

# REGISTERED CHARITIES COLLABORATING WITH NON- CHARITIES

## TOOLS CONFERENCE 2015

### November 25, 2015

**TOOLS**  **2015**



ILER CAMPBELL LLP  
BARRISTERS AND SOLICITORS

# OVERVIEW

- AGENCY
- CO-OPERATIVE PARTICIPANT
- CO-OPERATIVE VENTURE
- CONTRACTING FOR SERVICES

# SCENARIOS

- SCENARIO 1: CHARITY AGREES TO “HOST” AN ORGANIZATION (GROUP) THAT IS NOT A REGISTERED CHARITY
- SCENARIO 2: CHARITY WORKS WITH A NON-CHARITY ON A PROJECT
- SCENARIO 3: CHARITY RETAINS ANOTHER PERSON OR ORGANIZATION TO DO THE CHARITY’S WORK

# FUNDAMENTAL CHARACTERISTIC OF REGISTERED CHARITY

“charitable organization ... is an organization:

√ all the resources of which are devoted to charitable activities carried on by the organization itself...” – *ITA*, 149.1(1)

# STATEMENT #1

“The Charity is a charitable organization and registered charity under the *Income Tax Act* (Canada) whose purposes include ....”

“The Non-Charity is a non-profit corporation whose purposes include....”

## STATEMENT #2

“The Charity wishes to retain the Agent for the purpose of carrying out certain of its activities for the Charity to further the charitable purposes of the Charity.”

# STATEMENT #3

“The Agent does not have the authority to do any act on behalf of the Charity or to bind the Charity except as specifically authorized by the terms of this Agreement.”

# STATEMENT #4

“The Charity shall provide to the Agent such sums as the Charity may, in its absolute discretion, determine (the **Charity Funds**). The Agent shall administer, disburse and account for the Charity Funds only as directed by the Charity in accordance with this Agreement and with any budget that the Charity shall determine.”



# STATEMENT #5

“The Agent shall apply the Charity Funds only in such manner as the Charity directs in writing, and solely in satisfaction of the Charity’s charitable purposes...the Agent shall apply the Charity Funds only for the purpose of (the **Program**) [INSERT DESCRIPTION OF THE CHARITABLE PROGRAM]:”

# STATEMENT #6

“All expenditures of the Charity Funds will be supported by vouchers and/or other relevant documentation. The Agent assures that, upon the request of the Charity, the Agent will be available for consultation with a representative or representatives of the Charity.”

# STATEMENT #7

“The Agent shall maintain full financial and administrative records on the administration and application of the Charity Funds, in a form acceptable to the Charity, and shall provide such records to the Charity on a regular basis, or at any time upon request.”

## STATEMENT #8

"The Agent must provide to the Charity continuous and comprehensive reporting in writing, at least semi-annually or more often as the Charity may require, concerning the Program and activities that the Agent is carrying out on the Charity's behalf pursuant to this Agreement.

# STATEMENT #9

“The Charity shall provide to the Non-Charity the contribution for use solely in the project, upon and subject to the terms and conditions in this Agreement.”

# STATEMENT #10

“In addition to its management and administrative responsibilities as set out elsewhere in this Agreement, the Non-Charity shall develop and carry out those activities and responsibilities in furtherance of the Project as more particularly set out in the attached Schedule.”

# STATEMENT #11

“The Charity will have and will maintain full and complete direction, control and supervision over the application of all advances made under its contribution. The Charity may, in its absolute discretion, withhold payment of, or withdraw, all or a portion of the contribution if it is satisfied that the Non-Charity is not applying the contribution toward the carrying out of the project.”

# STATEMENT #12

“... as long as the Charity is a party to this Agreement, it shall be entitled to appoint ● members to the Steering Committee and such appointees shall be designated voting members of the Steering Committee.”



# STATEMENT #13

“The Steering Committee shall oversee the activities that are carried on jointly in furtherance of the ■ Program, in accordance with the terms of this Agreement.”

# STATEMENT #14

“The Charity agrees to retain the Contractor to furnish and perform, and the Contractor agrees to furnish and perform for the Charity the Services, as more particularly set out in the attached Schedule A... together with such other services and deliverables as directed and determined from time to time by the board of directors of the Charity (or the board’s designate) through the issuance of a Project Assignment.”

# STATEMENT #15

“The Contractor shall perform the Services in an efficient, competent, professional and timely manner, and shall exercise the reasonable care, skill and diligence in the performance thereof. The Contractor shall respond expeditiously to any inquiries pertaining to this Agreement, and Services provided under it, from the Charity.”

# QUESTIONS



# RESOURCES

Canada Revenue Agency, Guidance CG-002, “Canadian Registered Charities Carrying Out Activities Outside of Canada,” (July 8, 2010) <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/tsd-cnd-eng.html>

Canada Revenue Agency, Guidance CG-004, “Using an Intermediary to Carry out a Charity’s Activities within Canada,” (June 20, 2011) <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/ntrmdry-eng.html>