



# NON-TAX RECEIPTED INCOME OF CHARITABLE ORGANIZATIONS



**Mark S. Bonham**  
M.Sc. (Econ), B.Comm.  
Executive Director

[mbonham@theveritasfoundation.com](mailto:mbonham@theveritasfoundation.com)



## EXECUTIVE SUMMARY

One of the most important benefits conveyed to Charitable Organizations is the privilege to issue Charitable Tax Receipts for all monetary gifts received from a donor. However, there are circumstances where a Charitable Tax Receipt can not be issued to the donor. In short, a gift is eligible for a Charitable Tax Receipt only if the donor does not expect any benefit other than a recognition of the gift and a tax receipt.

As well, a Charitable Organization is not required by the CRA to issue a Charitable Tax Receipt for donations received. It is at the discretion of the Donee to issue a Charitable Tax Receipt.

In this Report we present the instances where Charitable Tax Receipts cannot be issued and explain why. We also present situations where the Charitable Organization likely does not issue Tax Receipts.

We present financial data to assess the size of Non-Tax Received Donations reported by Canadian Charities and Foundations for the five year period of 2016 to 2020. We break this data down into its four reported components: General Canada Revenue, Foreign Revenue, Membership Dues and Fees, and Fundraising Revenue. The relative proportion of Non-Tax Received Donations to Total Revenue and to Tax Received Donations are presented to help assess the former's materiality.

The analysis is presented for the Sector as a whole, for sixteen Charity Categories, and for Small versus Large Charities.

### Principle conclusions of the Report

- Non-Tax Received Donations have shown reliable growth over the study period of 2016 to 2020, with a total of \$5.9 billion reported in 2020.
- The global COVID health pandemic interrupted this growth in 2020 resulting in a modest 5 per cent growth in the total from 2016.
- Both general revenue from Canada and Membership Dues and Fees contribute relative equal amounts to the Total and represent the largest source of such revenues.
- Non-Tax Received Donations from outside Canada has been in steady, though marginal, decline over our 5-year study period .
- Non-Tax Received Fundraising Donations is the smallest contributor to the Total Revenue but has continued as a steady contributor. The impact of the COVID global health pandemic resulted in a 19 per cent decline in 2020 for this component.
- Total Non-Tax Received Donation revenue does not represent a material contribution to the Total Revenue of the Charitable and Foundation Sector.
- There is a substantial correlation in the magnitude of Non-Tax Received Donations to Tax Received Donations for Canadian Charitable Organizations, though the correlation has declined from 2016 to 2020.
- Foundations, organizations involved in Relieving Poverty and Core Health Care, and those providing Public Amenities are by far the largest organizations receiving this category of revenue.

- Most revealing is that several Categories of Charities rely more on Non-Tax Received Donations than Tax-Received Donations as a source of revenue. This is the case for Research, Other Education, Human Rights, Education Support, Community Resource, Arts Education, and Core Healthcare.
- Large Charities are the prominent reporters of Non-Tax Received Donations, representing 87 per cent of such revenues in 2020 or \$5.1 billion.
- Small Charities reported little revenue from Non-Tax Received Donations outside Canada.
- Small Charities in 2020 relied less on Non-Tax Received Donations from Outside Canada (4%) and more on Canada revenues (45%) and Fundraising (40%). In comparison, Large Charities proportion of Canada (38%) and Fundraising (34%) revenue showed less reliance on these two sources.
- Relative to Tax Received Donations, Small Charities receive a larger proportion of Non-Tax Received Donations.

Purchase your copy of this insightful, detailed Report today!

\$150 for a single issue copy

**[PURCHASE HERE](#)**

**SAVE MORE** - Subscribe to our monthly Research Reports.

\$1,500 for an Annual Subscription (12 monthly reports)

**[SUBSCRIBE HERE](#)**

## **RECENT RESEARCH REPORTS**

**October 2022: Activities Outside Canada by Canadian Charities**

**November 2022: The Veritas-500 Fastest Growing Charities**

**December 2022: Charity Sector Employment**

**January 2023: Top Risks Facing the Charity Sector in 2023**

## **UPCOMING RESEARCH REPORTS**

**March 2023: The State of Charitable Giving in Canada**

**April 2023: Gifts-in-Kind Analysis**

**[VIEW ALL PAST RESEARCH REPORTS HERE.](#)**



## Our Vision

We will participate in a thriving Canadian philanthropic sector where the most impactful charities with the highest governance standards are celebrated and supported by donor capital.

## Our Mission

The Veritas Foundation aims to be Canada's authoritative source for participating in the country's charitable sector and evaluating its effectiveness and impact.



---

The Veritas Foundation  
TD West Tower  
100 Wellington Street West Suite 3110, PO Box 80  
Toronto, Ontario, Canada M5K 1E7

416.866.8783 1-866-860-8783  
[www.theveritasfoundation.com](http://www.theveritasfoundation.com)  
[info@theveritasfoundation.com](mailto:info@theveritasfoundation.com)