



Guidance to non-qualified donees

In 2022, The Canada Revenue Agency (CRA) changed the granting guidelines regarding non-qualified donees. Since 2023, United Way Central Alberta (UWCA) can provide a “qualifying disbursement” (a transfer of resources) to select groups, who were not previously eligible for funding, if they meet certain conditions.

What is a non-qualified donee?

This comparison may assist you in understanding where your organization fits.

Qualified donee	Non-qualified donee
A registered charity or other qualified donees 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 offer receipts for these gifts.
Three types of registered charities: <ul style="list-style-type: none"> • charitable organizations • public foundations • private foundations Other qualified donees can be found at this Government of Canada site .	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 to demonstrate
 - (A) the purpose for which the disbursement is made, and
 - (B) that the disbursement is exclusively applied by the grantee organization to charitable activities in furtherance of a charitable purpose of the charity

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.

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 looking forward to continue building relationships with organizations throughout Central Alberta.

More in depth information on the topic can be found on the CRA's website:

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