

Special Government Relations Bulletin

Canadian Association of Gift Planners Instrumental in Changes to the Disbursement Quota Regime

(Ottawa, March 4, 2010) The 2010 federal budget was tabled in the House of Commons this afternoon in Ottawa, Ontario. The Canadian Association of Gift Planners (CAGP-ACPDPTM), along with other sector organizations, was successful in representing our members in asking the government to make changes to the disbursement quota regime.

In August 2009, the CAGP-ACPDPTM submission to the Standing Committee of Finance demonstrated to the Government that in the voluntary sector where two-thirds of organizations have revenue of less than \$100,000 per annum, the danger of excessive regulation is great. We noted that concentration on infrastructure and capacity building should be primary functions.

More particularly the 2010 Budget changes eliminate the current 80/20 rule which requires charities to spend 80% of the previous year's tax receipted donations. This also means the provisions related to enduring property, ten year gifts, capital gains pool etc, will no longer be necessary and are therefore repealed. What remains is the requirement that charities at a minimum disburse 3.5% of capital (being assets not currently used in charitable programs or administration).

There is currently an exemption from the capital accumulation rule for charities having \$25,000 or less in assets not used in charitable programs or administration. The 2010 budget proposes to increase this threshold to \$100,000 for charitable organizations (it will remain at \$25,000 for charitable foundations). This increase will reduce the compliance burden on small charitable organizations and provide them with greater ability to maintain reserves to deal with contingencies.

Budget 2010 proposes to reform these rules for fiscal years that end on or after March 4th, 2010.

"This positive decision clearly demonstrates the effectiveness of the ongoing dialogue between the voluntary sector and the various government bodies and the strong credibility that we have developed as national voice of gift planning professionals" stated Susan Manwaring, Chair of the CAGP-ACPDPTM Government Relations Committee.

Diane MacDonald, Executive Director, CAGP-ACPDPTM agrees, noting *"This is great news for CAGP-ACPDPTM members and the entire charitable sector in Canada."*

The 2010 budget also noted that the Mineral Exploration Tax credit has been extended for another year enabling the potential for gifts of flow-through shares.

Thank you to the CAGP-ACPDPTM Government Relations Committee for their pre-budget efforts to ensure that charitable giving is in the face of our decision makers. We will continue to work with government throughout the year to enable more effective charitable giving in Canada.

For more information, please visit <http://www.budget.gc.ca/2010/pdf/budget-planbudgetaire-eng.pdf> or contact:

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