

Why Non-Qualified Donees Matter

Hi everyone, my name is Chris Saunders, from the Pinawa Foundation. When I was asked to participate in this session, I knew I wanted to tell a story about small communities and the importance of what CRA calls non-qualified donees.

Most people believe their community is special; usually because of the people or the setting or the clubs and special events that make their town a home. Pinawa is no exception.

Back in the spring of 2009, I was part of a group that was exploring ways to leave a legacy to our town, the place where we have experienced both the routine and the extraordinary events that life can bring; births and funerals; the first day of school or a graduation; a wedding, a first job or a retirement celebration, family picnics at the beach or walking along our river trail. As we reminisced, the question of what makes Pinawa special was asked over and over again.

We did not know what a non-qualified donee was or the CRA rules or a T3010 tax filing. All we knew was that groups around our town formed by our parents or our friends or our children, were working hard to make our town better.

Think about your town. The Lions Club, the Health Auxiliary, the Ski Club, the Minor Hockey Association. Every town is defined by the groups that provide opportunities for you to make friends, volunteer your time, and make a difference.

Now I want to take you back to one of our first board meetings on September 14, 2010. We had been an official charity for about 9 months. The meeting was scheduled to begin at 12 noon in the boardroom at the town office. As I bounced up the stairs towards the room at around 11:45, I could smell fresh coffee. I counted the chairs and laid out the agendas. I then sat quietly and smiled. As each board member came through the door, my excitement grew. We started the meeting on time, got through the preliminary agenda, and quickly went to the question:

Who should receive our first grant?

We had received requests for grants from three groups; the Lions Club, the Health Auxiliary, and the Christmas Hamper Committee. We did not have a lot of money to grant, so I was ready to review the requests and determine who was going to get a grant. I still remember our Treasurer, Carol Findlay, clearing her throat as she began

to speak. Now, I am sure Carol had told me about the rules before, but on this day, as Carol spoke, I realized that we were not allowed to grant to any of the groups because they were non-qualified donees. Now I am annoyed; our community depends on groups like these, and we cannot help them financially. This was a problem we had to solve.

As most of you know, there is a work around that is allowed by CRA using your local municipality to help distribute funds. We quickly set up this work around and we have used it for the past 16 years. In fact, we have granted over \$1.5 Million since 2010 and over 80% has gone to groups classified as non-qualified donees.

However, it bothered me that a work around was required. My Foundation is vulnerable having just this work around available to support our local groups. So, when the federal government decided in 2022 that they would expand the groups that we could grant to, we were all in.

We had no idea how to work with CRA or the Manitoba government to update our charitable purpose or change our internal procedures when we first called CRA in the Spring of 2024. Over the next 18 months we all worked through the process together, finally getting approval in January 2025.

All this effort came to mind on May 20, 2025, as I attended a granting ceremony for our Youth in Philanthropy Program at the local high school. One of the grants was for new brooms for the Junior Curling Program for \$475. This was our first grant given directly to a non-qualified donee. All I thought about was how all the effort provided by Carol, our board and Eric Laliberte from CRA, led to this one moment.

Remember, the small local groups led by your friends and family help define your community and make it your home. Going through the CRA process to update your charitable purpose and statement of activities gives you another tool to make sure you can support them in every way possible.