

## **Information on Partnership Agreements Between Not-for-Profit Organizations and Qualified Donees**

### **Overview**

The Innisfil Community Foundation is a Canadian registered charitable public foundation. The Canada Revenue Agency (CRA) provides specific direction to Canadian registered charitable public foundations regarding grants and distributions to qualified donees as defined by the CRA. The Foundation is not permitted to grant to organizations that do not meet the definition of a qualified donee.

Not-for-profit organizations who wish to apply for a grant may consider the following:

- Make a formal application to the CRA for registered charitable status, or
- Establish a structured arrangement with a registered charity or municipality.  
The grantee will be the registered charity or municipality (the 'qualified donee') and as such, the qualified donee, has specific obligations.

The Foundation will require confirmation that the registered charity or municipality is aware of its obligations by signing and providing a copy of the Confirmation of Partnership Agreement which follows on pages 3-4 of this document.

## About the CRA Guidelines for Joint Ventures

To learn more about the CRA's guidelines, visit their web site at:

<http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/ntrmdry-eng.html?eml20110621>

Note the following information from the CRA:

*A charity usually carries on its activities using its staff (including volunteers, directors, or employees), or through an intermediary (for example - an agent or contractor). However, when using an intermediary, it must still direct and control the use of its resources, although it may generally delegate authority to make day-to-day operating decisions. A charity cannot merely be a conduit to funnel money to an organization that is not a qualified donee.*

*The Canada Revenue Agency (CRA) requires that a charity take all necessary measures to direct and control the use of its resources when carrying out activities through an intermediary. When carrying out activities through an intermediary, the following steps are strongly recommended:*

- *Create a written agreement with the intermediary, and implement its terms.*
- *Communicate a clear, complete, and detailed description of the activity to the intermediary.*
- *Monitor and supervise the activity.*
- *Provide clear, complete, and detailed instructions to the intermediary on an ongoing basis.*
- *For agency relationships, segregate funds, as well as maintain separate books and records.*
- *Make periodic transfers of resources, based on demonstrated performance.*
- *A charity must maintain a record of steps taken to direct and control the use of its resources, as part of its books and records, to allow the CRA to verify that all of the charity's resources have been used for its own activities.*

## Confirmation of Partnership Agreement

The purpose of this document is to provide confirmation to the Innisfil Community Foundation that the Registered Charity/Municipality has entered into formal written agreement with the non-qualified donee and that both the qualified donee and the non-qualified donee understand their accountabilities. A fully executed copy of this document must be submitted to the Innisfil Community Foundation.

Name of Registered Charity/Municipality: \_\_\_\_\_

Full Address of Registered Charity/Municipality: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Contact Telephone: \_\_\_\_\_

Contact Email: \_\_\_\_\_ Charitable Registration Number: \_\_\_\_\_

### has entered into a formal written agreement with:

Name of Not-for-Profit Organization: \_\_\_\_\_

Full Address of Not-for-Profit Organization: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Contact Telephone: \_\_\_\_\_

Contact Email: \_\_\_\_\_ Incorporation Number (if applicable): \_\_\_\_\_

### for the time period:

Provide the start and end date of this agreement *or* the deadline by which the project must be completed: \_\_\_\_\_

### for the project (briefly describe):

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**and that the parties named above have entered into a Written Partnership Agreement which at a minimum, confirms:**

- The Registered Charity/Municipality's obligation to obtain written progress reports and fulfill reporting requirements of the Foundation including submitting a final report after completion of the project,
- Provision to make payment allocations by instalments or to withhold payments,
- Provision to maintain adequate records at the qualified donee's address,
- All expenditures will further the Charity's/Municipality's purposes, and
- The Registered Charity/Municipality will be responsible to monitor the project and provide satisfactory evidence of this to the Canada Revenue Agency at their request.

How does being an intermediary for this project fit with your organization's purpose(s)?

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Name of Authorized Individual: \_\_\_\_\_

Position of Authorized Individual: \_\_\_\_\_

Signature of Authorized Individual\*: \_\_\_\_\_

*I have the authority to bind the organization.*

Date: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email: \_\_\_\_\_

It is the responsibility of the qualified donee completing this document to make themselves aware of their obligations to the Canada Revenue Agency when agreeing to participate in a joint activity.