca/chrts-gvng/menu-eng.html>