



GIFTS OF PERSONAL PROPERTY/GIFTS IN KIND

There are times when it makes sense to consider donating personal property to the College. Canada Revenue Agency calls a gift of personal property a gift-in-kind, and defines it as: a gift of property other than cash such as capital property (including depreciable property) and personal-use property (including listed personal property). A gift in kind does not include a gifts of services.

Here are some things to keep in mind when you donate property:

- If you plan to give away property, any capital gain you have made on the property since you got it may be subject to tax.
- Your own situation will affect the tax status of the gift. If you are an artist, dealer, or collector, different tax rules apply when you donate property from your inventory.
- Please check with the Advancement and External Relations Office prior to making your donation to ensure that the College can accept your gift of property.
- In most cases, individuals will have to have the property appraised at their expense, to determine its fair market value for tax receipt purposes.

Who should appraise a gift?

For every situation, individuals are encouraged to contact a professional appraiser, valuator, or other individual who is accredited in the field of valuation. That individual should be knowledgeable about the principles, theories, and procedures of the applicable valuation discipline and follow the *Uniform Standards of Professional Appraisal Practice* or the standards of the profession. Also, he or she should be knowledgeable about and active in the marketplace for the specific property.

The chosen individual should be independent. For instance, he or she should not be associated with the donor, the qualified donee, or another party associated with the purchase, sale, or donation of the property. The individual should also be knowledgeable about the elements of a properly prepared and credible valuation report.

The fair market value of the property gifted will be deemed to be the lesser of the property's:

- fair market value otherwise determined; and
- its cost (or adjusted cost base if it is capital property), at the time the gift was made. It also applies to certain property that was acquired by the individual less than three years before the day the gift was made. It must also be reasonable to conclude that when the property was acquired, the donor expected to make a gift of it. It does not apply to the situation where the gift is made as a consequence of the donor's death.

The purpose of this publication is to provide general information, not to render legal advice. In addition, any changes in the tax structure may affect the examples listed in this information. You should consult your own lawyer or other professional advisor about the applicability to your situation.

Shape future generations of students; shape your future.



Founded in 1997, the Foundation is a non-profit charitable organization registered with Canada Revenue Agency and provides charitable tax receipts.

For more information on leaving a legacy and the Foundation's Planned Giving Program, please contact Beth Proven at (204) 223-5708. Email: provenb2@assiniboine.net

assiniboine.net/foundation