



FUNDING CHARITABLE PROJECTS OF NON- REGISTERED ORGANIZATIONS



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EXECUTIVE SUMMARY

Being a Registered Charitable Organization is a privilege, not a right. The Canada Revenue Agency (CRA), the sector's regulator and overseer, grants this privilege.

There are two important benefits to being a Registered Charitable Organization:

- the ability to issue Charitable Tax Receipts for donations it receives from others; and
- the organization is not taxed on its earnings or surplus.

There are two features of registering and operating as a Registered Charity that are of particular importance:

- It takes a great deal of time, expense, and knowledge to obtain registration; and
- once received, registration status enriches the organization with a very valuable asset.

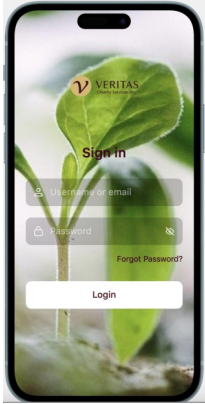
This creates barriers to entry in the Charitable Sector. To address these barriers, the Income Tax was amended in 2022 to allow Registered Charitable Organizations to grant to non-registered organizations, subject to certain guidelines and recommendations supervised by the CRA.

This report provides detail on the background of this change and the benefits to the Community, Charities, and donors. It also presents the results of the change for the 2023 fiscal reporting period.

Principle contents of the Report

- Registered Charitable Organizations play an important role in society by providing social services and products not otherwise offered by government. As a result, they are given certain privileges to issue receipts to donors which reduces their income tax, and the organization itself operates tax-free.
- The process of registering as Charitable Organization takes a great deal of time, expertise, and financial resources. This limits the ability of many individuals and organizations that are offering valuable community services to register.
- In response, the Income Tax Act was amended in 2022 to allow Registered Charitable Organizations to grant to non-registered organizations and projects, subject to specific guidelines.
- 2023 is the first year for which data has been collected by the CRA through the annual T3010 filings of Charitable Organizations.
- We present the following statistical highlights of this first year of reporting:
 - The number of Charitable Organizations granting to non-registered organizations
 - The number and value of Grants issued
 - How such Grants represent as a percentage of Total Grants issued in 2023
 - A breakdown of such Grants by cash and non-cash disbursements
 - The average and median value of such Grants
 - The breakdown of such Grants between Canadian and non-Canadian recipients in terms of their number and value.
 - A listing of the Top 25 Charitable Organizations that have disbursed grants, and the total value each has disbursed.

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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.



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