

POLICY 2.28 – Gift Valuation

Policy Category: Financial
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INTRODUCTION

For the purpose of this policy, The University of Western Ontario is referred to as “Western,” and the governing body of The University of Western Ontario is referred to as “the Board.”

This policy is intended to guide Western’s professional staff, volunteers and Board members on matters of gift valuation and receipting and is to be used in conjunction with the [Gift Acceptance Policy 2.1](#), as approved by the Boards.

The overriding principle for this policy is that Western will in all cases value and receipt gifts based on Canada Customs and Revenue Agency guidelines, while attempting to provide the donor with fair and equitable valuation and tax advantage for their gifts.

POLICY

1.00 Cash Gifts

Receipts will be issued for gifts of cash based on the amount received. Year-end gifts will qualify for current tax year receipts if they are post marked in the current year or officially received at Western in the current year.

2.00 Gifts of Publicly Traded Securities

Receipts for gifts of publicly traded securities which are electronically transferred from a donor’s broker to Western’s broker will be issued based on the closing value of the security on the day it is received in Western’s brokerage account.

For share certificates, the receipt will be issued based on the day the certificate is signed by the donor and delivered to Western. If sent by mail, valuation will be based on the date the mail is officially received at Western. If the securities are re-registered in Western’s name by the issuing company and then delivered, the effective date on the certificate will be used for valuation and receipting.

Under exceptional circumstances, such as a gift of illiquid securities, Western reserves the right to assess the fair market value of the securities and issue a receipt that better reflects the true value of the securities under normal and active market trading, as provided for by Canada Revenue Agency guidelines.

It is Western’s general practice to sell securities immediately upon receipt. Western reserves the right, on a case by case basis, to sell securities over a period of days, weeks or months when it is determined that the regular trading volume is not sufficient to absorb the securities without significantly and adversely affecting their value.

Western also reserves the right to refuse to accept a gift of securities that has negligible value in normal and active market trading.

Procedural Guidelines related to Gifts of Publicly Traded Securities are attached as [Appendix A](#).

3.00 **Gifts-in-Kind**

Non-cash gifts will be valued and receipted based on appraisals obtained by the donor and Western. For gifts with a fair market value of less than \$1,000, a reputable and recognized expert member of Western's staff or faculty can appraise the value of the property, and receipts can be issued based on the appraisal.

For gifts greater than \$1,000, an independent appraisal is required. It is Western's practice to have the donor pay for appraisals. Western reserves the right to obtain, at its expense, its own appraisal in addition to the donor's appraisal.

For gifts-in-kind or gifts-in-purchase-discount of a company's products or services, it is Western's practice to value such gifts based on the difference between the actual amount paid (if any) and the lower of the public sector discounted price and retail price.

4.00 **Corporate Sponsorships**

University [Policy 1.12](#) governs the acceptance of corporate sponsorships.

Receipts for cash sponsorships will be issued based on the amount received. For sponsorships of products and services and other in-kind support, valuation will be in accordance to section 3.00 of this policy.

Western issues business receipts, not official charitable tax receipts, for corporate sponsorships.

5.00 **Gifts of Cultural Property**

Western and The McIntosh Gallery will accept gifts of cultural property and shall follow the procedures for application, valuation and receipting as prescribed by Heritage Canada, the Canadian Cultural Property Export Review Board and Canada Customs and Revenue Agency as they may from time to time change.

6.00 **Planned Gifts**

Gifts such as life insurance policies, gifts of residual interests, charitable remainder trusts, charitable gift annuities, gifts of retirement benefits, and other planned gift vehicles will be valued and receipted using the formulas employed by recognized bodies such as the Canadian Association of Gift Planners and approved by Canada Customs and Revenue Agency as they may from time to time change.

APPENDIX A

PROCEDURAL GUIDELINES RELATED TO GIFTS OF PUBLICLY TRADED SECURITIES

It is the general practice of the University to direct the full receipted value of a gift of securities to the project designated by the donor. It is also the general practice that gains or losses between the receipted value and the sale value, including trading costs, are absorbed by the University as a cost of doing business.

When the difference between the receipted value and the sale value, including trading costs, is in excess of \$5,000, the transaction will be reviewed by the Associate Vice-President (Finance & Facilities) or in consultation with the Vice-President (University Advancement) or their designates.

In such instances, consideration will be given, on a case by case basis, to forwarding the sale value less trading costs to the designated project, based on the full value of the loss or gain and donor relations considerations.