

INFORMATION FOR NON-PROFIT SOCIETIES WHO WISH TO PARTNER WITH A REGISTERED CHARITY OR OTHER QUALIFIED DONEE

HOW CAN A NON-PROFIT SOCIETY APPLY FOR A GRANT?

- If not a qualified donee, a prospective applicant must obtain the sponsorship of a Registered Charity or other qualified donee through which a grant from the Slokan Valley Fund can be administered.
- The sponsoring agency must accept full legal responsibility for the project. The grant will be made to the sponsoring registered charity and they will be responsible for administering the grant.
- The relationship between the grant applicant and the registered charity must be a *bona fide* one or the Registered Charity is at risk of being penalized by the CRA.
- The proposed project must reasonably fall within the mandate of the Registered Charity.
- The Charity must exert reasonable fiscal accountability for the funds.
- There must be a contract in place between the grant applicant and the Charity.
- Other reasonable fiscal controls should also be in place to ensure that the Registered Charity can appropriately administer the grant (e.g. holdbacks).

ROLES

NON-PROFIT SOCIETY

- Non-qualified donee agrees to act as the charity's agent in delivering a charitable activity
- Has to be comfortable handing over control to the Sponsoring organization = trust relationship
- Directs and undertakes the project work, keeping the Sponsor informed
- Prepares grant applications and final reports in co-operation with the Sponsoring organization

SPONSOR

(a qualified donee e.g. a registered charity)

- Needs to expend its funds on charitable activities within its purposes (own activities)
- Takes full responsibility for the project but does not necessarily do the day-to-day work
- Receives grant monies and disburses funds to the Agent
- Monitors the project, releases funds based on demonstrated performance
- Reviews, amends, submits grant applications and final reports

FINDING THE RIGHT MATCH

- Activity must be charitable in purpose.
- Activity must match the charity's mandate.
- Sponsor and Agent must trust each other.
- Personal connections are powerful — who do you know in XYZ organization?
- Leave enough time to solidify a match. This may require board approval on both sides.
- Leave time for negotiation of your Agency Agreement

DO WE ALWAYS NEED A WRITTEN AGREEMENT?

The CRA recommends that a charity enter into a written agreement with any intermediary.

In situations where the money spent on a one-time activity is \$1,000 or less, other documentation means might be used to show direction and control over the use of resources by intermediaries.

Regardless, the charity must be readily able to demonstrate to the CRA that the charity has a real, ongoing, active relationship with its intermediary.

WHAT'S IN AN AGENCY AGREEMENT?

Basic elements of a written agreement:

- Exact legal names and physical addresses of all parties
- A clear, complete, and detailed description of the activities to be carried out by the intermediary and an explanation of how the activities further the charity's purposes
- The location(s) where the activity will be carried on (for example - physical address, town or city)
- All time frames and deadlines
- Any provision for regular written financial and progress reports to prove the receipt and disbursement of funds, as well as the progress of the activity
- A statement of the right to inspect the activity, and the related books and records, on reasonably short notice
- Provision for funding in instalments based on satisfactory performance, and for the withdrawing or withholding of funds or other resources if required (funding includes the transfers of all resources)