

Community Spirit Program

Background

There are two components to the donor-driven *Community Spirit Program*:

- The *Enhanced Tax Incentives Program* – introduced in the 2007 Budget with an \$80 million per annum commitment.
 - Effective January 1, 2007, the Alberta government increased the provincial charitable tax credit on eligible annual donations above \$200.
 - Including the federal tax credit, Albertans now receive a 50-cent tax credit for every dollar donated over the \$200 threshold.
 - This increase gives Alberta one of the highest charitable tax credits in Canada.

- The *Donation Grant Program* – introduced in the 2008 budget with a \$20 million per annum commitment.
 - A News Release was issued on February 1, 2008 announcing the Community Spirit Donation Grant Program.
 - The program guidelines and application package were launched in a News Release April 30, 2008, by Premier Ed Stelmach and the Honourable Lindsay Blackett, Minister of Culture and Community Spirit.
 - The Donation Grant Program is available to non-profit organizations and Canada Revenue Agency-registered charities that provide direct services to Albertans and Alberta communities for philanthropic purposes.
 - The grant from government is calculated on a proportional basis by dividing the \$20 million annual budget by the amount of eligible cash donations received by the applicants.
 - The maximum grant per organization is \$25,000 per year, with grants not to exceed \$50,000 over three years.
 - Grants can be used to support an organization's operations, programs and/or capital projects. The annual application deadline is October 1; however, organizations are encouraged to submit their completed applications prior to that date.
 - Funding calculations will occur following the application deadline, and donation grant cheques will be sent in January 2009.

Frequently Asked Questions

General

Where can I find information about the Community Spirit Program?

- The CCVO News Release and Government of Alberta News Release are available on the CCVO website at www.calgarycvo.org.

- Donation grant applications and program guidelines are available online through the CCVO website at www.calgarycvo.org or at the Community Spirit website www.communityspiritprogram.ca
- The Donation Grant program guidelines and application package are available in print form at MLA offices or by calling (780) 644-8604 (toll-free by first dialing 310-0000) or online at www.communityspiritprogram.ca.
- The website also contains answers to frequently asked questions.

Why is the program referred to as donor-driven?

The Community Spirit Program is intended to increase charitable giving by individual Albertans to Alberta's non-profit and charitable organizations by providing financial incentives for individual donors and the recipient organizations.

What is the funding for the Community Spirit Program?

The Community Spirit Program is made up of two components: the enhanced charitable tax credit and the new Donation Grant Program. Program funding for both components is approximately \$100 million, which is divided as follows:

- Approximately \$80 million for the enhanced charitable tax credit,
- \$20 million in new lottery funding for the Community Spirit Donation Grant Program.

Enhanced Charitable Tax Credit

How do I apply for the enhanced charitable tax credit?

You don't need to apply for the tax credit. You simply need to claim your total eligible charitable donations on your personal income tax return each year.

Including the federal tax credit, Albertans will now receive a 50-cent tax credit for every dollar donated over \$200.

CCVO urges organizations to promote the Enhanced Charitable Tax credit to their donors.

Donation Grant Program

Eligibility and Program Parameters

Who is eligible for the new Donation Grant Program?

The program is available to all eligible non-profit organizations and charities registered with the Canada Revenue Agency that provide direct services to Albertans and Alberta communities for philanthropic purposes. This includes First Nations and Métis Settlements.

What can the donation grant be used for?

Donation grants can be used to support an organization's operations, programs and/or capital projects.

What are ineligible uses of the grant?

- Activities and projects outside Alberta (e.g. humanitarian assistance to underprivileged countries, research, programs administered in other provinces, etc.)
- Religious purposes (e.g. improvements/enhancements to sanctuaries or worship activities, etc.)
- Commercial or for-profit purposes
- Political or lobbying activities - includes organized/registered political organizations

How is the donation grant determined?

The donation grant will be calculated on a proportional basis and will be based on eligible cash donations received by the applicants over a 12-month period. The application deadline is October 1.

What is the maximum funding provided under the Donation Grant Program?

The maximum grant available is \$25,000 per year, with total grants not to exceed \$50,000 over three years. Please note that the grant amount will vary year to year based on the program budget and the value of eligible cash donations.

Will the new donation grant program reduce funding available under existing lottery-funded programs?

No, this program is a donor-driven program based on cash donations from individuals to eligible organizations. An application to this program will not affect applications to other lottery-funded grant programs.

How does the applicant account for the funding?

The recipient organization is required to provide a final report by July 15 following receipt of the donation grant cheque. The final report must outline the purpose of the grant funds, a breakdown of how the funds were spent, and ways in which the grant supported the work of the recipient organization in their community. A form for the final report will be provided when the donation grant cheque is issued.

When will the Donation Grant Program start?

The program guidelines and application forms are now available, and organizations can apply anytime. The annual grant application deadline is October 1.

When will donation grant payments be issued?

We anticipate the donation grant cheques will be issued early in January following the application deadline date of October 1.

Why are organizations with programs that are administered in other provinces not eligible to apply?

Donation grants are available only to eligible organizations registered in Alberta that provide direct services to Albertans and Alberta communities.

Are religious organizations eligible?

Religious organizations are eligible, providing they use funds for a non-religious purpose (see page 4 of the Program Guidelines). For example, a religious organization cannot purchase new chairs or benches for the sanctuary; however, if it operates a food bank out of the basement to benefit the broader community, it could be eligible to apply for funding under this program to support that initiative. Only funds raised for the specific purpose of the community work will be eligible for grant funding according to the program guidelines.

How will Albertans know which organizations are receiving grants?

Once the grant amounts are finalized, a listing will be of those organizations that received a donation grant will be available through the [Alberta Lottery Fund website](#).

The Application Process

Why does the application form require a statutory declaration?

Because eligible organizations are not required to sign a formal grant agreement, the Alberta Government requires a statutory declaration to provide assurance that

information provided in the application and the final report is complete and accurate and endorsed by the organization's governing body/board of directors/management.

Who can be a Commissioner for Oaths? How much does it cost to have the documents commissioned?

Commissioners for Oaths include lawyers, judges, police officers, notaries public, officers in the Canadian Forces, elected officials (Members of the Legislative Assembly, a Member of Parliament from Alberta, a member of the Senate of Canada who at the time of appointment is a resident of Alberta, a member of a municipal council in Alberta, a member of a Métis settlement council or a member of a board of trustees of a school district or school division in Alberta).

Charging for this service is up to each commissioner. If a commissioner is a member of any of the three levels of government (municipal, provincial, federal) or works for an agency of the government, there is no charge for this service. Your organization is encouraged to contact people in your community using the above listing who are Commissioners for Oaths.

What does fundraising revenue mean in the application form?

On page 3 of the application form, there is a requirement to subtract funding received through fundraising activities from your organization's total revenue. This applies to non-profit and charitable organizations.

Tax-receipted revenue is different from fundraising revenue. For registered charities, the Canada Revenue Agency (CRA) requests reports as follows: line 4500 of the tax data is total eligible amount of tax-receipted gifts and line 4630 is total revenue from fundraising. For non-profit organizations, distinctions need to be made between individual cash donations received and other forms of fundraising efforts. The examples below provide further clarification.

Example - If an individual purchases a ticket of chance (lottery-type ticket) for \$100, an official income tax receipt is not issued. However, if an individual makes a cash donation of \$100 to his/her chosen charity, an official income tax receipt is issued to the donor.

Example - If a special event ticket is purchased for \$300 to a gala fundraising event, quite often a portion of that ticket is eligible for an official income tax receipt. It is that portion of the special event ticket that is eligible as a cash donation for this program.

Example - A non-profit organization holds a raffle and raises \$1,000. They also hold an annual community garage sale and raise \$3,000. Over the course of the year, they receive \$3,000 in individual cash donations. In total, their annual revenue is \$7,000. The \$3,000 raised would be eligible as cash donations for this program.