# Information on Partnership Agreements

# Between Not-for-Profit Organizations and Qualified Donees

# Overview

The Community Foundation for Kingston & Area 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 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 page two and three of this document. Any Letter of Intent to the Foundation for a grant by such a partnership must include this document.

# About the CRA Guidelines for Joint Ventures

To learn more about the CRA’s guidelines, visit their website at:

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/using-intermediary-carry-a-charitys-activities-within-canada.html?=eml20110621>

Note the following information from the CRA:

*A charity can carry on its activities using its staff, including volunteers, directors, and employees, or through an intermediary (for example, a private contractor) acting on its behalf. However, whether it uses its own staff or works through an intermediary, a charity must still direct and control the use of its resources, although it may delegate the responsibility for day-to-day operating decisions to an intermediary. A charity’s resources include all its physical and financial resources as well as its staff and volunteers. A charity cannot act as a conduit that merely funnels resources to an organization that is not a qualified donee.*

*While there may be other ways to show direction and control over the use of a charity’s resources, the* ***CRA recommends that charities use the following measures:***

* *Create a written agreement and implement its terms*
* *Communicate a clear, complete, and detailed description of the activity to the intermediary*
* *Monitor and supervise the activity, including requiring regular reporting*
* *Provide clear, complete, and detailed instructions to the intermediary on an ongoing basis*
* *Arrange for the intermediary to either keep the charity’s funds separate, or account for separately in its books and records*
* *Make periodic transfers of resources to the intermediary, based on demonstrated performance*

*A charity must record all steps taken to exercise direction and control, as part of its books and records. This allows the CRA to verify that the charity’s resources were used to carry on its own activities.*

# Confirmation of Partnership Agreement

Please fill out the areas in grey.

The purpose of this document is to provide confirmation to the Community Foundation for Kingston & Area that the qualified donee has entered into formal written agreement with the non-qualified donee and that both organizations understand their accountabilities. A fully executed copy of this document must be submitted to the Community Foundation for Kingston & Area along with the Application Forms for a grant.

# Qualified Donee

|  |  |
| --- | --- |
| Name of the Qualified Donee | Full Address of the Qualified Donee |
| Name of the qualified donee | Address |
| Charitable Registration Number | Name of Primary Contact |
| Do not enter spaces | Name of primary contact |
| Telephone Number | Email Address |
| Telephone number | Email address |
| Name of the Project |
| Project title |
| Start Date of Partnership | End Date of Partnership |
| YYYY-MM-DD | YYYY-MM-DD |
| Briefly describe the project. |
| Brief project description |
| Describe how being an intermediary for this project fit with your organization’s purpose(s)? |
| Describe here |

# Not-For-Profit Organization (Non-Qualified Donee)

|  |  |
| --- | --- |
| Name of the Not-For-Profit Organization | Full Address of the Not-For-Profit Organization |
| Name of the not-for-profit organization | Address |
| Incorporation Number (if applicable) | Name of Primary Contact |
| Incorporation number | Name of primary contact |
| Telephone Number | Email Address |
| Telephone number | Email address |

Name of the qualified donee organization **has entered into a formal written agreement with** Name of the not-for-profit organization **from** YYYY-MM-DD **to** YYYY-MM-DD **for the project,** Project Title **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 30 days 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.

|  |  |
| --- | --- |
| Name of Authorized Individual |  |
| Position of Authorized Individual |  |
| Signature of Authorized Individual |  |
| *\*I have the authority to bind the organization.* |
| Date |  |
| Telephone Number |  |
| Email |  |

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