House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Imagine Canada

or

( ) **an individual** **Name:** _____

Topic: Charities, charitable giving and volunteerism

*Recommendation 1: Please provide a short summary of your recommendation.

Expand access to existing federal business development support services to facilitat income-generating activities by charities and nonprofits. As an immediate step, access to the Mitacs Accelerate internship program should be expanded to include charities and nonprofits. This would entail no costs but would have a high impact.

Access to a wider range of business support services would allow charities and nonprofits to diversify and expand their revenue base and apply innovative solutions to better serve communities across Canada and around the world.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

other: please provide your estimated amount 0

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

We are not calling on the federal government to devote additional financial resources to the initiatives in question, unless the federal government deems the investments worthwhile. Expanded eligibility of SME services to charities and nonprofits may entail some administrative costs, particularly to ensure that program officers are aware of the change and have the expertise to deal with issues specific to charities and nonprofits (in particular, conditions they must meet in order to retain their charitable or nonprofit status).

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Charities and nonprofits across Canada would have additional resources to develop, adapt or expand their revenues. This would mean a more sustainable and financial base to deliver the programs and services - including, but not limited to, immigrant settlement, literacy and skills training, social services, education, religious observation, amateur sports, international development, and arts and culture - they provide in every Canadian community and around the world. Charities and nonprofits would also be able to maintain and build on the 2 million jobs they generate for Canadians.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Charities and nonprofits would be able to maintain and expand the 2 million jobs they provide. Generating additional resources to develop and expand their programming would allow charities and nonprofits to build on the already remarkable contributions they make to the quality and standard of living in communities across Canada and around the world. Immediate access to Mitacs Accelerate would allow them to benefit from the skills of highly qualified people while providing opportunities in the sector.

Topic: Charities, charitable giving and volunteerism

Recommendation 2: Please provide a short summary of your recommendation.

Build on the First-Time Donor's Super Credit and the Budget 2013 commitment to "work with the charitable sector, including Imagine Canada, to encourage more donations by a greater number of Canadians" by working towards, and announcing a timeline for, full implementation of the Stretch Tax Credit for Charitable Giving. This would encourage more giving by existing donors, and would, by encouraging new donors to become ongoing donors, maximize the significant investment the federal government and charities have made to attract new donors through the FTDSC.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

other: please provide your estimated amount 0

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Committing to a timeframe for the Stretch Tax Credit for Charitable Giving would not result in any immediate costs.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

All taxfilers claiming charitable donations of less than $10,000 annually would be eligible for tax relief under the Stretch Tax Credit. It could generate up to $250 million annually in new and increased charitable donations within three years, effectively leveraging $10 for every $1 in incremental federal investment. All charities - large, medium and small - in every community would benefit. These increased financial resources would allow charities to maintain and create jobs and improve their services in every community in Canada and around the world.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Millions of Canadians would become eligible for enhanced tax relief reflecting investments they themselves make in their communities and each other. Charities would be financially stronger, and better able to provide the myriad of services that contribute enormously to Canadians' standard and quality of life -- services such as education, health research and support, amateur sports, skills training, arts and culture, religious observation, immigrant settlement, and international development. Charities would also be in a position to maintain and expand the jobs they provide in every community.

Topic: Charities, charitable giving and volunteerism

Recommendation 3: Please provide a short summary of your recommendation.

Reduce red tape surrounding the administration of grant and contribution programs by fully implementing recommendations made by the Independent Blue Ribbon Panel on Grant and Contribution Programs. The Blue Ribbon Panel made numerous recommendations that would reduce administrative costs for government, charities, and nonprofits, and improve service delivery. Implementation of the Panel's recommendations has been incomplete and inconsistent across the federal government.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

other: please provide your estimated amount 0

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

No federal funding would be required. Any short-term costs associated with implementing Blue Ribbon Panel recommendations would be more than offset by administrative savings the federal government would realize, on an ongoing basis.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Improving grant and contribution program administration would permanently reduce federal administrative costs. It would also reduce costs for charities and nonprofits and allow for a greater focus on delivery and impact -- improving the results achieved with federal investment and furthering federal public policy goals. The greater focus on delivery and impact will improve the services offered by charities and nonprofits in every Canadian community and around the world.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Improving the administration of grants and contributions will allow the federal government and its partners (i.e. charities and nonprofits) to devote a greater portion of existing resources to front-line activities, achieving greater impacts and better results for those people - in Canadian communities and around the world - that the federal government is trying to assist. The resulting greater stability will also help organizations maintain and create jobs.

Please use this page if you wish to provide more explanation about your recommendation(s).

Charities and public benefit nonprofits employ more than 10% of the workforce -- creating jobs for two million Canadians in every community in the country -- and account for more than 7% of GDP. As an economic sector, charities and public benefit nonprofits represent a greater share of employment and GDP than the auto industry, retail, forestry, tourism, or oil and gas.

The sector not only generates jobs and economic opportunity directly, it helps create the conditions for future growth. By providing services such as immigrant settlement, literacy and skills training, support for people with disabilities, or early childhood education, organizations boost the capacity of the population to adapt to changing economic circumstances and take advantage of new and emerging economic opportunities. By contributing to quality of life overall and helping create safe and vibrant communities, through their contributions in areas such as amateur sport, health care and research, education, arts and culture, and religious life, charities and public benefit nonprofits make Canada a more attractive place for investors, employers, and employees. The work that charities and nonprofits do overseas creates linkages and enhances Canada's international reputation, which is vital to our prospects in an economically integrated and interdependent world.

The recommendations we make enshrine three principles: in recognition of fiscal reality, they require little, if any, incremental federal investment; they will improve charities' and public benefit nonprofits' ability to expand and diversify their revenue base, so that they can better serve communities all across Canada and around the world; and they will strengthen the partnerships that our sector enjoys with individual Canadians, with the private sector, and with the federal government.

Imagine Canada's recommendations are in line with existing federal government priorities, particularly its commitments to expand giving by individual Canadians, to identify policies and solutions that will encourage non-traditional sources of revenue to be used to achieve social and economic goals, and to reduce red tape and administrative costs.

*Please note that at least one recommendation must be provided