



Updating Charitable Purposes

Last Updated: April 2026

Background

Many community foundations (CFs) are thinking about updating — or have already updated — their charitable purposes following new guidance from the Canada Revenue Agency (CRA) on granting to non-qualified donees (NQDs).

CFs have been reaching out to Community Foundations of Canada (CFC), legal advisors, and the CRA to better understand what this means and how to move forward.

In a 2025 network survey, more than 65% of CFs said they were either planning to update their purposes or had already done so. Since then, more than 20 CFs have successfully updated their purposes and begun funding NQDs using the approach outlined in this memo.

It's also important to note: If your foundation already has broad, community-focused purposes (not limited to granting only to qualified donees), you may not need to make any changes.

Important Update: CRA Approach (January 2026)

The [CRA has recently amended how it handles changes to charitable purposes](#):

- CRA will **no longer pre-approve** changes to charitable purposes
- It is the **charity's responsibility** to make sure any changes follow the Income Tax Act
- CRA may review changes later through audits or other oversight

In short: **you don't need approval in advance — but you do need to get it right.**

Previously, CFC worked with the CRA to help speed up reviews of updated purposes. That step is no longer needed under the new approach. However, CFC has maintained a process for members of the network, with CRA to expedite the filing and confirmation of such filing for updated purposes.

CFC's Role and Support

CFC continues to stay in regular contact with the CRA on issues affecting community foundations. CFC supports you by:



- sharing tools, templates, and examples
- gathering and responding to common questions
- advocating for regulations and rules that reflect and support how community foundations actually operate

CFC Focus: Charitable Purposes

CFC's work in this area has focused on:

- developing a **charitable purpose template** for community foundations
- supporting CFs as they update their governing documents in line with CRA guidance
- liaising with CRA to ensure an accurate and expedited process of engagement for CFs

Key Considerations

If your foundation is exploring updating charitable purposes, consider:

- Do your current purposes already give you enough flexibility?
- Are your purposes clear and broad enough to support future activities?
- Are your activities aligned with your stated purposes?
- Have you reviewed the **anti-directed giving rule**?
- Do you need to update your documents with a provincial or federal regulator?

Note:

In addition to updating charitable purposes with CRA, your foundation may be required to file changes with a provincial and/or federal body (e.g., Corporations Canada if incorporated federally, provincial body if incorporated provincially). There are sometimes fees associated with this step.

Updating Charitable Purposes

Now, your foundation does **not** need CRA approval before making charitable purposes changes. However:

- You are responsible for ensuring your purposes remain **charitable under the law**
- Your activities must align with those purposes

If you're considering changes, you may want to:

- assess your needs and readiness
- review current CRA guidance



- seek legal advice, depending on your situation

Template Charitable Purposes

CFC has developed a template set of charitable purposes (see Appendix 2), with input from legal counsel and alignment with CRA guidance.

This template:

- reflects common community foundation practices
- is designed to be flexible and future-oriented
- covers a wide range of potential purposes and activities

You can:

- use all or part of the template
- adapt it to reflect your local context
- add additional purposes that fit your work

We are also collecting and sharing examples of charitable purposes that have been successfully used by other community foundations. You can find those here.

Additional Resources

- On **June 1, 2026, from 1 - 2 p.m. ET, join a CFC members-only virtual roundtable with Finance Canada and the CRA Charities Directorate** — bringing your questions, experiences, and perspectives directly into the conversation. This will be the first in a series of roundtables on the evolving regulatory landscape, touching on topics like NQDs, the Disbursement Quota (DQ) that will be taking place throughout 2026, creating ongoing opportunities for dialogue and input as this work evolves. Register [here](#)
- Existing Webinars and Guidance
 - CRA Guidance: Registered charities making grants to non-qualified donees - [link](#)
 - CRA Webinars - Rules for charities making grants to non-qualified donees - [recording](#). You can check out CFC's summary [here](#).
 - CFC Learning Institute
 - Supporting Non-Qualified Donees [webinar](#)
 - Can a community foundation undertake charitable activities beyond grantmaking? [Resource](#)
 - Anti-directed giving rule and fund agreements - [fact sheet](#)
 - [A Toolkit for Working with Non Qualified Donees](#) (McConnell Foundation, Fondation Lucie et André Chagnon, Inspirit, Laidlaw Foundation, May 2024)



Appendix 1: CRA Context on Charitable Purposes

CRA outlines the following: *To be registered as a charity, an organization must have purposes that are exclusively charitable and conduct activities that further those purposes. An organization's purposes are found in its governing documents, and outline its goals and objectives. Activities are the ways the organization furthers its purposes. A charity that wants to undertake programs and activities that are different from those previously approved should ensure that the proposed activities are charitable and that they fall within the charity's approved purposes. In some cases, a charity may also have to amend its purpose(s) so that it has a basis for undertaking the proposed activities.*

According to the Income Tax Act (Canada), in order for an organization to obtain and maintain registration as a charity it must be constituted and operated for purposes that are exclusively charitable according to Canadian law and it must conduct activities that further these stated purposes.

CRA has also shared via its [Guidance: Registered charities making grants to non-qualified donees](#) that a charity would need to amend its purposes, specific to supporting NQDs, if it:

- wants to make a grant for a purpose that is not stated in its governing document;
- does not have a stated common law charitable purpose within one of the four categories of charity (relieving poverty, advancing education, advancing religion and other purposes beneficial to the community). This includes a foundation that only has a purpose to make gifts to qualified donees.

Note: While the primary authority for charitable registration and purposes lies with the CRA, an organization may also need to update provincial or territorial authorities regarding changes to governing documents.



Appendix 2: TEMPLATE CF charitable purposes

Notes on Template:

CFC, in collaboration with legal counsel from Miller Thomson LLP, engaged in a comprehensive dialogue with the CRA Charities Directorate to develop a CF charitable purpose template and a streamlined process to support CFs who wish to update their governing documents.

Please note: the template below is informational only and should not be considered legal advice.

We shared, with CRA, how CFs facilitate a variety of charitable activities, projects and organizations within the community. The specific activities, projects and organizations that are supported can change as the CF responds to emerging needs in the community. There are certain activities that may be permanent activities (such as providing scholarships). However, other activities that are supported may be varied and change. The role of a CF is to improve the community in ways that are charitable at law. Accordingly, CFs require the flexibility to make grants to both qualified and non-qualified donees in furtherance of a wide range of charitable purposes.

This is the intention of purpose 2 of the purposes - which is consistent with the definition of “qualifying disbursement” in section 149.1(1) of the Income Tax Act which requires the qualifying disbursement to be in furtherance of a charitable purpose of the charity.

The remaining purposes stated encompass a variety of the activities and grants to non-qualified donees that are currently contemplated by community foundations, and are drafted in accordance with the Guidance and the [CRA's guidance CG-019](#) on “How to draft purposes for charitable registration.” Additionally, each community foundation will likely have other remaining purposes to add not contemplated below but based on their own unique circumstances.



CF Charitable Purpose Template:

1. To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, including through qualifying disbursements as defined in subsection 149.1(1) of the Income Tax Act (Canada).
2. To build (*healthy, vibrant, sustainable and inclusive*) communities primarily for the benefit of the residents of [community] by:
 - a. advancing education including by providing scholarships, bursaries, awards and other forms of assistance to students;
 - b. advancing education including by providing training, courses, seminars, workshops, and programs that build individual citizens' capacity for leadership and effective participation in community life;
 - c. relieving poverty including by operating and maintaining shelters for the homeless, and providing residential accommodation below market rate, as well as support and incidental facilities, to individuals or families who are in need;
 - d. relieving poverty including by providing financial assistance and/or basic necessities of life, including food, clean water, clothing, and shelter, to individuals or families who are experiencing poverty, of low income, or in need;
 - e. addressing and preventing specific problems faced by children and youth, such as bullying, peer pressure, substance abuse, low self-esteem, victimization, and unemployment, including by providing programs to children and youth who are shown to need assistance;
 - f. addressing and preventing specific problems faced by families including by providing counselling, mentoring programs, outreach programs, workshops, seminars, and other support to individuals and families affected by such problems;
 - g. relieving conditions associated with disability, and/or conditions attributed to being aged, including by providing specialized services, facilities, and programming for such populations;
 - h. providing financial and material relief to the victims of natural disasters or other sudden catastrophes;
 - i. protecting the environment for the benefit of the public by the conservation of natural resources;
 - j. promoting the welfare of animals for the benefit of the public by the rescue and rehabilitation of wild animals and stray, abandoned, abused or surrendered animals;
 - k. providing public amenities including by establishing and maintaining parks, children's playgrounds, memorial gardens, multi-use recreational facilities, and museums;

