

BAC Policy - Gifts in Kind

We are grateful to God for all of the donations that are given to BAC to support the Lord's work. Sometimes these donations are given in a form other than "cash or cheque" – these non-monetary donations are "gifts in kind".

As with the monetary donations, we would like to be able to issue an official tax receipt in accordance with Canada Revenue Agency (CRA) regulations governing charities.

If we do not keep to the tax requirements as directed by the CRA we actually jeopardize our charitable organization status.

Following the tax requirements to issue a taxable receipt for a gift in kind is relatively easy:

- i) Confirm that we have a legitimate need for the donation (ie: board-approval to accept) – see "BAC Contribution Guidelines - Donations & Tax Receipts"
- ii) Confirm the Fair Market Value (FMV) of the donation:
 1. if the FMV is less than \$1000, the Board Treasurer and/or their delegate will document this and arrange for the tax receipt;
 2. if the FMV is over \$1000 it must be independently appraised & documented. The Board Treasurer and/or their delegate will oversee this process.

References: Canada Revenue Agency – Fair Market Value (Appraisals)

Following information taken from the government website at:

<http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/csp/csp-f07-eng.html>

The fair market value of a gift in kind as of the date of the donation must be determined before an amount can be recorded on an official donation receipt.

If the fair market value of a gift is \$1,000 or less, a qualified staff member of the registered charity receiving the gift can appraise the gift. If the fair market value is more than \$1,000, the Charities Directorate strongly recommends that the property be appraised by someone who is not associated with either the donor or the charity receiving the gift (i.e., a third party). The person who determines the fair market value of the property must be competent and qualified to evaluate the particular property being transferred by way of a gift.

BAC Board of Elders – October 2011