

Gift-in-Kind Acceptance Policy and Procedure

1 Contents

2	Purpose and Scope.....	1
3	Roles and Responsibilities.....	1
4	Definitions and Acronyms	2
5	General Process Overview	2
5.1	Accepted Gifts-In-Kind	2
5.2	Gift Recording	3
5.3	Gift Value.....	3
5.4	Gift Receiving Process.....	4
5.5	Gift Refusal	4
5.6	Gift Receipting.....	5
5.6.1	Official Donation Receipts	5
5.6.2	Preparation of Receipts	5
5.6.3	Control of Receipts	5
5.6.4	Gifts not eligible for receipting include:.....	5
5.7	Contact.....	5

2 Purpose and Scope

This document outlines the requirements for the acceptance of Gifts-in-Kind made to SMFC.

Donations from individuals, corporations, community groups, and foundations are accepted.

Simcoe Muskoka Family Connexions (SMFC) is a local child, youth, and family services agency as well as a registered charity. With fundraising, our goal is to further support the safety and wellbeing of children, youth, and families during times of financial hardship, helping them to find stability and thrive.

We welcome gifts from individuals, associations, corporations, foundations, and other donors to support our values, mission, vision, and mandate. We welcome contributions of cash, gift in kind, securities, and personal and real property, either as outright gifts or through gift planning vehicles as are permitted by law and regulation. This document outlines the policies and procedures that specifically govern SMFC’s gift in kind acceptance policy.

3 Roles and Responsibilities

This policy applies to all prospective and current donors contributing to SMFC.

This document can be referred to at any time by donors, SMFC staff, board members and volunteers regarding acceptance of gifts-in-kind.

SMFC Staff shall comply with current Procedure.

Gift in Kind Procedure

4 Definitions and Acronyms

CHARITABLE DONATION – According to Canada Revenue Agency, a charitable donation is a voluntary transfer of property, cash or in-kind, to a charity intended to enrich the charity. There is no expectation of return on the part of the donor. Gifts may be monetary (cash, cheque and credit card), or non-monetary (examples: securities, real property or personal property).

DONATION OF SERVICE – A donor gives time, skill or effort. Because service is not deemed property, donation of service is not considered a gift by Canada Revenue Agency.

DONOR – A person, corporation or foundation that makes a gift.

ELIGIBLE AMOUNT – According to Canada Revenue Agency, eligible amount is the part of a gift for which a charity can issue an official receipt for income tax purposes. Generally, this is the amount by which the fair market value of the gift exceeds the amount of any advantage given in respect of the donation.

GIFT-IN-KIND -- A gift other than cash.

OFFICIAL RECEIPT – Also called a charitable tax receipt. A statement issued by the charity to donors with specific information and subject to particular requirements under Canada's Income Tax Act.

5 General Process Overview

5.1 Accepted Gifts-In-Kind

Gifts-in-kind vary in nature. Types of gifts include but aren't limited to:

- Gift cards
- Tickets to events, shows, museums, sporting events, etc.
- Passes to activities (e.g., attractions parks, zoo, bowling, and more), preferably in the Simcoe County & Muskoka Region, but open to places between our area and Toronto.
- NEW items including, but not limited to household items such as hygiene products/toiletry, cleaning supplies, small home appliances, decoration, school supplies, diapers & wipes, baby monitors and other baby items, electronics, clothes and shoes, toys and games, outdoor activities, bikes, knitted/handmade items, etc.
- USED items in excellent/brand-new condition, clean and recent (3 years old max), including but not limited to: refurbished phones/laptops/tablets, suitcases, strollers, wagons, bikes, etc. Items should be in a condition that you would be proud to present as a gift to a close friend.
- Items on our Amazon wish list.
- Gift Cards & Certificates
- Official receipts for income tax purposes will not be issued for a gift card or certificate if the donor is the business that issued it and if the gift card or certificate is redeemed by a third party (for example, by someone who purchased it in a silent auction). In this case, the gift card or certificate is considered only to be a promise by the business to give merchandise sometime in the future (that is, when the gift card is actually redeemed). Until then, there has been no gift of property.

Gift in Kind Procedure

- If SMFC redeems the gift card or certificate for goods (not services), then a receipt may be issued, as the donor (the business) has then fulfilled its promise and transferred property to the charity.
- Donors who purchase gift cards or certificates from the issuer and then donate them to SMFC are eligible for an official receipt as the gift card or certificate is considered property once purchased.

5.2 Gift Recording

SMFC reserves the right to use its own discretion on how gifts-in-kind will be best utilized. The following procedures outline how gifts will be recorded within the Donor Perfect management database.

- All gifts will be recorded by SMFC staff or volunteers at the time of receipt.
- Gifts-In-Kind will be processed within the minimum time possible.
- Gifts-In-Kind requiring a charitable tax receipt must be pre-approved by the Communications & Community Relations team, with gifts being valued based on fair market value according to guidelines set out by the Canada Revenue Agency.
- In accordance with Canada Revenue Agency policy on appraisal (CSP-F07) and fair market value (CSP-F02), gifts-in-kind with an estimated fair market value of \$1,000 or less will be appraised by a qualified SMFC staff or volunteers. Gifts-in-Kind with an estimated value of more than \$1,000 will be appraised by a qualified third party who is not associated with either SMFC or the donor.
- Fundraising best practices dictate that in most scenarios, the donor pays for this appraisal; however, in certain circumstances SMFC may agree to absorb the cost. The determination of who is paying for the appraisal (donor or SMFC) shall be agreed upon prior to beginning the appraisal.
- If the donor opts not to donate after receiving the appraisal value for the gift, then the donor will bear the full cost of the appraisal.
- Details of the appraisal will be recorded on the official receipt.
- Fair Market Value of the item does not include taxes paid on purchasing the item. The amount entered on the tax receipt will be the Fair Market Value of the item before taxes.

5.3 Gift Value

It is appreciated if receipts or price tags are provided with donated items as they will be used to efficiently record the gift value. For other items, we will compare it with the market value at the time we receive the items to provide its value to the best of our capacity, so that a tax receipt can be provided, if requested.

Gift in Kind Procedure

5.4 Gift Receiving Process

SMFC will happily receive in-kind donations of items in brand new or excellent condition.

- Gifts can be delivered to any of our [6 branches listed on our website](#), or
- We can arrange a pick-up with a donor. Please email communications@familyconnexions.ca or call 705-817-1140 to inquire about arranging a pick-up.

Once the donation is picked-up or dropped off, you can:

- Fill out our online tax receipt request at: <https://hipaa.jotform.com/smfconnexions/SMFC-tax-receipt-request>, or
- Leave your contact information with SMFC staff or volunteer when you drop off the items in person.

5.5 Gift Refusal

While we encourage donations of brand new items, consideration will be given to used items. SMFC is grateful for all gifts offered, but reserves the right to decline a gift for any reason in its sole discretion, including but not limited to:

- Poor condition of item(s) which includes but isn't limited to: practicality of item, broken items, or items with missing parts
- Size of item(s) doesn't allow us to store it appropriately in one of our branches;
- The gift constitutes as a non-gift as per Canada Revenue Agency IT-110R3;
- The gift or its terms are illegal;
- The gift could reasonably compromise SMFC's and/or the donor's public image or reputation;
- The gift conflicts with SMFC's values and/or mission;
- The gift falls outside the role and scope of SMFC;
- The gift is costly or difficult to administer;
- The gift exposes SMFC to unacceptable risk or financial liability;
- The donor applies unacceptable restrictions, conditions, or recognition requirements on the gift;
- Fair market value cannot be determined, or will result in unwarranted or unmanageable expense to SMFC;
- The gift could improperly benefit an individual;
- The origin of the gift or identification of the donor is unclear;
- The gift jeopardizes SMFC's charitable status or relationship with the donor community;
- The conditions of the gift are open to interpretation resulting in noncompliance with Canada Revenue Agency rules and regulations.

Gift in Kind Procedure

5.6 Gift Receipting

As a charitable organization under the Income Tax Act, SMFC may issue official charitable donation receipts which the donor may use to claim a non-refundable tax credit..

5.6.1 Official Donation Receipts

- Official donation receipts for income tax purposes will automatically be issued for eligible gifts of \$20 value or more.
- Official donation receipts for income tax purposes for gifts of less than \$20 value must be requested by the donor.
- Management of official receipts rests with SMFC.
- Donation processing staff and volunteers are required to request all necessary paperwork before issuing an official tax receipt.
- Electronic receipts will be issued by default to the donor's email, unless otherwise requested or email not provided.
- Official receipts will be issued within the minimum time possible.

5.6.2 Preparation of Receipts

- Each receipt is prepared bearing an individual serial number.
- Receipts will be issued from a receipt stack unique to the calendar year from which the gift was received. For example, gifts receipted in 2023 will have a receipt stack of 2023; gifts received in 2024 will have a receipt stack of 2024.

5.6.3 Control of Receipts

- SMFC and its employees guard against the unauthorized use of official receipts.
- Electronic copies of all official receipts issued to donors are kept on a secure server.

5.6.4 Gifts not eligible for receipting include:

- Gifts of professional or personal services of an individual
- Gifts by a company of its principal product or service. Such gifts are considered promotional expenses rather than charitable donations under the Income Tax.

5.7 Contact

For any questions or inquiries regarding the donation procedures, please contact Jasmine Botter, Fund Development & Community Partnerships representative, at 705-817-1140 or jasmine.botter@familyconnexions.ca.

You can also call toll free at 1.800.461.4236 and ask to speak to the Communications and Community Relations department, or email communications@familyconnexions.ca.

Gift in Kind Procedure

List of referenced documents

Ref. #	Document Number and Hyperlink	Referenced Document
1	N/A	N/A
2		
3		
4		
5		
6		
7		

Revision/Approval Record

Rev. #	Date of Revision	Summary of revision	Author	Approved by
Rev.00	Oct. 16, 2024	Initial release - Approved for implementation	Jerome B. Tollila Bilingual Manager of Communications & Community Relations	Geraldine Dooley-Philips Executive Director