

Petition to the House of Commons

We, the undersigned citizens and residents of Canada, draw the attention of the House of Commons to the following:

Whereas, the Income Tax Act (ITA) currently requires charities who want to partner with non-qualified donees (including nonprofits, social enterprises, co-ops, civil society groups and businesses) to “direct and control” the use of its resources by its partner organization, leading to cumbersome and resource-intensive administrative burden;

Whereas, current ITA rules on qualified donees and “direction and control” make it exceedingly difficult to form partnerships in a way that puts the needs of communities first;

Whereas, principles of equity and inclusivity are underserved by the current policy regime, because organizations serving diverse communities are often not qualified donees, and therefore remain disproportionately unable to benefit from charitable funds;

Whereas, the report of the Standing Committee on Foreign Affairs and International Development adopted by unanimous consent recommends that the Government of Canada take immediate action to fix the problems associated with the current “direction and control” regime;

Whereas, the Report #1 of the Advisory Committee on the Charitable Sector, made up of 14 sector members of the Advisory Committee on the Charitable Sector, recommends that the Minister of National Revenue work with the Minister of Finance to address the problems associated with the current “direction and control” regime.

Therefore we, the undersigned, call on the government of Canada to take the following actions to address the situation:

1. Replace the original regime and “own activity” test in the ITA that requires registered charities to devote all of their resources to charitable activities carried on by themselves with a regime that permits registered charities to operate in furtherance of their charitable purpose; and
2. Replace current administrative requirements around “direction and control” with a requirement for registered charities to establish reasonable and practical parameters for ensuring resource accountability when working to achieve a charitable purpose through a third party that is not a qualified donee.

Name (please print):	Address (street, province, postal code):	Signature:	Phone #	Email:

Please fold and tape to seal



No
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