

Guidance to non-qualified donees

In 2022, The Canada Revenue Agency (CRA) changed the granting guidelines regarding non-qualified donees. United Way Central Alberta (UWCA) is now able to provide a “qualifying disbursement” (a transfer of resources) to select groups, who were not previously eligible for funding, if they meet certain conditions. The Government of Canada is still seeking input into these guidelines and the following is subject to change.

What is a non-qualified donee?

| Qualified Donee | Non - Qualified Donee |
|--|---|
| A registered charity or other qualified donee, registered with the Canada Revenue Agency. | Other organizations that are not registered with Canada Revenue Agency. |
| These organizations can offer receipts for donations. | These organizations may accept donations but cannot receipts for these gifts. |
| Three types of registered charities; <ul style="list-style-type: none">• charitable organizations• public foundations• private foundations | Other terms used for a non-qualified donee: <ul style="list-style-type: none">• grantee organization• incorporated and not incorporated non-profit organizations, associations, and societies• Indigenous governing bodies that are not registered as qualified donees or non-profits, such as First Nations bands, Métis settlements, and Inuit governments or associations. |

Qualifying disbursement

For UWCA to transfer resources to a non-qualified donee, we must meet the Income Tax Act's definition of a "qualifying disbursement". This includes ensuring:

- The grant will further UWCA charitable purpose,
- The monies are exclusively applied to the purpose for which UWCA granted them (which will fall under our charitable purpose in the bullet above), and
- UWCA receives and maintains sufficient documentation of the above.

Expectations of non-qualified donees applying for funding from UWCA

The process for granting to non-qualified donees will differ from our process for disbursements to qualified donees. Accountability tools will be used throughout the granting process (from application to final reporting) to ensure we meet the accountability requirements above. UWCA is currently reviewing and developing which accountability tools we will choose to employ for our grant process relating to non-qualified donee organizations.

All interested groups will complete the same application. Any additional requests for information will be made on a case-by-case basis and in a timely manner.

United Way of Central Alberta is excited by the change and looks forward to building relationships with organizations throughout Central Alberta.

More in depth information on the topic can be found on the CRA's website; specifically, they have draft guidance located at this link:

[Registered charities making grants to non-qualified donees - Canada.ca](https://www.cra.ca/charities/charities-making-grants-to-non-qualified-donees)



United Way
Central Alberta