

Grants Policy

BENEFACTION FOUNDATION



CONTENTS

- 1 Disbursement Quota
- 2 Eligible Grant Recipients
- 3 Recommending Grants
- 4 Grants Processing and Payment Dates
- 5 Grant Notification

1. Disbursement Quota

Benefaction is subject to rules under the Income Tax Act that specify the minimum amount we must disburse annually from donations received (its “disbursement quota”). As an organization, we have chosen to apply the disbursement quota at the individual Fund level, even though the CRA applies it to Benefaction as a whole. Commencing the year following the initial donation, a minimum of 5% must be disbursed from each Benefaction Fund each year. This minimum is just that, a minimum, and donors are welcome to grant about this amount if they so desire as long as the minimum Fund balance is maintained. Any exception to this minimum annual disbursement requires Benefaction’s approval.

2. Eligible Grant Recipients

Benefaction must restrict granting to registered Canadian charities and other permitted entities (“qualified donees”) as set out in the Income Tax Act. They generally include the following:

- registered Canadian charities with a 9-digit CRA Registration number, searchable [here](#)
- registered Canadian amateur athletic associations, also with a 9-digit CRA Registration number
- registered national arts service organizations
- certain non-profit housing corporations resident in Canada that are constituted exclusively to provide low-cost accommodation for the elderly, searchable [here](#)
- universities outside Canada [approved by CRA](#)
- charitable organizations outside Canada to which the federal government has made a gift in the current calendar year or the previous calendar year from [His Majesty's list](#)
- Canadian [municipalities](#), the federal or a provincial government, or their agencies
- the United Nations or its agencies

Benefaction will not approve grants to individuals, non-profit organizations not registered as charitable organizations with CRA, or to political candidates or parties. Donors must agree that they, their family and those not at arms-length from them, will not receive any benefit or advantage from any of the grants that they recommend and that none of the grants are to fulfill a legally binding pledge agreement. Private benefit could include membership dues or fees, tuition, or goods purchased at a charitable auction. As well, Benefaction will not support any political activities.

Benefaction retains sole discretion to approve or decline a recommended grant. If a grant recommendation is declined, Benefaction will seek to notify the donor and request a revised recommendation.

3. Recommending Grants

Grants may be recommended by submitting a [Grant Recommendation Form](#) or providing recommendation requests by email, phone call or via our online donor portal. If a donor is recommending grants to multiple charities, a dollar amount or percentage must be allocated to each charity, subject to the minimum grant amount of \$250. There is no maximum amount that can be granted each year; however, Benefaction Board approval is required for any grant that represents 100% of the current balance of the Fund.

Donors must indicate on the Grant Recommendation Form whether they wish to submit their grant recommendations on a one-time basis, monthly, quarterly, semi-annually, or annually. The latter options provide standing grant recommendations for Benefaction to follow each subsequent period. If the donor selects the standing grant recommendations for a Fund, then the recommendations will continue to “stand” and be used indefinitely in subsequent periods (including after the death of the donor), unless an end date is identified with the request or the instruction is changed by a person authorized to make grant recommendations by completing a new recommendation request.

It is also recommended that donors provide grant recommendations for after their death or incapacity. If a donor has not provided standing grant recommendations for a Fund during their lifetime, or identified a successor to take on this responsibility, Benefaction's Board of Directors will take responsibility for grant recommendations after their passing.

4. Grant Processing and Payment Dates

Grants can be issued by Benefaction at any time throughout the year. Under normal circumstances, payment will be issued to the charity within 10 business days of receipt of the proceeds from the Fund into a Benefaction bank account. That said, the end of the year is a busy time for grants; accordingly, Benefaction will make grants before year end on a best effort basis, for any grant recommendations received after November 15th.

Grants are typically issued by cheque but can be made by Electronic Funds Transfer (EFT) or by credit card on a request basis. Note that in special circumstances, Benefaction may request by Letter of Authorization that the Investment Advisor raise the grant cheque directly from the investment account. In these cases, Benefaction requires a scanned copy of the cheque as evidence for our files.

Donors will be sent a Grant Confirmation Report on completion of the grant request.

5. Grant Notification

Grants are made with cheques bearing the name of "Benefaction Foundation." Benefaction will send a cover letter with the cheque referencing the Fund name, unless requested otherwise. Donors may alternatively recommend that Benefaction provide their full name and address information, or that their grant remains anonymous, in which case Benefaction will withhold from the recipient charities the Fund and donor names.

If desired, donors may recommend under "Additional Information" on a Grant Recommendation Form that the grant notification include the name(s) of the individual(s) in whose honour or whose memory the gift is being made and/or any other specific direction or designation for the gift.

83 HARBORD ST., TORONTO, ON, M5S 1G4
TEL: 1-416-915-0700
INFO@BENEFACTION.CA
WWW.BENEFACTION.CA
CRA REGISTRATION #: 80421 3759 RR0001