

Archives Division (DGA)

Acquisition Process and Monetary Appraisal of Private Archives

(Document for donors)

Information for donors

The Archives Division (DGA) of Bibliothèque et Archives nationales du Québec (BAnQ) has the mandate to promote the conservation and use of private archives. To facilitate this, the DGA has established a procedure for agreeing to a private archives acquisition proposal which is based on two acts, the *Archives Act* (L.R.Q., c. A-21.1) and the *Act respecting Bibliothèque et Archives nationales du Québec* (L.R.Q., c. B-1.2), and on two policies, a policy on private archives [*Politique sur les archives privées*]¹ (1989) and a private archives acquisition policy [*Politique d'acquisition des archives privées de BAnQ* (2006)]. These policies were set to promote the harmonious development of the conservation and use of private archives. They also serve to provide a framework for managing the process of acquiring private archives.

BAnQ's DGA only acquires original documents, regardless of their date or type, produced or received by an individual, family or organization for its needs or during the course of its activities. These documents are acquired and kept for their historical value. Among the various types of archival documents usually acquired, we can mention unpublished documents on paper (correspondence, studies, reports), photographic and audiovisual documents (photographs, films, videos), maps and plans (architectural drawings) and computerized information (diskettes, CD-ROMs).

1 *Offer of archives*

An individual who wishes to donate documents should get in touch with the DGA². If it turns out that the documents offered do not meet the conditions set by the mission or policies of the DGA, the donor will be directed to an appropriate organization: archival services, historical societies, museums for objects or libraries for books or periodicals.

2 *Meeting with the donor*

If the material is deemed to be of interest to the DGA, an archivist makes an appointment to meet with the donor to review the documents being offered and collect relevant information.

¹ Decree no 0289, April 21, 1989, Ministre de la Culture et des Communications du Québec.

² Interested individuals can contact an archivist at any of our regional centres (for the coordinates of our nine centres, see the BAnQ portal at the address: <http://www.banq.qc.ca>); you can also write to our email address: donsarchives@banq.qc.ca.

3 *Presentation of an acquisition proposal*

3.1 **Decision making**

An acquisition proposal is reviewed during a meeting of the DGA's private archives acquisition committee. Committee members verify that:

- the proposal falls within our acquisitions policy;
- the proposal remains within our fields of expertise;
- the proposal does not conflict with the acquisitions policy of another archives service;
- the material is of interest;
- the conditions of the acquisition contract (donation agreement) are acceptable.

Committee members can make one of three recommendations: the offer of documents may be accepted, redirected to other heritage institutions (archives, historical societies, museums, libraries, etc.) or refused.

3.2 **Signing of the donation agreement**

The archivist responsible for the acquisition negotiates a draft agreement with the donor, and then submits it to the manager responsible for the DGA's private archives. If the contractual conditions are acceptable to the donor and BAnQ, the agreement is then concluded³. Among these conditions, we should point out that a donor may obtain a monetary appraisal of his donation, from which some tax benefits could result. The cost of the monetary appraisal is covered by BAnQ.

4 *Monetary appraisal*

For the purposes of carrying out monetary appraisals, BAnQ's DGA prefers to use the services of an independent external organization, the National Archival Appraisal Board (NAAB). The DGA covers the cost of the appraisal. The NAAB is a monetary appraisal organization recognized by the Canadian Cultural Property Export Review Board (CCPERB), which issues certified income tax receipts. It is also recognized by the bodies responsible for both the federal and provincial income tax.

The NAAB is a committee made up of three people, usually an archivist, a researcher and a dealer, that determines the fair value of an archival collection. Fair value is defined as "the **highest** price an asset might reasonably be expected to bring if sold by the owner in the normal method applicable to the asset in question in the ordinary course of business in a market not

³ The signing of a donation agreement confirms the legal transfer of ownership of documents offered by a donor to BAnQ.

exposed to any undue stresses and composed of willing buyers and sellers dealing at arm's length and under no compulsion to buy or sell⁴."

BAnQ's DGA can also have a monetary appraisal done by qualified members of its staff for archival donations of less than \$1,000. BAnQ ensures that these employees do not have a personal financial interest in the acquisition of these archival materials and that they are not in any conflict of interest with the donors. However, BAnQ certifies that these employees take no part in drawing up the donation agreement that leads to the acquisition.

If the donor wishes to contest the monetary appraisal established by the CCPERB or BAnQ, the donor must then defray the cost of any new monetary appraisal.

5 *Request for certification as cultural property*

Since there is only a slight difference between the tax benefits of a charitable donation and a tax certificate for a donation of \$5,000 or less, BAnQ's DGA, on the recommendation of CCPERB, has decided not to prepare requests for certification as cultural property for this category of donation. However, archival donations with a value of more than \$5,000 will be submitted to CCPERB to request certification.

6 *Issuance of a tax receipt*

6.1 Timing for issuing a tax receipt

As a general rule, BAnQ is in a position to issue the tax receipt the year following the signing of the donation agreement. However, a number of factors can affect the timing for issuing a tax receipt, including the quantity and the state of classification and conservation of the documents making up the archival fonds, the availability of appraisers at the NAAB and the work schedule of the CCPERB.

6.2 Donation with a value of \$5,000 or less

BAnQ produces a receipt for a tax deduction from both federal and provincial governments, which is sent to the donor. The fair market value of this donation is stated on the receipt, which the donor will enter as a charitable donation on his tax return.

6.3 Donation with a value of more than \$5,000

The receipt for a tax deduction from the federal and provincial governments is sent to the donor only after the CCPERB has sent BAnQ a copy of the letter issuing the tax receipt (T-871).

6.4 Application period and timing of the tax certificate

⁴ Definition of Mr. Justice Cattanach in the Estate of A.M. Collings Henderson, Bank of New York v. Minister of National Revenue, (1973) C.T.C. 636 at p. 644 and affirmed in two Court of Appeal Hearings in 1975.

The application period for the tax receipt (T-871), during which the donor can use a tax credit, in whole or in part, begins in the year of the property transfer regardless of the date of the monetary appraisal of the property or the date of issue of the tax receipt. The donor can spread the credit for any part of the donation that was not used for the year of the donation over the five years following the donation⁵.

For all information about taxes, it is suggested that the donor contact Revenu Québec or the Canada Revenue Agency. The donor could also refer to a tax expert or an accountant.

⁵ Canada Revenue Agency, *Donations and taxes*, P113(F) Rev. 05, p.13.