Gifts-in-kind

Thank you for considering a gift to the University of Calgary.

There are many different ways to give. Please consult with your professional financial and legal advisors to help you choose the best route for you and your family.

Over the years, the University of Calgary has benefitted greatly from the donation of books, papers, real estate, art and equipment. These gifts-in-kind—be they works of art, special collections of rare objects or books—are typically directed to the following beneficiaries:

- **University of Calgary Library**
  Gifts of books and other materials, both for general use and the university’s special collections are carefully and gratefully considered by the Library Acquisitions Committee.

- **The Nickle Arts Museum**
  The Nickle Arts Acquisition Committee considers gifts of art for the permanent collection of The Nickle Arts Museum. The university may also accept artwork as a disposable asset, which means it can be sold.

- **Faculties and Departments**
  Specialized gifts of equipment and software may be directed to a specific faculty or department.

**Multiple tax benefits for you**

There are a number of tax benefits to making gift-in-kind donations to the university:

- A tax receipt is issued for the fair market value of the gift, based on an appraisal.
- When you donate appreciated capital assets, there may be a taxable capital gain realized. This can be offset or eliminated through rollover provisions, valuation elections and/or the charitable tax receipt.
- Property of cultural significance may be eligible for certification as Canadian Cultural Property, which is deemed to be exempt from taxable capital gains.
- Your tax receipt can be applied against 100 percent of your net income in the year of the gift and any excess can be carried forward for up to five years.

For gifts valued at more than $5,000, the university arranges a minimum of two independent appraisals. With a few exceptions, the resulting tax receipt will reflect the average of the two.

As you consider a gift-in-kind to the University of Calgary, we can work with you and your advisors to identify and document a specific arrangement that works for you. Please contact us for more information or to arrange an appointment at your convenience.

**Your acknowledgement**

Our staff will work with you to develop the appropriate acknowledgment of your gift. We recognize the generosity of our donors by ensuring the individual is acknowledged, however some donors wish to remain anonymous, a request we respect absolutely.

For more information about legacy giving please contact:

Sherry Dahl  
Director of Development, Legacy Giving & Major Gifts  
University of Calgary  
T 403.210.3873  
E legacygiving@ucalgary.ca  
ucalgary.ca/campaign/how-to-give/legacy-giving
Example: Gifts-in-kind

That cottage you never visit? It may provide significant tax savings.

Steve and Elizabeth rarely use their family cottage near Sylvan Lake. The Alberta couple bought the place for $60,000 in the late 1970s and while they talked about selling it, they decided instead to donate the property to the University of Calgary.

Let’s assume the couple makes more than $150,000 a year, putting them in Alberta’s highest marginal tax bracket of 39 percent.

A property appraisal determines the current fair market value of the property to be $300,000.

**Tax on the capital gain if they were to sell the cottage:**

Capital gain recognized

\( ($300,000 - $60,000) = $240,000 \)

Taxable gain \( ($240,000 \times 50\%) = $120,000 \)

Tax on gain \( ($120,000 \times 39\%) = $46,800 \)

**Eligible Tax Credit when they donate the property:**

Value of property = $300,000

Charitable Tax Credit at 50% = $150,000

**Net Tax Savings by donating the property:**

Charitable Tax credit

\( (50\% \text{ of } $300,000) = $150,000 \)

Tax on gain = $46,800

**Net tax savings = $103,200**

In this example, we’re assuming the couple is eligible for the 50 percent Alberta charitable tax credit. (The first $200 of a charitable donation is eligible for only a 25 percent charitable tax credit.) Let’s say Steve and Elizabeth have already made $200 worth of donations through the year, so they’re eligible to deduct a full 50 percent of their donation to the UCalgary.

The charitable tax credit may be claimed for donations of up to 75 percent of your net income in the year of the donation, and any excess may be carried forward for five years. The limit increases to 100 percent of net income in the year of death and the preceding tax year.

The contribution limit for in-kind gifts that have appreciated in value is 75 percent of net income plus 25 percent of the taxable gain arising from the gift. This means that the contribution limit is actually 100 percent of the taxable gain in the gift plus 75 percent of net income from all other sources.