



FUNDY COMMUNITY FOUNDATION



Fiscal Partnership Information Package

Information for organizations without registered charitable status

Fundy Community Foundation (FCF) is a Public Foundation. As such, the Canada Revenue Agency (CRA) permits FCF to make grants and distributions only to organizations that are “[qualified donees](#)”, which includes registered Canadian charities. FCF is not able to make grants to a Non-Profit Organization (NPO) that does not have a registered charitable status.

An NPO wishing to apply for funding from FCF could establish a partnership relationship with a Charity that would receive the funds for the proposed project/initiative from FCF. In order for FCF to consider a request for funding from an organization, that is not a qualified donee, include a signed “**Fiscal Partnership Agreement**” between the Charity and NPO with the application, and make sure both parties agree to the terms outlined in the agreement.

Details of the obligations of both parties are provided on the CRA website here <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/using-intermediary-carry-a-charitys-activities-within-canada.html> or call 1-800-267-2384.

We’ve also tried to summarize them below for you to make it easier for you to read, but please refer to CRA’s site for the official legal requirements.

- CRA states that the relationship between the Charity and the non-profit organization (NPO) must be formalized and documented before a grant can be awarded.
- Grants cannot be made to a NPO through an intermediary Charity if the Charity is simply acting as a flow-through mechanism for funds between FCF and the intended grant recipient. However, according to CRA, there are steps that can be taken by the Charity to act as an intermediary for the NPO. The conditions include:
 - A Written Agreement is required between the Charity (in this case the intermediary organization to whom FCF makes the grant) that clearly states out what the NPO is expected to do in return for the funds they will be receiving from the Charity.
 - The NPO must report to the Charity in enough detail that the Charity can show it is controlling the use of its funds and can account for them.
 - It is recommended that the Written Agreement between the intermediary organization (the organization that FCF grants to) and the NPO include at least the following:
 - Names and addresses of all parties;
 - The duration of the Agreement or the deadline by which the Project must be completed;



FUNDY COMMUNITY FOUNDATION

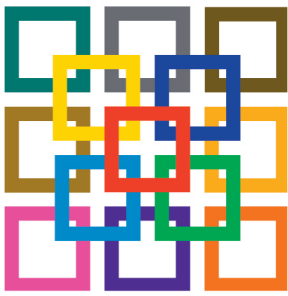


- A description of the specific activities for which the funds or other resources have been transferred;
- Provision for written progress reports submitted by the NPO to the Charity;
- Provision for the Charity to be able to inspect the Project on reasonable short notice;
- Provision for withdrawing or withholding funds or resources at the Charity's discretion;
- Provision that the registered Charity will make payments by installments (if required) based on confirmation of reasonable progress and that the resources provided to date have been applied to the specific activities outlined in the Agreement;
- Provision for the Charity's funds to be segregated from those of the NPO and for the NPO to keep separate books and records; and
- The signatures of all parties, along with the date.

Responsibilities and Obligations of a Registered Charitable Organization Employing a Non-Profit as its Agent

As mentioned earlier, there must be a clear link between the Charity and the NPO. By acting as a lead partner for a project or initiative being carried out by a NPO, the Charity is in effect taking on the project or initiative as part of its own operations. This arrangement can be an acceptable application of the Charity's own resources to its own charitable activities provided that:

1. The Charity has obtained reasonable assurances before entering into any agreement with the NPO that such NPO is able to deliver the services required to complete the project or initiative (by virtue of their reputation, expertise, years of experience, etc.);
2. All expenditures will further the Charity's formal purposes and constitute charitable activities that the Charity carries on itself;
3. A Written Agreement is in place outlining the duties and responsibilities of both the Charity and the NPO as it relates to the Project;
4. The Charity provides periodic, specific instructions to the NPO as and when appropriate;
5. The Charity regularly monitors the progress of the Project and can provide satisfactory evidence of this to CRA; and
6. Where appropriate, the Charity makes periodic payments on the basis of this monitoring, (as opposed to a single lump sum payment) and maintains the right to discontinue payments at any time if it is not satisfied with the NPO's performance.



FUNDY COMMUNITY FOUNDATION



Fiscal Partnership Agreement

Confirmation of Written Agreement Between a Registered Charity and a Non-Qualified Donee

In compliance with the recommendations of CRA, this is to confirm:

Name of Registered Charity: _____

Address: _____

Registered Charitable #: _____

Has entered into a formal written agreement with:

Name of Non-Qualified Donee: _____

Address: _____

To take on the Project/Initiative: _____

As part of its own activities in keeping with its mandate.

The registered charity has the responsibility/accountability to FCF for the performance of the Non-Qualified Donee for the Project/Initiative, and understands that:

- the grant, if approved, will be made to the registered charity for disbursement to the Non-Qualified Donee to be used only for charitable purposes,
- the funds are to be used for the charitable purposes intended, and that any conditions are met prior to requesting the funds,
- the appropriate public recognition is given to FCF by the Non-Qualified Donee,
- any reporting required by FCF is completed by the due dates, and
- the name of the registered charity may be used, either solely or linked to the Non-Qualified Donee, in public announcements issued from FCF about the grant.
- their support of the Non-Qualified Donee, must align with CRA requirements as outlined in <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/using-intermediary-carry-a-charitys-activities-within-canada.html#toc7>

Name of President / Chairperson of Registered Charity

Signature of President / Chairperson of Registered Charity

Date