

# Halifax Regional Municipality Archives

## Monetary Appraisal Policy

### Scope

This policy applies to any donations of cultural property to Halifax Regional Municipality Archives made by Canadian taxpayers; and is to guide the actions of HRM staff, professional appraisers and donors involved in monetary appraisal.

### Related Policies and Procedures

- Acquisition Policy
- Monetary Appraisal Administration Procedures

### Principles

- HRM Archives will facilitate government tax incentives that encourage taxpayers to donate cultural property to recognized public institutions. It will conduct monetary appraisals of donations to meet government regulations and guidelines.
- Archival appraisal is different from and should occur prior to a monetary appraisal. That is, the Archives will have selected what is to be kept for permanent retention (according to regular criteria), before a monetary appraisal proceeds.

### Objectives

- To ensure that donors receive the tax benefits due their donation in a timely and equitable manner.
- To ensure that donors, staff and professional appraisers have a clear understanding of their responsibilities and the process of monetary appraisal.

### Policy Statements

- If requested by the donor, the Archives will arrange for a receipt for the appraised fair market value of the donation
- When a donation is appraised at more than \$15,000 in value, an application will be submitted to the Canadian Cultural Property Expert Review Board (CCPERB) for certification as cultural property if the donation meets the criteria of “outstanding significance and national importance”.
- HRM Archives staff will encourage donors to seek legal or tax advice and direct them to relevant government publications and agencies.
- Donations must be complete (deed of gift signed) before any monetary appraisal proceeds. Tax law defines gifts as a voluntary transfer of property for which the donor receives no consideration in return.

- HRM Archives will not issue tax receipts for private donations of government records.
- HRM Archives staff will arrange for professional external appraisal for a donation estimated at more than \$1000 in value. Archives staff will conduct the monetary appraisal for donations less than \$1000 in value. HRM Archives will not conduct monetary appraisals for donations estimated to be valued less than \$100.
- HRM Archives staff will not speculate with donors regarding the value of donations.
- HRM Archives may cover the cost of monetary appraisals up to a certain amount (budget restrictions apply). For more involved, and thus costly appraisals, donors will be asked to make a cash donation to cover the cost of external monetary appraisals including fees and expenses. HRM Archives will make arrangements for the appraisal and issue a separate receipt for the cash donation.
- Monetary valuation amounts are confidential information between the Archives, the appraisers and the donor. The Archives will maintain confidential documentation of the monetary appraisal process.

### **Guidelines**

- HRM Archives will attempt to issue a receipt during the tax year in which the donation was made. Since monetary appraisal requires detailed listings of the contents of a donation, and careful research, it takes considerable time to prepare for an appraisal. If the Archives cannot reasonably prepare the donation for monetary appraisal in time, formal acceptance of the gift may be delayed to the following tax year. If there are reasons a receipt will be delayed to the next year, the Archives will communicate this to the donor well in advance. The Archives may request that the donor provide detailed listings of the donation to facilitate the monetary appraisal process.
- HRM Archives will arrange the services of one independent appraiser for donations estimated between \$1000 and \$20,000 in value. Two independent appraisers are required for donations more than \$20,000; three for donations more than \$500,000. The tax receipt will be for the average of the values assigned by the appraisers. The National Archival Appraisal Board (NAAB) may be used, when appropriate.
- If the donor does not agree with the values assigned by the appraiser(s), he/she can arrange and pay for another appraisal and submit that value to the federal tax agency who has the authority to accept appraised values.
- HRM will issue the receipt in the name of the donor of the gift.
- HRM Archives will follow the guidelines for CCPERB applications and act promptly to meet its requirements.

## **Glossary**

Fair market value - the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell, and both having knowledge of the relevant facts.

Monetary appraisal - the determination, based on fair market value, of the monetary value of material.

## **Roles and Responsibility**

Donors give donations to the Archives with no expectation of gain, but can request a receipt for the fair market value of their donation as a tax benefit. Donors may cover the cost of appraisals and if needed, provide a detailed listing of the contents of their donation.

Municipal Archivist and designated staff appraise donations estimated at less than \$1000 in value; arrange for external appraisals when appropriate; supply independent appraisers with documentation and information required for an appraisal; prepare applications for certification of cultural property; arrange for HRM Finance to issue a receipt; maintain confidential documentation of the monetary appraisal.

Appraisers base their appraised valuations on fair market value. They will notify the Archives of any special requirements prior to the arranged appraisal. They will provide the Archives with two signed and dated copies of their appraisal documentation within three weeks of the appraisal. For donations valued at more than \$15000 the documentation should be formatted to meet CCPERB guidelines.

## **Review**

This policy will be reviewed every three years or as needed. Comments or concerns should be directed to the Municipal Archivist.