

ESTABLISHING A PRIVATE FOUNDATION

Revised Edition



Canadian Centre for Philanthropy™

Le Centre canadien de philanthropie™



Establishing a Private Foundation

Original 1987 Edition

by

Wolfe Goodman and Howard Carr
of Goodman and Carr, Barristers & Solicitors

Updated by

Peter Broder

Legal Counsel, Canadian Centre for Philanthropy

With assistance from

David Stevens

of Goodman and Carr LLP

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The Canadian Centre for Philanthropy

425 University Avenue

Suite 700

Toronto, Ontario

M5G 1T6

(416) 597-2293

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Preface

The Canadian Centre for Philanthropy is very pleased to be able to make available this updated version of *Establishing a Private Foundation*. Since it was first published in 1987, this booklet has been one of our most popular publications. The Centre is grateful to the law firm Goodman and Carr LLP, particularly Wolfe Goodman and David Stevens, for their help in making this revised edition possible. Their wealth of knowledge in charity law, and their experience in assisting clients in planning and operating private foundations, give them many insights into this subject, which they have generously shared. We also acknowledge the contributions of both Howard Carr and Arthur C. Bond to the original edition. The purpose of this new edition remains the same as that of the original: to provide a concise and accurate introduction to the legal aspects of private foundations.

When it was first conceived, this booklet was intended to address the lack of available Canadian information on foundations in terms accessible to the average reader. Although there has been a marked growth in private philanthropy and in the number of foundations established over the last fifteen years, and there has been a related increase in the amount of information available on these subjects, we believe the need for this type of comprehensive, introductory text is greater than ever. Over the coming years, owing to demographic and other factors, the resources available to invest in private philanthropy – either through foundations or other means – are likely to be more extensive than ever before. The revised edition of this text is part of the Centre's effort to ensure that this singular opportunity is not lost.

This booklet is meant to introduce the reader to the issues surrounding the establishment of a foundation. It is not meant to replace professional advice from a qualified lawyer, and anyone interested in establishing a foundation is urged to seek appropriate legal counsel.

The Centre also wishes to thank BMO Harris Private Banking for their generous support, without which this booklet could not have been updated and made widely available to the public. This project would also not have been possible without the help and guidance of Marvi Ricker, of BMO Harris, and Hilary Pearson of Philanthropic Foundations of Canada.

Gordon Floyd
Vice President, Public Affairs,
The Canadian Centre for Philanthropy

Introduction to the Original Edition

Private philanthropy continues to be one of the most powerful forces for improving the social order in our society. Universities, religious orders, research laboratories, hospitals, museums, orchestras, and many other organizations are sustained by charitable giving. There can be no doubt that most of the progress achieved in a wide variety of areas of our increasingly complex community could never have happened without private resources; from some of the most exciting and far-reaching medical advances to providing life-sustaining funds to our poorest and neediest.

Yet, many of the most conscientious and generous are still unsure of how to best organize and distribute the funds which they have available for charitable gifting. Although many people have heard of private foundations, they have never seriously considered establishing one for themselves. A private foundation often effectively meets the goals of committed philanthropists who are intent on focusing their charitable intent in a creative and orderly way. Private foundations may exist for a limited purpose or prescribed time period or they may be established with the intent of operating in perpetuity.

The purpose of this booklet is to take a pragmatic look at private foundations; how they are established, how they operate and how they are affected by our income tax laws. The booklet is intended to assist individuals in determining whether their charitable gifting could be most effectively handled through a private foundation rather than by direct gifting. Also, it is the intent of this booklet to strip away the apparent complexities and mystical trappings surrounding the private foundation and to explain how it may be effectively operated without overly sophisticated administration.

It is our hope that this booklet will provide a greater understanding of the operations of a private foundation and assist those who wish to conduct a private giving program through the establishment of their own foundation.

Wolfe Goodman
Howard Carr

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Chapter 1: Private Philanthropy

Introduction

One does not need to be a keen observer of our society to appreciate the necessity for extensive voluntary and charitable activity. There are readily definable limits to the programs and services that may be provided by even the wealthiest of our governments. A myriad of social services, religious goals, health care and educational initiatives, research projects, community betterment proposals, environmental projects, overseas development activities, arts performances and other charitable causes would be underfunded or completely unfunded without the support of private funds. That is not to state that governments, especially in Canada, do not contribute generously to these many needs, but rather that the number of relevant causes and the size of the financial and human commitment necessary to address them is quite clearly beyond the scope of government resources. Private charitable giving is an indispensable supplement and alternative to government funding. Contributions to charitable work originating from private sources now amount to more than ten billion dollars annually in Canada. Private foundations are a key component of this giving.

Private foundations are organized for a variety of purposes and because of this variety provide multiple sources of funds to those individuals and organizations wishing to carry out charitable activity in this country. One of the merits of a foundation is that it assists the donor to develop an organized approach to philanthropic giving. The private foundation is an exceptionally flexible vehicle for charitable giving. Many private foundations adopt well-defined areas of interest for their giving program and consequently develop a strong expertise in specific fields. On the other hand, private foundations are also used to support a wide variety of charitable causes. The character of the foundation will depend on the aspirations of its major contributor(s) and directors.

Private giving has always merited and received encouragement in Canada. Preferential tax treatment has long been accorded to philanthropic gifts. In addition, preferential regulatory as well as tax treatment have been accorded to charitable institutions including private foundations. It is, however, important to recognize that 'preferential treatment' does not mean the absence of regulation and supervision. Charities are in the public domain and, as such, federal and provincial statutory requirements do exist to prevent the misuse of charitable funds.

Private Foundations and the Income Tax Act (Canada) (“the Act”)

Traditionally, Canadian registered charities, which include foundations, have been tax exempt because the government wishes to encourage activities that serve the public good. Almost since the advent of income tax in this country, individual and corporate contributions to both foundations and charitable organizations have received preferential tax treatment. Originally, a certain percentage of contributions – whether by individuals or corporations – was deductible from income. In the case of individuals this is no longer the case, as the deduction was replaced in 1988 with a non-refundable tax credit. This means there is now a discrepancy in how contributions are treated depending on whether they are made through a corporation or by an individual. The usual approach is to make the contribution as an individual. However, where there is a choice between contributing individually or through a personal holding company or other corporation, the donor may wish to seek professional advice to determine the tax advantages or disadvantages that will result from these alternative approaches.

The Unique Benefit of Private Foundations

There are a number of benefits, both social and personal, which make private foundations very special investments in the future. Unlike a direct gift, which usually benefits one recipient on one occasion, a private foundation perpetuates the donor’s generosity for as long as it exists. Foundations can give to more recipients over a longer period of time.

As mentioned earlier, private foundations play a vital role in supporting social, scientific and cultural innovation. The kind of new ideas most needed by society changes over time, and a private foundation can respond to new needs as they occur. A one-time, direct gift does not provide this flexibility. Several important personal benefits accrue to donors who establish private foundations. Many donors utilize private foundations as enduring tributes to loved ones – memorials that are not static monuments but living, changing entities. In addition, donors find that setting up a foundation is also an orderly mechanism for giving that intervenes between the donor and potential recipients.

Not everyone should consider establishing a private foundation. They are, however, excellent charitable tools for individuals and families who want to have impact not only on their own time and place, but on the future as well.

Size Considerations

There is no legal minimum and no consensus on the amount that justifies establishing a foundation. Approximately 70 per cent of all Canadian foundations hold assets with a value less than \$500,000. About 45 per cent of all Canadian foundations give annually less than \$25,000. The decision, then, to establish a foundation cannot be based solely on the monetary aspects.

Numerous foundations have been established without a permanent corpus or capital and are set up to receive periodic contributions from members of a family or to receive a major bequest at death or on the termination of a trust.

If a donor feels that there are insufficient funds to establish a private foundation, consideration might be given to gifting the amount to one of the well-run community foundations that will administer the funds for you. Fairly specific and detailed directions may be given to the community foundation on how you wish the income from the fund dispensed to charity. It is also possible to have the donor's name attached to that specific fund in perpetuity.

A summary of how a community foundation operates will be found in Appendix III, along with a list of the community foundations currently established in Canada.

Chapter 2: Incorporation of a Private Foundation

Introduction

There are two main legal steps that must be taken before a private foundation is in a position to operate and to issue official income tax receipts for donations made to it. These two steps are firstly the establishment of the legal form the foundation is to take and secondly obtaining status as a registered charity with Canada Customs and Revenue Agency – Charities Directorate. First we shall deal with the legal form.

Legal Form

A registered charity may be one of three forms – a corporation, a trust or an unincorporated association of individuals formed for some common purpose. As the majority of foundations in Canada, either public or private, are established as corporations it is that form that we shall focus on in this booklet.

However, there are some advantages in using a charitable trust rather than a charitable corporation, as a private foundation:

1. The consent of government is not required to establish it. However, once established, it is subject to government regulation, both federal and provincial.
2. The procedure for establishing it is simpler.
3. It can ensure that the donor and his/her family remain in control of the trust, as long as they wish.
4. Changing the objects of a charitable trust is permitted only if a court determines that they can no longer be implemented.

Note that while a charitable corporation can make contributions to ‘qualified donees’ (see below for an explanation of this term), whether or not these constitute charities as defined at common law, a charitable trust can make contributions only to charities.

Procedures for Incorporation

Incorporation of a charitable foundation may either be provincial or federal, but as provincial incorporations are more common discussion will focus on that option. Incorporation of a charitable foundation is governed by

provincial corporation legislation. The relevant provincial statute should not be confused with the Business Corporations Act of the province, which governs companies that are established for business purposes. The private foundation will have no shareholders, but will have members. An application is made in prescribed form to the relevant ministry. However, as with any corporation, it is typically necessary (dependent on the jurisdiction), to first obtain consent from any party having rights in the name to use the selected name and to obtain a computer printed search report from one of the commercial search houses or an approval of the name from the Director or Registrar of corporations in the jurisdiction, authorizing the use of the desired corporate name. The name search report or consent must be submitted with the application.

The usual form of provincial not-for-profit entity is incorporation by 'letters patent'. The granting of letters patent to a charitable foundation is a discretionary act, and the responsible ministry may refuse to grant the letters patent if, in its view, allowing the incorporation would not be in the public interest. This discretion is broad and is not subject to judicial review. Under the letters patent incorporation procedure, a provincial government may examine the objects to determine if they are 'charitable', to ensure that one of the objects is not the ownership of land for revenue earning purposes, and to assure that there is not any evident contravention of the relevant governing statutes.

Saskatchewan differs from most other Canadian jurisdictions, in offering not-for-profit incorporation as a matter of right. Business corporations in most Canadian jurisdictions are entitled to 'as of right' incorporation. This means that incorporation is granted automatically if the application is complete and complies with the legal requirements set out in the statute and regulations.

If the proposed foundation is to be a vehicle for private philanthropy and therefore funded exclusively by an individual and his or her family without the prospect of raising money from the public, the investment powers of the corporation remain subject to the statutory requirements set out in the applicable provincial trust act or other legislation. However, regulatory enforcement of such requirements is apt to focus on situations where public monies are at risk.

The letters patent of incorporation should also anticipate the potential future dissolution of the foundation and the destination of any funds or

other assets remaining at that time. On termination, all funds must be used for charitable purposes, but the specifics of such distributions may either be set out in the letters patent or left to the determination of the board of directors of the foundation.

As an alternative to incorporation pursuant to a provincial statute, a foundation may be incorporated under the *Canada Corporations Act*. Whether a foundation is incorporated federally or provincially depends upon what the organization intends to do and where it intends to carry out those activities.

If the objects of the private foundation provide that it is going to be carrying out its purposes in a field that is governed by federal jurisdiction, then it must incorporate federally. If it intends to carry on its activities in more than one province, then it also would be advisable to incorporate under federal legislation so as to obviate the necessity of perhaps obtaining extra-provincial licences and other registrations in various provinces. However, since extra-provincial licences are rarely required where a provincially registered corporation is not carrying on a business in the other provinces, incorporation under a provincial jurisdiction rarely creates problems.

Registration with Canada Customs and Revenue Agency

Once incorporated, registration with Canada Customs and Revenue Agency is necessary for the foundation to be exempt from taxation and for it to have the ability to issue receipts for donations. In order for a foundation to be registered under the Act, an Application to Register a Charity Under the *Income Tax Act* (Form T2050) together with supporting documentation must be forwarded to Canada Customs and Revenue Agency – Charities Directorate (see Appendix I).

To qualify for registration, the foundation must be established to operate exclusively for purposes that are charitable or deemed charitable under the Act. The objects of the foundation must not provide for activities that are not charitable nor should they be so broad that, although not specifically non-charitable, they permit non-charitable activities. As noted above, if constituted and registered as a corporation, it may be possible for a foundation to make grants or gifts to ‘qualified donees’ as defined in the Act; if constituted as a trust, however, a foundation may not do so as at common law this would be a breach of trust where the qualified donee does not meet the legal definition of a charity as determined by the courts.

The courts have characterized those objects that are charitable in law as being within four general categories:

- (a) the relief of poverty;
- (b) the advancement of religion;
- (c) the advancement of education; and
- (d) other purposes beneficial to the community as a whole in a way which the law regards as charitable.

The charitable purposes of any particular foundation are set out in that section of the letters patent or articles of incorporation that define the foundation's objects. In determining charitable goals the incorporators may wish to seek the opinions and advice of others. The founders, managers and directors of other charities may be especially helpful. There is a bewildering array of human and social needs and the organizers of a charitable foundation have the opportunity to select which of these they may wish to address. However, incorporators should note that what is charitable in law changes over time, and using the corporate objects of another registered charity as a model for those of your corporation does not necessarily mean that the Canada Customs and Revenue Agency will approve registration of your corporation as a charity.

The responsibility for establishing that a purpose is charitable rests with the incorporator. The purposes may be limited or general and multi-purpose. In addition, the governing documents of the organization must establish that it is to be operated without profit, gain or any benefit for its members and that all assets and any profits or accretions to the organization are to be used in promoting its charitable objects.

It is prudent to submit the intended foundation objects to Canada Customs and Revenue Agency for approval prior to incorporation. If the objects are not acceptable for any reason, changes may then be made prior to incorporation rather than after, always an easier and significantly less expensive approach.

Ontario's Office of the Public Guardian and Trustee has drafted a number of objects that it has obtained pre-approval for from Canada Customs and Revenue Agency. The pre-approved object for foundations states the following:

Foundations To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to charitable organizations that are also registered charities under the *Income Tax Act* (Canada).

Other pre-approved objects, contemplating a variety of types of charitable work, are available at www.attorneygeneral.jus.gov.on.ca/html/PGT/pgtchar.htm. These may be of use where a foundation's incorporators want to provide for a specific type of undertaking – for example, environmental protection – in its mandate. They may also be useful where the foundation will be carrying on some activities as well as funding other registered charities.

Note that if the foundation plans to make grants or gifts to 'qualified donees', it is prudent to provide for this in the object(s) of the corporation. So an incorporator may need to amend the object set out above or other pre-approved objects accordingly.

While not strictly necessary for registration purposes, setting out particular purposes in the corporate objects is sometimes done in order to restrict the scope of the foundation's funding activity. Since the corporation's directors have a legal duty to stay within the organization's purposes as set out in the objects, they can be bound to abide by the incorporators' wishes in this way. Of course, such a restriction is always subject to the ability of the corporation's members to amend the objects. (Note that the corporation's registration status can be preserved even where the objects are amended, provided that the new objects qualify as charitable and the appropriate approvals are obtained).

Where the incorporator amends or does not use the pre-approved objects, and the foundation is being incorporated in Ontario under provincial legislation, an application for incorporation must first be approved by the Office of the Public Guardian and Trustee.

Note that, in considering applications for status as a registered charity, Canada Customs and Revenue Agency will look at the nature and scope of an applicant's (proposed) activities as well as the objects – so using pre-approved objects does not necessarily mean an application will be successful. Activities that are not congruent with the objects, are not reasonably feasible, or that will not result in a discernible benefit, can preclude qualification for registration.

Further information on registering a charity may be found in the guide "Registering a Charity for Income Tax Purposes" (T4063) published by Canada Customs and Revenue Agency and available at www.ccr-a-dr.c.gc.ca/charities/ or through district taxation offices.

Chapter 3: Tax Treatment of a Private Foundation

Introduction

Since 1977, the Act has distinguished between two types of charities: charitable organizations and charitable foundations. Charitable foundations are further subdivided into public foundations and private foundations. Charities are designated as a charitable organization, public foundation or private foundation when they are granted registration. Re-designation can be sought by completing and filing Canada Customs and Revenue Agency Form T2095. Charities may also be subject to re-designation at Canada Customs and Revenue Agency's discretion.

Charitable Organizations

These are the charities that generally use their resources primarily in carrying on charitable activities directly, rather than giving funds to other entities that in turn carry on such activities. Churches, hospitals and universities are examples of charitable organizations.

A charitable organization is required to have an independent board of directors or trustees – that is, to have more than half its directors who deal with each other and with each of the other directors at arm's length. Further, a charity that has received more than 50 per cent of its capital from a person or group of persons who do not deal with each other at arm's length cannot qualify as a charitable organization. This is designed to ensure that a charitable organization will be a public body rather than a privately controlled one. If it is privately controlled, it will be subject to the rules affecting private foundations. However, gifts from governments, municipalities, other registered charities that are not private foundations, or non-profit organizations (a different type of organization) are not to be taken into account for this purpose.

Charitable Foundations

Foundations generally serve as conduits for channeling their earned income to charitable organizations. As previously mentioned, no part of the income of a charitable foundation may be payable to or otherwise available for the personal benefit of any member. Charitable foundations are subdivided into two classes, namely, public foundations and private foundations.

A public foundation is a charitable foundation of which:

- (a) more than 50 per cent of the directors deal with each other and with each of the other directors at arm's length, and
- (b) not more than 50 per cent of the capital has been contributed or otherwise paid in by one person or by a group of persons who do not deal with each other at arm's length.

A charitable foundation that does not meet the above criteria is a private foundation.

Private Foundations – The Disbursement Quota

A private foundation is obliged to expend a certain portion of its assets each year on qualifying charitable activities. Although a private foundation may carry out its own charitable activities, most likely the private foundation will satisfy its spending obligations under the Act through distributions to 'qualified donees'. 'Qualified donees' include registered charities, registered Canadian amateur athletic associations, registered national arts service organizations, domestic governments, and certain other Canadian and foreign institutions and organizations. The minimum amount that must be expended each year in this manner is called the 'disbursement quota'.

The characterization of a private foundation, as described above, is important with regard to the rules relating to the disbursement quota. The disbursement quota rules are intended to ensure that charities keep fundraising and non-charitable administrative costs to a reasonable level, as well as to ensure that at least certain minimum amounts are used for charitable purposes each year. Failure to meet a disbursement quota may result in the revocation of the charity's registration.

The disbursement quota of a private foundation is defined as the aggregate of:

- (a) 80 per cent of the receipted donations in its immediately preceding year (other than gifts by will, or gifts made during the donor's lifetime subject to a trust or direction that the property given or property substituted for it is to be held for a period of not less than ten years);

- (b) 100 per cent of all amounts received in the immediately preceding year from registered charities, other than 'specified gifts', as that term is defined in the Act;
- (c) 4.5 per cent of the value of the foundation's 'investment assets'. The determination of the value to which the 4.5 per cent is applied can be found in the Income Tax Regulations. (Reg. 3701 & 3702)

An investment asset of a charitable foundation is any property owned by it, to the extent that such property is not used in charitable activities or administration.

In periods of both low interest rates and weak equity markets, meeting the 4.5 per cent requirement under (c) may not be possible without encroaching on capital. The Canada Customs and Revenue Agency is given discretion under the Act to relieve a charity from meeting its disbursement quota. This discretion is typically exercised where the failure to meet the quota was owing to circumstances beyond the charity's control, and is usually subject to conditions. Application for this can be made by filing Canada Customs and Revenue Agency T2094 Form. The most common condition specified by the Charities Directorate is that the charity make up its disbursement quota shortfall in the following fiscal year. This effectively means that the charity has to disburse more than 80 per cent of its received revenues in that year.

The propriety of foundations making donations to organizations that are not qualified donees but that would be considered charitable according to the common law is discussed in Chapter 6 and Appendix II. Further information on other aspects of the disbursement quota may also be found in Appendix II.



Chapter 4: Responsibilities of the Directors of a Private Foundation

Introduction

The Board of Directors is an integral part of the private foundation. Similarly, the role of a director is an especially important and responsible position and directors should be aware of their obligations and potential liabilities.

Director's Responsibility

A director's mandate requires an adequate knowledge of the operations of the charity in order to oversee management, to provide guidance and to assist in policy development.

The main responsibility that directors must bear is for the proper management of the charitable corporation. Directors owe a duty of honesty to the foundation. They must not misuse any funds at their disposal, nor acquiesce in any illegal or improper acts of employees that come to their knowledge. Further, directors cannot put their personal interests ahead of the foundation's and must avoid any situation involving a potential conflict of interest.

A conflict of interest may arise:

1. Where a director makes a decision or does an act motivated by considerations other than those that are justified by the objects of the charity.
2. Where a director personally or through an entity that he or she or his or her family controls contracts with the charity.

The areas of greatest concern to directors are their potential liability for failing to meet their responsibilities as directors and for any acts of negligence that may be committed by officers, employees or agents of the charity. Directors also need to be mindful of the many statutory requirements governing charitable corporations, and which in some cases provide for liability of directors where the corporation does not abide by the law.

Most provincial Corporations Acts and the *Canada Corporations Act* do not establish standards of care for directors of charitable corporations. This omission is unfortunate, especially judged in light of the care taken to

include such standards in comparable acts dealing with the directors of business corporations.

Director's Liability

At present, in most Canadian jurisdictions, the director of a not-for-profit corporation is judged, at common law, on the basis of what may reasonably be expected from someone of his or her 'knowledge and experience'. The corporate director test is thus a subjective appraisal of capabilities.

A corporate director is not required to give constant attention to the affairs of the corporation. Directors must exercise knowledgeable, active oversight of the corporation's on-going operations, but may delegate day-to-day responsibility for some functions to the corporation's senior management staff. Where there has been such delegation, directors remain responsible for adequately supervising the staff.

The ability of directors to delegate may be curtailed owing to the nature of the decision or action they are taking. For example, directors have particular responsibilities with respect to the corporation's investment and other decisions with respect to any assets that are held in trust. The special requirements with respect to dealing with these assets may be set out in statute or may arise at common law. Where the provisions are set out in statute, they will most often be found in the relevant provincial trust act.

The standard typically required in dealing with charitable assets is that a director must act with the skill and prudence of a reasonable business person conducting his or her own affairs. Where the individual's responsibilities in meeting this standard are set out in legislation, the statute may closely prescribe what is required or state the obligations in more general terms. In some cases, the legislation provides scope for decisions or actions that would not be acceptable under the common law set out by the courts.

The Ontario *Trustee Act* is typical in this regard in that, under certain circumstances and subject to certain conditions, it permits delegation of investment decisions. This is not permissible at common law. The Ontario statute also provides for reliance on expert advice, and sets out certain factors that must be taken into account in planning the investment of trust property. As well, it makes provision for diversification of the investment portfolio.

Directors should note, however, that requirements with respect to treatment

of charitable assets differ markedly across jurisdictions, so they need to become familiar with what is prescribed in the legislation governing their corporation.

A director must be diligent. While not bound to attend all meetings of the board, a director ought to attend as often as possible, as he or she may be held liable for transactions of which he or she has no knowledge. Failure by a director to attend meetings – although not in itself a liability – may be seen as evidence of lack of diligence.

Where a director dissents from a particular decision of the board, he or she may still be liable for that decision, unless the dissent is recorded in the corporate minutes. A director who dissents from a decision taken at a meeting where he or she was not in attendance should register that dissent in writing as soon as possible after he or she becomes aware of the decision, and should ensure that the dissent is duly recorded in the corporate minutes. Failure to do so could result in the director being held liable in actions arising from that decision.

A director can show diligence by his or her examination of corporate records, conferences with other directors, and sufficient familiarity with corporate activities acquired by other means.

While directors should not abdicate their duties to manage the corporation, in the absence of willful inattention amounting to misfeasance, directors are not liable for losses occasioned by the corporation arising from their relying upon trusted officers of the corporation who have misled them as to the true state of affairs.

Further, directors are not expected to be experts in all fields of endeavor and they must frequently rely on the advice of specialists. A director may rely on the advice and opinions of outsiders where the outsider is independent of the directors, appears to be qualified to give advice, and the directors still exercise their own judgement as to actions to be taken on the basis of this advice.

In the event of the bankruptcy of the foundation, the directors are typically jointly and severally liable for the wages of the employees, for a maximum period of six months. This is, however, not the case in all jurisdictions. As well, in most provinces, an employee may bring an action for damages for personal injuries based on negligence against an executive officer of the employer, if he or she is foreseeably negligent, and such an action is not barred by the relevant Worker's Compensation Act. Pursuant to the various

corporations statutes, a director or officer may also be liable for failure to maintain the proper books and records, for failure to file any required documents, for making false statements or omitting any material fact from documents required to be filed, if he or she authorizes, permits or acquiesces in these acts.

In addition to offences created by corporation statutes, every director and officer is liable to prosecution for other offences set out in many other statutes that cover a broad spectrum of activities.

Some key statutory liabilities are:

Bankruptcy

When an offence under the federal Bankruptcy Act has been committed by a corporation, every director and officer who directed, authorized, condoned or participated in the commission of the offence is liable to the same penalties as the corporation as if he or she had committed the offence personally.

Employees' Deductions

Directors and officers of corporations who fail to exercise due diligence to ensure remittance of employees' Income Tax, Canada Pension Plan or Employment Insurance deductions are equally liable with the corporation for the applicable penalties.

Income Tax

Where a corporation is guilty of an offence under the Act, an officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in, or participated in the commission of the offence is a party to and guilty of the offence and is liable to the punishment for the offence whether or not the corporation has been prosecuted or convicted.

Anti-terrorism Legislation

Directors may face liability under the criminal code provisions of the *Anti-terrorism Act*, where a charity or its resources are used for, or diverted to, supporting terrorists or terrorist activity.

A concise and useful summary of potential liabilities of directors of not-for-profit corporations can be found in Industry Canada's *Primer for Directors of Not-for-Profit Corporations*.

Director's Insurance

Several of the provincial incorporating statutes permit the corporation to indemnify directors and officers in limited circumstances. These acts generally authorize the corporation to purchase insurance to reimburse itself for payments made to directors and officers by way of indemnification. In some cases, it is not permissible to provide such insurance or indemnification without approval of the Public Trustee or a court. Where this is required, failure to obtain the requisite approval may make the validity of the insurance or the indemnification payments subject to challenge. Another form of insurance is available that insures the directors and officers against some of the claims against them which can arise through their carrying out their responsibilities as quasi-trustees of the foundation's assets.

It should be noted that not all risks can be insured, because of public policy considerations and the reluctance of insurers. For example, no insurance is available to cover fines and penalties imposed by law, nor where the officials have profited illegally or have knowingly acted beyond the scope of the objects of the corporation.



Chapter 5: Operating A Private Foundation

Management and Administration

A private foundation should establish an operating structure that is designed to effectively make and implement its decisions. It is also desirable that the board of directors or trustees be composed of individuals with diverse backgrounds.

The success of a private foundation depends to a large degree on the efforts of the board of directors. The board is responsible for developing the policies and practices that are essential for the effective operation and administration of the foundation. The board is also responsible for ensuring effective management of the foundation's resources.

The management functions of the board of directors may be summarized as follows.

- (a) the establishment of goals and approval of plans for their achievement;
- (b) the determination of the administrative structure and appointment of top administrative officers;
- (c) the timely review of the foundation's performance and that of its officers and employees;
- (d) the adoption of appropriate action based on the assessment of performance;
- (e) the management of the foundation's assets.

As effective management by the board requires a degree of critical objectivity, the board should consider whether or not it would be appropriate to delegate operational authority to voluntary or paid staff members.

Obviously, the need for administrative staff will depend upon the nature of the duties the board is willing to assume, and the amount of work they must delegate. This, in turn, will depend upon the size and nature of the foundation and the scope of its charitable purpose. For example, if the main investment of the foundation is a government bond or term deposit, the interest on which is payable to a single charitable organization, there would be no need for an administrator. On the other hand, if the foundation has a more varied investment portfolio and if it intends to make a number of charitable distributions, a formal administrative structure, established procedures and experienced full-time staff may be required; possibly including the engagement of independent investment management.

Since the failure to maintain proper books and records, to issue official receipts, or to file information returns, as required by the Act, can result in de-registration and loss of tax-exempt status, the importance of establishing internal procedures cannot be over-emphasized. To ensure effective and efficient administration, the board should consider establishing systems for internal control. The functions and duties of the directors and of staff members, if any, should be clearly defined.

The board must arrange for the preparation of financial reports and budgets, as well as the management of the foundation's investment portfolio. In this regard, an understanding of the foundation's income requirements, as well as the disbursement requirements imposed by the Act, is essential. It is advisable that written procedures relating to the operation of the foundation be prepared for the guidance of board and staff. Suggested topics are:

1. control, safekeeping and issuing of official receipts, where applicable;
2. handling cash receipts, including accounting and depositing;
3. control of disbursements, including the approval and recording thereof;
4. procedures for retaining invoices, vouchers and receipts, banking procedures, and for maintenance of other books and records;
5. filing requirements.

The directors should establish a set of guidelines and procedures to implement the objects of the foundation. These procedures should include the criteria for making grants as well as any special limitations. In addition, it is desirable to make the guidelines available in written form to potential recipients.

Review of grant proposals should conform to the foundation's policies and procedures and be carried out in a fair and nondiscriminatory manner. Foundation boards and/or staff should work closely with successful applicants to ensure agreement about the exact purpose of the grant, and to review reports that will be required by the foundation in the evaluation of the project.

The kind of grant determines how much follow-up and evaluation should be carried out by the foundation. Standard grants, such as unrestricted gifts to churches or universities, require minimal attention. Grants to innovative projects usually entail evaluation, which may include visits to the project, periodic reports from the grantee and independent audits. Grants administered through overseas agents require close attention to ensure compliance

with all regulatory requirements. Grants that may expose the foundation to liability under the federal *Anti-terrorism Act* should be especially carefully monitored in order to minimize the risk of that statute's provisions being breached.

Foundations that make grants to innovative projects or that attempt new approaches to long-standing issues may find that following an iron-clad evaluation plan is not practical. It is difficult to predict how long it will take to determine the value of a new program and exactly which monitoring tools apply. It may be necessary to evolve an evaluation process in cooperation with each grantee.

The need for full or part-time staff is also tied to a foundation's grant-making policies and procedures. Evaluation of a large number of grant applications on a pre-determined schedule may be beyond the capabilities of a volunteer board of directors or trustees. This type of grant-making requires the services of professional foundation staff.

Restrictions on Activities

1. A private foundation may not carry on any business at all.
2. A charitable foundation may not acquire control of any corporation nor incur debts, other than debts for current operating expenses, debts incurred in connection with the purchase and sale of investments and debts incurred in the course of administering charitable activities. A foundation will be deemed not to have acquired control of a corporation as long as it has not purchased or otherwise acquired for consideration more than 5 per cent of the issued shares of any class of the corporation.
3. Provincial legislation may prevent the foundation from owning land which has not actually been used and occupied by the charity for a period of three years, and is not required nor intended to be required, in the immediate future, for actual use and occupation by the charity.
4. Similarly, provincial legislation may require a foundation to sell business interests if such interests exceed a specified percentage of the value of the business.

Reporting Requirements and Returns

Various statutes require certain information to be communicated to governmental bodies. Careful attention must be given to complying with these obligations.

- (a) Upon registration of a foundation under the Act as a registered charity, a notarial copy of the letters patent may have to be forwarded to the Ministry of the Attorney General of the incorporating province. In provinces that have a Public Trustee, these documents are sent to that office. The Public Trustee is generally also informed of the names and addresses of the directors, the registration number for income tax purposes and the fiscal year end of the corporation. If required by the Public Trustee, depending on the relevant provincial legislation, charities may be obliged to forward to it a copy of the annual audited financial statement.
- (b) Under the Act, every charity must file a return entitled "Registered Charity Information Return" (Form T3010) within six months of its year-end. These forms are available on-line or from the nearest district taxation office. Since these forms change from time to time, it is desirable to consult the local district taxation office or the tax advisor for the foundation to ensure proper compliance.
- (c) Generally, all registered charities must file, in place of an annual corporate return, an initial notice, and notice of change with the relevant ministry in the incorporating province. The information required is usually limited to the names and addresses of the director, officers and head office of the foundation.
- (d) Pursuant to the *Statistics Act* of Canada, the charity may also be required to file certain information for the purpose of government surveys.

Books and Records

Registered charities are required by the Act to keep and have available for inspection, at the address recorded with Canada Customs and Revenue Agency, records and books of account sufficient to verify the donations made to it. The books and records should also contain details as to other income received and any disbursements made by the charity. Duplicate

copies of each receipt issued to donors must be kept with the records and books of account.

For purposes of the Act, books and records must be kept until Canada Customs and Revenue Agency authorizes their destruction. However, as a practical matter books and records should not be destroyed, unless permission has been obtained from any persons who might be interested parties, including, of course, the Public Trustee.

De-registration

The Act sets out certain grounds pursuant to which the Minister of National Revenue may revoke the registration of a charity.

A charitable foundation may be de-registered for:

- failing to continue to meet any of the requirements of registration, including
 - if it is a private foundation, carrying on any business;
 - if it is a foundation, acquiring control of any corporation or incurring certain types of debts; and,
- failing to meet its disbursement quota;
- failing to comply with the annual information return requirement;
- issuing an improper or false donation receipt; and
- failing to keep proper records and books of account.

The Minister gives notice of his or her intention to revoke a charity's status by registered mail, offering it an opportunity to respond to the issues giving rise to the Minister's decision to de-register.

Except to the extent that a de-registered charity has distributed its assets to other registered charities, its assets shall be forfeited to the Crown. In addition, the de-registered charity and any persons (other than 'qualified donees') who have received property of the charity for other than valuable consideration are jointly liable for a separate tax.

A de-registered charity is no longer able to issue official receipts and no longer enjoys tax-exempt status. Any official receipts issued for donations in the year in which a charity is de-registered will be invalid unless the charity's registration is reinstated in that same year.

De-registration may also be initiated under the federal *Anti-terrorism Act*. Further information on this legislation is found in Chapter 6.

Voluntary Termination

A private foundation may terminate its existence voluntarily. The technicalities of dissolving are usually not complex and are to be found in the relevant provincial or federal corporations legislation. However, as indicated earlier, on winding-up all funds must be disbursed to charitable causes in accordance with the foundation's letters patent and provincial law. Adherence to the federal Act's disbursement quota is also required.

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Chapter 6: Charitable Activities Outside Canada

Introduction

A private foundation may choose to carry on some charitable activities directly, rather than paying monies to other registered charities that carry on these activities. This is particularly common where the charitable activities in question are carried on outside Canada. A foundation can meet its disbursement quota either by expending monies on charitable activities that it carries on itself or by making gifts to 'qualified donees'. Most commonly the term 'qualified donees' refers to Canadian registered charities or certain other designated Canadian entities, although it also includes a small number of organizations and institutions outside Canada. These include: the United Nations and its agencies; prescribed universities outside Canada; and, charitable organizations outside Canada to which Her Majesty in right of Canada (the federal government or its agents) has made a gift during the taxpayer's taxation year or the 12 months before it.

Agency agreements and the Disbursement Quota

Since most non-Canadian charities that a foundation may wish to support are not likely to be 'qualified donees', payment of monies to such a non-Canadian charity will not assist the foundation in meeting its disbursement quota. It can, however, meet this quota by arranging to have the desired charitable activities carried on in the foreign country by persons who act as the foundation's agents. As a matter of law, these activities then become those of the Canadian foundation.

This is usually accomplished by having the foundation appoint an agent in the foreign country to receive funds from it, spend them directly on the charitable activities which it wishes to conduct there, and account to the foundation for these expenditures. The agent may be a responsible Canadian who lives in the foreign country, an officer of a foreign charity or a foreign charity itself. The amounts received from the Canadian foundation and the amounts expended on its behalf can, in practice, be integrated into the budget of the foreign charity in a manner which does not differ much, in effect, from the arrangements which would prevail if the Canadian foundation were simply permitted to pay funds over to a foreign charity.

Use of this agency technique avoids breach of the provisions of the Act, since the foundation will be regarded as carrying on those charitable activi-

ties itself, as is required by the Act for the purpose of meeting the disbursement quota. However, a special note of caution is required. The agency relationship must be an actual one and not fictitious. A written agency agreement setting out the authority of the agent, the charitable purpose, and the reporting and financing requirements should be entered into. A drawback of the agency technique is that the foundation may be exposed to significant liability, either under an agency agreement or where an agency arrangement is found to exist in law (even absent a formal agreement). This is because power to acquire rights and incur liabilities on behalf of a principal is a defining characteristic of an agent, though the scope of an agent to do so is typically subject to certain limitations.

Canada Customs and Revenue Agency guidelines suggest that written agency agreements should include: names and addresses of the parties, the agreement duration or the project deadline; a detailed description of the specific activities authorized to be undertaken; provision for reporting to the foundation and/or the foundation rights to inspect the project; payment provisions (typically by installment); provision to withhold/withdraw funds or resources at the foundation's discretion; a requirement for adequate Canadian record-keeping about the project; provision for segregating project monies or property from that of the agent; and, parties' signatures as well as the date of the agreement.

The Agency may require production of project receipts by the foundation.

Funding of projects after the Disbursement Quota has been met

Occasionally foundations wish to directly fund charities, particularly overseas charities, which are not registered with the Canada Customs and Revenue Agency. The legitimacy of such practice has been challenged by the Agency. However, the propriety of foundations funding projects by organizations that meet the common law definition of charity, but that do not fall within the 'qualified donee' criteria, once the foundation's disbursement quota has been achieved, can be supported by reference to the Act.

The Act requires that a foundation meet its disbursement quota; it also requires that it be "constituted and organized exclusively for charitable purposes". A foundation that, once it met its disbursement quota, funds exclusively charitable entities with a portion of its remaining resources – even where these entities are not 'qualified donees' – can still therefore be said to be within the Act's requirements. This, in theory, should allow

foundations to, where resources permit, directly fund some overseas charities. (Note, however, that such funding is subject to being disallowed by the Canada Customs and Revenue Agency if adequate measures are not in place to control its proper expenditure – i.e., that a foundation could breach its obligation to maintain its exclusive charitability by not doing enough to ensure that the monies were used for the intended charitable purpose(s).)

Effect of anti-terrorism legislation

The federal government's 2001 *Anti-terrorism Act* provides for summary de-registration of charities that, knowingly or unknowingly, support terrorists or terrorist organizations. Applicants seeking charitable registration and linked to terrorism may also be summarily prohibited from registering.

Specifically, the law provides that a Ministerial 'security certificate' may be issued barring charitable registration of an applicant or de-registering a charity where there are reasonable grounds to believe that it made, makes or will make available resources, directly or indirectly, to an entity that engaged, engages or will engage in terrorist activity or that is listed as a terrorist organization under the terms of the legislation. There is no reference in the statute to any consideration of whether the resources were provided intentionally or not. Once issued, the certificate is subject to review by a Federal Court judge, but this review is only to determine whether the certificate was reasonable on the basis of information available to the judge. The normal rules of evidence are relaxed for purposes of this proceeding, and an applicant or charity's opportunity to answer the allegation(s) against it may be curtailed. The legislation also provides that there is no appeal from the judge's initial determination. A security certificate is generally valid for a period of seven years, absent a judicial determination of a material change in circumstance.

De-registration under a security certificate triggers the *Income Tax Act* provision that, effectively, applies a 100 per cent excise tax to the charity's assets.

In light of this, foundations must exercise the utmost care to ensure that their funds or resources are not used to support actual or alleged terrorist organizations or terrorism. Foundations should review their mandates to determine their potential exposure under this law and, where there is significant risk, should seek appropriate professional advice on how to reduce or manage this exposure.

The scope of the powers, provision for administrative discretion, and limitations on customary procedural safeguards in this legislation mean that, given the nature of some charitable work, even a high degree of diligence will not be sufficient to ensure against the law being triggered. Because of this, and the 100 per cent de-registration tax, in some cases individuals may want to contemplate whether to establish a separate entity to do charitable work that could be considered to contravene this statute.

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Appendix I: Canada Customs and Revenue Agency Forms

Form T2050:

Application to Register a Charity Under the Income Tax Act
can be found at:

<http://www.ccr-aadrc.gc.ca/E/pbg/tf/t2050/README.html>

Form T3010:

Registered Charity Information Return

can be found at:

<http://www.ccr-aadrc.gc.ca/E/pbg/tf/t3010-2002/README.html>

These forms should also be available through your local Canada Customs and Revenue Agency District Taxation Office.

Appendix II: Disbursement Quota of a Private Foundation

Please see Chapter 3 for addition information.

A registered charity may include a disbursement excess (the amount by which a registered charity's expenditures in the year exceeds its disbursement requirements for the year) for a year in computing the amount it has expended on charitable activities or gifts to 'qualified donees' for the immediately preceding and up to five subsequent taxation years. Thus it is possible for a registered charity to expend less than its disbursement quota for any particular year and yet not have its registration revoked. Further, the Act contains a provision that authorizes the Minister of National Revenue, upon application by a registered charity, to reduce the disbursement requirements of that charity for a particular year. It is understood that the Minister will exercise his or her discretion under this subsection where the applicant charity cannot fully correct the deficiency by applying disbursement excesses from other years as outlined above.

Should a charity have a surplus with which to fund established programs and should it not expect to develop new commitments, it may wish to transfer a substantial sum to another charity that has insufficient resources to properly fund its own charitable activities and gift-giving commitments. In order to avoid an unmanageable enlargement of the recipient charity's disbursement quota (for the year following the year the transfer is made), a special rule is provided in respect of 'specified gifts'. These are gifts which may be made by one registered charity to another without being treated as qualified charitable disbursements by the payor nor included in the calculation of the payee charity's disbursement quota. This allows capital transfers to take place between registered charities without tax consequences.

In the event a charity wishes to accumulate funds for a term of years to meet the financial requirements of a major project, the charity may do so but only with the consent of the Minister of National Revenue. The request should be in writing and detail all relevant aspects of the matter, including the nature of the project, the amounts required and the term during which any amounts so accumulated in any particular year will be exempt from the disbursement quota requirements.

If the charity fails to expend the amount accumulated within the time specified or if the charity abandons the project for which it had been accu-

mulating funds, the amount accumulated will be treated as income of the charity in the year in which the time specified expires, or the year of abandonment, as the case may be, and it will also be deemed to be a receipted donation to the charity. The accumulated funds will then be brought into the disbursement quota of the registered charity in the following year.

As discussed in Chapter 6 above, once a foundation has met its disbursement quota, this may afford it scope to fund organizations that it might not otherwise have been able to support. The Canada Customs and Revenue Agency has taken issue with this. Under the *Income Tax Act*, an argument can be made that foundations can (after meeting their disbursement quota) fund projects by organizations that are charitable under the common law, but that are outside the definition of a 'qualified donee' used by the Canada Customs and Revenue Agency.

To do so, the foundation must stay within two key provisions of the Act. It must meet its disbursement quota, and it must also be able to show its exclusive charity. Once the first of these provisions is complied with, the funding of exclusively charitable entities – regardless of whether or not they are 'qualified donees' – should not compromise the exclusive charity of the foundation. 'Qualified donees' are not synonymous with exclusively charitable organizations.

It should be noted that, in funding such exclusively charitable organizations, the foundation must show that it is exercising adequate control over the expenditure to ensure that it is diverted from the intended exclusively charitable purposes for which it was given. Absent such control, the foundation may be subject to de-registration for allowing its resources to be used for non-charitable purposes.

Appendix III: The Community Foundation as an Alternative

Community foundations offer an attractive alternative to the expense and administrative burden of setting up and maintaining a private foundation.

Community foundations are registered as charities under the provisions of the Act and designated as public foundations.

A community foundation's mission is to enhance the quality of life in its geographic area. It does this by receiving donations, investing them and distributing the resulting income to charitable organizations through grants. The community foundation's gifts may come from a variety of sources, including individuals, families, businesses, charitable foundations and estates. From these gifts and bequests, community foundations build and maintain endowments, the earnings from which are used to solve problems and advance the interests of the community. All funds, whether large or small, receive the advantages of professional administration at a very low cost, and donors are usually provided with the maximum tax benefits allowed by law.

Community foundations are overseen by a Board of Directors who represent and are concerned with the diversity of community interests.

The first Canadian community foundation was established in Winnipeg in 1921. There are about one hundred and twenty community foundations in Canada with those in Vancouver and Winnipeg being the two largest.

A key tenet of community foundations is the use of donations for the perpetual benefit of local communities. This means that, typically, projects are funded through investment income, rather than by dipping into the donation itself. However, sometimes grants will be made from capital in accordance with a donor's wishes.

An advantage of community foundations is the flexibility offered to the donor. At the time of creating a fund within the foundation, donors can name the fund, the purpose of the fund, and even the charity to be supported. Donors can designate that their gift be held in perpetuity with distribution to be made only from income; they can designate that distribution be made of principal as well as income, over a certain number of years; or they can work out any combination they want. No other philanthropic mecha-

nism has the same flexibility as the community foundation.

A donor wishing to create a fund has simply to instruct the community foundation in writing as to the name of the fund and what he or she wants done with the income from the fund, and subject to this being accepted by the Board of Directors of the foundation, and on receipt of the gift, these wishes will be carried out.

Since a community foundation is ordinarily a public foundation, the income tax rules which affect it are significantly less onerous than those affecting a private foundation. For example, if a private foundation holds shares of any corporation with which it does not deal at arm's length (referred to as a 'non-qualified investment') and if in any year it does not receive at least a prescribed minimum return on that investment, a penalty tax is levied on the corporation equal to the amount of the deficiency. However, since this penalty tax does not apply to public foundations, it may be preferable to give such a security to a public foundation.

As well, donors of specified publicly-traded securities receive a preferential tax rate on any capital gains realized with respect to those securities when they give them to public foundations. This preferential rate does not apply if the donation is made to a private foundation.

There are no legal fees attached to setting up a fund in a community foundation, and the community foundation assumes the tax and other reporting responsibilities for the fund. The community foundation handles grant applications, disbursements, and receipts; in fact, all the administrative and financial detail of the fund.

The donor's fund is named in annual reports and other publications of the community foundation and thus receives recognition in perpetuity.

Note that there are a number of public foundations, which although not set up as "community foundations", are specifically devoted to activities in particular spheres, e.g., the Winnipeg Jewish Foundation. For more information on this type of foundation, please see the Centre for Philanthropy's *Canadian Directory to Foundations & Grants*.

Community Foundations in Canada

- Abbotsford Foundation
Alberni Valley Community Foundation; The
Altona Community Foundation Inc.
Aylmer Area Community Foundation
- Battle River Community Foundation
Beautiful Plains Community Foundation
Inc.
Boissevain and Morton Foundation
Bonne Bay Community Health Foundation
Brandon Area Foundation
Brantford Community Foundation
Brockville Foundation; The
Brokenhead River Community Foundation
Inc.
Bulkley Valley Foundation
Burlington Community Foundation
- Calgary Foundation; The
Cambridge & North Dumfries Community
Foundation
Campbell River Community Foundation
Campbellford/Seymour Community
Foundation
Carberry and Area Community Foundation
Carman Area Foundation Inc.
Cartwright and Area Foundation Inc.; The
Central Okanagan Foundation
Chatham Kent Community Foundation; The
Chilliwack Foundation
Community Foundation of Durham
Region; The
Community Foundation of Greater
Grande Prairie
Community Foundation of Greater
Kingston; The
Community Foundation of Greater
Moncton, Inc.
Community Foundation of Oakville
Community Foundation of Orillia &
Area; The
- Community Foundation of Ottawa
Community Foundation of Portage
& District Inc.
Community Foundation of Prince Edward
Island Inc.; The
Community Foundation of the North
Okanagan
Community Foundation of the South
Okanagan
Community Foundation of Whistler
Community Service Society Inc.
Comox Valley Community Foundation
Coquitlam Foundation
Cowichan Foundation
- Dauphin & District Community Foundation
Drayton Valley Community Foundation
- Edmonton Community Foundation; The
Fondation communautaire du grand
Quebec
Fondation communautaire Gaspesie - Les
Iles
- Fondation du Grand Montreal; La/The
Foundation of Greater Montreal
Francofonds Inc.
Fredericton Community Foundation Inc.
Fundy Community Foundation
- Glenboro Area Foundation Inc.; The
Greater Saint John Community Foundation;
The
Greater Windsor Community Foundation
Guelph Community Foundation
- Halifax Foundation; The
Hamilton Community Foundation
Huronian Communities Foundation
Interlake Community Foundation Inc.

Kamloops Foundation
Kent-Harrison Foundation
Killarney Foundation Inc.; The
Kitchener and Waterloo Community
Foundation; The

Lethbridge Community Foundation; The
London Community Foundation

Maple Ridge Community Foundation; The
Mayerthorpe Area Community Foundation
Medicine Hat Community Foundation
Minnedosa Foundation; The
Mission Foundation
Morden Area Foundation

Nanaimo Community Foundation
Napanee District Charitable Foundation
Niagara Community Foundation
Niagara/Baie-Comeau Community
Foundation

North Norfolk - MacGregor Foundation
Inc.

North Shore Community Foundation
Northern Neighbours Foundation Inc.

Oak Lake & Area Foundation Inc.
Osprey Community Foundation
Owen Sound & Area Community
Foundation

Parksville/Qualicum Community
Foundation
Pembina Manitou Area Foundation Inc.
Peterborough Foundation; The
Phoenix Foundation of the Boundary
Communities
Pilot Mound & District Foundation
Port Moody Foundation
Powell River Community Foundation
Prince Albert and Area Community
Foundation
Prince George Community Foundation

Red Deer & District Community
Foundation; The
Revelstoke Community Foundation
Richmond Foundation; The

Salt Spring Island Foundation
Sarnia Community Foundation
Saskatoon Foundation; The
Selkirk & District Community Foundation
Inc.

Shuswap Community Foundation
Souris Glenwood Foundation Inc.
South Saskatchewan Community
Foundation, Inc.
Southwest Manitoba Regional Foundation;
The

St. Albert Community Foundation
Steinbach Community Foundation
Sudbury Community Foundation
Surrey Foundation

Thompson Community Foundation; The
Thunder Bay Foundation
Tiger Hills Community Foundation
Toronto Community Foundation
Town of Simcoe Foundation; The
Tri-Town Foundation

Vancouver Foundation
Victoria Foundation; The
Virden Area Foundation Inc.

West Vancouver Foundation; The
Westshore Community Foundation
Winkler Community Foundation
Winnipeg Foundation; The

Yellowknife Community Foundation; The
Yukon Foundation

Addresses and contact names for these
foundations can be found in the Centre for
Philanthropy's *Canadian Directory to
Foundations & Grants*.

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