Appendix “H”

Gift in Kind Examples

***Four elements a non-cash gift must possess in order to be receiptable:***

1. **Voluntary.** “If a donation is made as a result of a contractual or other obligation – for example, a court order – it is not eligible for a receipt.”
2. **A complete transfer.** “It is not enough to pledge that you will one day give something to the charity or provide the object, but not do everything required to change the ownership. For example, it is not sufficient to provide a house and key to a charity – someone needs to actually arrange that the house is completely transferred over to the charity at the land titles and registry office.”
3. **Property.** “Property includes cash, cheques, credit card, money order, wire transfer, and certain tangible items, such as computers, furniture, cars, land, but does not include services.”
4. **Intention to make a gift.** “Under the *Income Tax Act*, if a donor receives an advantage that is greater than 80% (of the gift’s market value), then generally it is assumed that there is no donative intent and the person does not receive a receipt.”

***Transactions that do not qualify as gifts include:***

* a court ordered transfer of property to a qualified donee;
* the payment of a basic fee for admission to an event or program;
* the payment of membership fees that convey the right to attend events, receive literature, receive services, or be eligible for entitlements of any material value that exceed 80% of the value of the payment;
* a payment for a lottery ticket or other chance to win a prize;
* the purchase of goods or services from a charity;
* a donation for which the fair market value of the advantage or consideration provided to the donor exceeds 80% of the value of the donation;
* a gift in kind for which the fair market value cannot be determined;
* donations provided in exchange for advertising/sponsorship;
* gifts of services (for example, donated time, labour);
* gift certificates by the issuer
* loans of property;
* use of a timeshare; and
* the lease of premises.
* Pledges do not constitute a transfer of property until they are fulfilled and, as such, are not eligible for an official donation receipt.