THE CANADA REVENUE AGENCY’S FUNDRAISING GUIDANCE:
OVERVIEW, CHALLENGES AND CONCERNS

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Background

The Canada Revenue Agency (‘‘CRA’’) released a draft of Guidance CPS-028: Fundraising by
Registered Charities (the ‘‘Guidance’’) on March 31, 2008 and invited the public and the
charitable sector to comment on the Guidance. After public consultation, the final and current
version of the Guidance was released by CRA on June 11, 2009.1 The Guidance is
supplemented by an 18 page document entitled ‘‘Additional Information on Guidance CPS-
028’’,2 (the ‘‘Additional Information’’) which must be read collectively with the Guidance as one
document and which explains the Guidance in greater detail.

The Guidance was developed in response to a growing demand from the public for more
accountability from charities concerning their fundraising,3 as well as requests from the
charitable sector for clarification of fundraising expense allocation for reporting and
disbursement quota purposes.

Although the legislative basis for the regulation of fundraising activities is not set out in the
Guidance, presumably it resides in the fact that charitable organizations are required to devote all
of their resources to charitable activities and charitable foundations must have exclusively
charitable purposes. Thus, under the Income Tax Act,4 in order to qualify for registration as a

1 Canada Revenue Agency, Guidance CPS-028, ‘‘Fundraising by Registered Charities,’’ June 11, 2009. The
Guidance can be found at www.cra-arc.gc.ca/chrgvng/chrts/plcy/cps/cps-028-eng.htm.
2 Canada Revenue Agency, Additional information on Guidance CPS-028, Fundraising by Registered Charities,
June 11, 2009. The Additional information can be found at www.cra-arc.gc.ca/tx/chrfts/plcy/cps/cps-028-ddn-
eng.html.
3 A number of articles have appeared in recent years in the print media, criticizing certain charities about their
fundraising practices and excessive fundraising costs. See, for example, Kevin Donovan, ‘‘Charity mends its ways;
Following a Star investigation, MADD Canada says it no longer counts telemarketing as charitable deed’’, Toronto
Star, Toronto, Ontario, October 3, 2007, pg. A.1, Kevin Donovan, ‘‘Charities admit fundraising mess; Sick Kids,
World Vision both vow to stop commission-based canvassing via third party’’, Toronto Star, Toronto, Ontario, July
15, 2007, pg. A.1, Bruce Dowbiggin, ‘‘Telemarketer skates on thin ice: Practice deemed questionable for NHL
4 RSC 1985, c. 1 (5th Supp.), as amended (herein referred to as the ‘‘Act’’).
charity, a charitable organization must have exclusively charitable purposes and conduct exclusively charitable activities.\(^5\) Charitable foundations on the other hand, must be constituted and operated exclusively for charitable purposes.\(^6\) Given that CRA is of the view that fundraising is not charitable\(^7\), if CRA were to take action against a charity for failure to comply with the Guidance, it would likely be under the heading of failure to devote all resources to charitable activities, in the case of a charitable organization, or failure to be operated exclusively for charitable purposes, in the case of a charitable foundation.\(^8\) The rationale for the regulation of fundraising activities is expressed as follows in the Guidance: “While recognizing the necessity of fundraising, CRA expects charities to be transparent and to not devote excessive amounts of time and/or resources to fundraising as opposed to fulfilling their charitable purposes.”

From a regulation of charities perspective, tracking fundraising expenses is likely to become more significant than ensuring disbursement quota compliance, due to the reform of the disbursement quota rules in the March 2010 federal Budget.\(^9\) The 80-20 disbursement quota requirement ensured, to a certain extent, that charities would devote a significant portion of their resources to charitable activities. The same cannot be said about the 3.5% capital accumulation disbursement quota requirement. This may explain why, notwithstanding changes to the disbursement quota rules, CRA continues to require an allocation of expenditures as between fundraising and other activities in order to ensure that a charity’s resources are exclusively devoted to charitable activities.

\(^5\) Section 149.1(1) of the Act, definition of “charitable organization”.

\(^6\) Section 149.1(1) of the Act, definition of “charitable foundation”.

\(^7\) Guidance, supra note 1, section 4. Certain authors question CRA’s categorical assertion that fundraising can never constitute a charitable purpose or activity: see S.M. Manwaring and A. Valentine, “Comments on CRA Fundraising Guidance”, (2010) vol. 58, no. 3 Canadian Tax Journal 751-70.

\(^8\) In their commentary on the Guidance, Susan Manwaring and Andrew Valentine opine that, although the requirement that a charity be organized and operated exclusively for charitable purposes may be authority for regulation by CRA of the percentage of an organization’s resources that are devoted to fundraising, it is less clear to what extent this provides the CRA with the authority to regulate the non-quantitative aspects of fundraising. See Manwaring et al., supra note 7, at 760-761.

\(^9\) The 2010 Budget repealed the 80-20 disbursement quota requirement, pursuant to which a charity was required to disburse on charitable activities at least 80% of donations for which the charity issued a tax receipt in the previous year. All registered charities are now subject to a minimum disbursement quota of 3.5% of the value of assets that are not used in charitable activities. The 2010 Budget also confirmed that the Guidance would be the principal basis for ensuring compliance by charities with respect to fundraising activities. See Canada, Department of Finance, 2010 Budget, Budget Plan, March 4, 2010, 351.
Fundraising Guidance – Overview of the Rules

The Guidance provides guidance with respect to four major areas, namely:

A. distinction between fundraising and other activities;
B. allocation of expenditures for reporting purposes;
C. assessing fundraising activities and expenditures for regulation purposes; and
D. non-acceptable fundraising activities.

CRA has indicated that the Guidance does not represent a new policy position, but rather provides information on the current treatment of fundraising under the Act and the common law.

The Guidance currently applies to registered charities only and not to other qualified donees. However, if the measures that were introduced in the March 2011 Budget are eventually reintroduced and become law, the application of the Guidance will probably be extended to Registered Canadian Amateur Athletic Associations and other qualified donees.

The Guidance applies to all funds raised, not only funds in respect of which receipts have been issued.

Compliance with the Guidance does not absolve charities from meeting their disbursement quota obligations. In addition, although it is not clear, it would appear that non-compliance with the fundraising ratios in the Guidance may be cause for monetary penalties, suspension of receipting privileges or revocation.\(^\text{10}\)

A. Distinction between fundraising and other activities

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\(^\text{10}\) CRA has recently revoked the registered charity status of The Organ Donation & Transplant Association of Canada and the Pediatric AIDS Canada/USA due to the fact that the organizations had devoted the majority of their resources to fundraising and administrative expenses rather than on charitable activities. The News Release regarding the revocations states that CRA recognizes that charities may incur reasonable administrative and fundraising expenditures in pursuit of their charitable programs. It goes on to indicate that when fundraising becomes a focus disproportionate to pursuing charitable programs, or when fundraising expenditures become unreasonable or unacceptable, charities may face consequences which could include monetary penalties, the suspension of tax-receipting privileges and/or the revocation of registered charity status. The Organ Donation & Transplant Association of Canada had received $1.8 million in cash donations, of which $1.3 million had been directed to fundraising and administrative fees, whereas Pediatric AIDS Canada/USA had received $5.06 million in cash donations, of which $3.26 million had been directed to fundraising and administrative expenses; see [www.cra-arc.gc.ca/nwsrm/rlss/2011/m02/nr110225b-eng.html](http://www.cra-arc.gc.ca/nwsrm/rlss/2011/m02/nr110225b-eng.html) and [www.cra-arc.gc.ca/nwsrm/rlss/2011/m02/nr110218-eng.html](http://www.cra-arc.gc.ca/nwsrm/rlss/2011/m02/nr110218-eng.html) for the CRA News Releases.
It is important that charities understand what constitutes fundraising, since the Guidance only applies to fundraising activities. The Act does not define fundraising or speak directly to fundraising activities. Fundraising is defined in the Guidance to include any activity that includes a solicitation for cash or in-kind donations (e.g., through telemarketing, direct mail or door-to-door canvassing), putting on fundraising events, distributing information through the media, sales of goods or services to raise funds (except where it constitutes a related business\textsuperscript{11} or where the sales fulfill a charitable purpose and the goods are sold on a cost recovery basis), prospect research and planning for future solicitations or activities that are related to solicitation (e.g., efforts to raise the profile of a charity, donor stewardship\textsuperscript{12} or donor recognition\textsuperscript{13}).

Fundraising includes activities carried out by the charity itself, through its employees or volunteers, and activities carried out by someone acting on behalf of the charity (e.g., third party fundraiser, telemarketing company). It may include a single activity, such as an advertisement, or a series of related actions, such as a capital campaign.

B. Allocation of expenditures for reporting purposes

The Guidance makes clear that fundraising must be a means to an end, rather than an end itself. This is in keeping with the definition of “charitable organization” which provides that a charitable organization must devote all of its resources to charitable activities and the definition of “charitable foundation” which provides that a charitable foundation must be operated exclusively for charitable purposes. Since fundraising is not considered to be a charitable activity, clearly, an organization’s purpose cannot be fundraising. This also means that fundraising costs cannot generally be reported as charitable expenditures on the annual charity information return (the T3010 return).

In general, charities must report on their T3010 return, as fundraising expenditures, all costs related to solicitation activities and to planning and preparation activities for future solicitations, unless it can be demonstrated that the activity would have been undertaken without the


\textsuperscript{12} Donor stewardship occurs when a charity invests resources in relationships with past donors to prompt additional donations, such as providing past donors with access to privileges not available to others (e.g., an invitation to a private reception).

\textsuperscript{13} This includes gifts or acknowledgements to thank donors, unless they are of nominal value (i.e., the lesser of $75.00 or 10\% of the value of the donation).
solicitation. They must also report all costs related to the marketing and sale of goods or services not within the charity’s charitable purposes.

In order to demonstrate that an activity would have been undertaken without solicitation, a charity must demonstrate that it satisfies either Test A (the “Substantially All Test”) or Test B (the “Four Part Test”). The “Substantially All Test” is met where substantially all of the activities advance an objective other than fundraising. “Substantially all” is considered to be 90% or more. Generally, the determination will be the proportion of the fundraising content to the rest of the activity, as well as the resources devoted to it. The amount of the resources devoted to an activity is determined by the content, prominence given to the material, and costs associated with carrying out the activity.

Where Test B (the “Four Part Test”) is met, a portion of the costs for the activity may be allocated on the T3010 return as non-fundraising expenditures and a portion as fundraising expenditures. The “Four Part Test” is met where the answer to all of the following four questions is “no”:

1. Was the main objective of the activity fundraising?\(^\text{14}\)

2. Did the activity include ongoing or repeated requests, emotive requests, gift incentives, donor premiums, or other fundraising merchandise?

3. Was the audience for the activity selected because of their ability to give?

4. Was commission-based remuneration or compensation derived from the number or amount of donations used?\(^\text{15}\)

\(^\text{14}\) CRA will look at the following features of the activity to determine if there is a distinct objective other than fundraising and to assess how much of the content relates to that objective: advances the programs, services or facilities offered by the charity, raises awareness of an issue, provides useful knowledge to the public or the charity’s stakeholders about the charity’s work or an issue related to that work and is transparent and accountable to the public or the charity’s stakeholders for the practices of the charity by providing information about the charity’s structure, operations, or performance. See \textit{supra} note 2, at section 8b).

\(^\text{15}\) The Charities and Not-for-Profit Section of the Canadian Bar Association has commented that the “Four Part Test” will be quite difficult for organizations to apply, particularly because of subjective requirements, such as determining whether something creates an “emotive request”. The Section argues instead in favour of an allocation of expenditures where it is clear and determinable that a portion of the expenditure is related to the charity’s
CRA states in the Guidance that there is an exception to the “Four Part Test”, where fundraising activities are appended to activities primarily directed at achieving a charitable purpose. In those circumstances, the expenditures incurred by the charity may be able to be allocated between charitable and fundraising for purposes of reporting expenditures on the T3010 return. For example, if a charity promotes an event where revenues are based on the charity’s work with individuals who benefit from or receive its programs and services, such as a concert performed by autistic children, it will be allowed to allocate a portion of the costs to charitable activities.

C. Assessing fundraising activities and expenditures for regulation purposes

CRA will look at a number of factors to evaluate a charitable fundraising activity and has identified four types of factors to assist with the assessment:

1. fundraising ratios
2. basic considerations
3. best practice indicators
4. areas of concern indicators

1. Fundraising Ratios

The fundraising ratios are the ratios of fundraising costs to fundraising revenue calculated on an annual basis. According to CRA, the fundraising ratios in the Guidance provide a general guidance only and are not determinative in assessing whether a charity’s fundraising complies with the Guidance. According to the Guidance, “these ratio ranges give charities a way to generally gauge their performance and understand the circumstances where the CRA is likely to raise questions or concerns”. It should be noted that the fundraising ratios are totally distinct from the disbursement quota, although elements of it overlap in the ratio.

mandate or work and a portion is related to fundraising: see the Section’s letter of September 17, 2010 addressed to Neil Cochrane at the Charities Directorate of the Canada Revenue Agency.
The fundraising ratios will place a charity in one of three categories:

<table>
<thead>
<tr>
<th>Ratio of costs to revenue over fiscal period</th>
<th>CRA Approach</th>
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<tbody>
<tr>
<td>Under 35%</td>
<td>Unlikely to generate questions or concerns.</td>
</tr>
<tr>
<td>35% and above</td>
<td>The CRA will examine the average ratio over recent years to determine if there is a trend of high fundraising costs. The higher the ratio, the more likely it is that there will be concerns and a need for a more detailed assessment of expenditures.</td>
</tr>
<tr>
<td>Above 70%</td>
<td>This level will raise concerns with the CRA. The charity must be able to provide an explanation and rationale for this level of expenditure to show that it is in compliance; otherwise, it will not be acceptable.</td>
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For purpose of these ratios, fundraising revenues include receipted donations, all revenue generated as a direct result of fundraising expenses and sponsorship funds.16

2. Basic Considerations

In the Guidance, CRA recognizes that the charitable sector is very diverse and fundraising efforts will vary between organizations. CRA will consider the following factors in assessing a charity’s fundraising activities: the size of the charity, which may have an impact on fundraising efficiency, causes with limited appeal, which could create particular fundraising challenges, donor acquisition and planned giving campaigns, which could result in situations where the financial returns are only realized in later years.

3. Best Practice Indicators

The Guidance also lists certain indicators that may decrease the risk of CRA finding unacceptable fundraising, namely:

a. as regards third party fundraisers, soliciting bids from three or more potential fundraisers

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16 Terrance Carter has commented that sponsorships could possibly improve the fundraising ratio, since they are included in fundraising income, but would not generally trigger significant expenses: see Terrance Carter, “Practical Implications of CRA’s New Fundraising Guidance”, Presentation to charitable organizations in Windsor/Essex, January 20, 2011.
or issuing RFPs;

b. with respect to fundraising staff, setting compensation that is appropriate compared to other employees of the charity in light of respective compensation and avoiding performance evaluation based exclusively on performance or results;

c. with respect to the board of directors, establishing and implementing a fundraising policy and regularly assessing the organization’s fundraising performance compared to the Guidance;

d. as regards volunteers and donated services, making use of volunteer time and volunteered services or resources to minimize fundraising expenditures; and

e. disclosing fundraising costs, revenues and practices.

These best practices are explained in more detail in the Additional Information.

4. Areas of Concern Indicators

The following indicators could, however, cause CRA to further review a charity’s fundraising activities:

a. fundraising contracts without proof of fair market value, which may result in undue or private benefit;

b. fundraising initiatives or arrangements that are not well-documented (e.g., no documentation/board resolutions or any procurement process);

c. fundraising merchandise purchases that are not at arm’s length, not at fair market value, or not purchased to increase fundraising revenue;

d. activities where most of the gross revenues go to contracted non-charitable parties;

e. commission-based fundraiser remuneration or payment of fundraisers based on amount or number of donations, which raises concerns about disproportionate or excessive private

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17 In CRA’s view, compensation based on calls completed or contacts made is preferable.
benefit; and

f. misrepresentations in fundraising solicitations or disclosures about fundraising or financial performance.

These areas of concern are further explained in the Additional Information.

D. Non-acceptable fundraising activities

The Guidance lists a number of activities that fall under non-acceptable fundraising activities, such as conduct that is illegal or contrary to public policy\(^\text{18}\) (e.g., violations of federal or provincial statutes governing charitable fundraising, charitable gaming, the use of charitable property or consumers protection, misrepresentation to the public about the cost of fundraising, failure to keep books and records to verify donations to the charity), conduct that is a main, or independent purpose of the charity, conduct that results in more than an incidental proportionate benefit to individuals or corporations (e.g., a fundraising arrangement where a fundraiser enjoys a benefit exceeding fair market value), conduct that is deceptive (e.g., misrepresentation regarding the percentage of funds that will go to charitable work). These types of fundraising activities will be grounds for revocation of a registered charity’s status or the possible imposition of sanctions or other compliance measures.

With respect to disclosure of fundraising costs, revenues and practices, the Guidance provides that CRA expects charities to provide complete public disclosure for all fundraising costs and revenue and that information must be accessible (e.g., the Internet and annual reports) and accurate. It also states that the higher the cost for a fundraising activity, the more there is a need for disclosure.

The type of information a charity is expected to disclose is estimated fundraising costs and revenues, whether fundraisers are receiving commissions or other payments based on the number or amount of donations, the general terms of fundraising contracts, including the method of compensation and anticipated costs and revenues, how fundraising employees are assessed and

\(^{18}\) In *AIDS Society for Children (Ontario) v. Public Guardian and Trustee*, (9 May 2002), (Ont.Sup.Ct.) [unreported], the Ontario Superior Court raised serious concerns about the enforceability of certain fundraising contracts. The Court indicated that the fundraising contracts entered between the AIDS Society and two fundraising companies were void as being contrary to public policy, because the fundraising contracts provided that 70-80% of the funds raised were to be paid as fees to the fundraising companies.
compensated and the costs and revenues for specific types of fundraising or campaigns, after completion.

**Challenges**

Although the Guidance is a welcome initiative, to the extent that it makes clear that harmful and questionable fundraising practices will not be tolerated by CRA, it presents challenges for the charitable sector, namely:

A. **Practical Application**

The practical application of the Guidance may be difficult for charities, especially in light of the fact that fundraising expenditures were typically of relevance in the past mainly as regards the statutory disbursement quota obligations. Accordingly, the approach would have been essentially a number crunching exercise for purposes of determining compliance with the disbursement quota requirement, as opposed to the much more detailed and comprehensive approach mandated by the Guidance. For many charities, especially the smaller charities with limited resources, the practical application of, and compliance with, the rather comprehensive Guidance and the Additional Information will be a challenge.

B. **Disbursement Quota Implications**

Organizations that have traditionally relied upon their disbursement quota excesses where they had significant fundraising and administrative expenses in a particular year may find that they are offside the Guidance, notwithstanding that they meet their disbursement quota obligations. Accordingly, charities that meet their disbursement quota requirements will need to continue tracking their fundraising expenditures to ensure compliance with the Guidance. This may prove to be challenging, since the Guidance does not explain how and whether the elements in the fundraising ratio relate to the calculation of the disbursement quota.

C. **Disclosure of Fundraising Costs**

The level and frequency of disclosure with respect to fundraising costs, revenues and practices required under the Guidance goes beyond what most charities track and report to the general public. Accordingly, charities will now have to devote more time and resources to tracking and collecting the information that must be disclosed. The traditional approach of reporting
fundraising expenses in a pie chart format in the charity’s annual return or other communication with donors will no longer be sufficient. This could result in a significant administrative burden for charities which do not have the necessary resources to collect and report that information.

D. Donor Education

Since the Guidance clarifies the elements that are to be factored into the fundraising ratio, many charities may, when they begin complying with the rules in the Guidance, see an increase in their ratio of fundraising costs to revenues. Thus, charities which had traditionally reported fundraising expenses in the 15-20% range may have to now report fundraising expenses in a much higher range. As donors and funders may take issue with an increase in the fundraising ratio traditionally reported by a charity over the years, and even cease to support the charity due to its increased fundraising ratio, it will be important for charities that face this problem to educate their donors and their funders about the basis and rationale for the increased ratio and also to be very transparent in the course of their discussions with donors and the general public.

Concerns

A. Failure to Recognize Fundraising Challenges of Certain Charities

There is a concern that auditors will apply the Guidance and more specifically, the fundraising ratios that appear in the Guidance, in a strict manner, without any regard to an organization’s particular circumstances and challenges in raising funds. Fundraising costs vary according to the age or maturity of an organization, its fundraising program, its reputation in the community, whether it has brand recognition with the general public, whether its mission has broad or narrow appeal and what type of fundraising it conducts. For example, the Salvation Army or United Way will have more cost-effective fundraising, even it is recruiting new donors. A fledgling community symphonic orchestra, on the other hand, will need to invest more time and resources in acquiring donors, due to its limited audience and the fact that it competes for the same donations as its more popular counterparts.
B. Application of Guidance by CRA Auditors

Given the changes that were made to the disbursement quota rules\textsuperscript{19}, there is a concern that CRA auditors may elevate the Guidance to the status of law or a regulatory instrument, whereas it is but CRA’s view of acceptable fundraising practices and ratios. Since CRA auditors often rely upon CRA Interpretation Bulletins in support of their proposed tax adjustments and reassessments, the Guidance may be similarly used by auditors auditing charities, not as an interpretation tool, but as a regulatory tool in support of their audit position.

C. Inconsistency in Application of Guidance

Since many of the requirements, factors and criteria contained in the Guidance are open to subjective interpretation, there may be inconsistencies within the Charities Directorate and across CRA in the administration of the Guidance and the audit of charities.

D. Regulation of Fundraising Industry

Given that charitable organizations are required under the Act to devote all of their resources to carrying on charitable activities and since fundraising is not generally considered to be a charitable activity, to the extent the Guidance goes beyond clarifying what constitutes fundraising and what expenditures are considered by CRA to be fundraising expenditures, one has to question whether the Guidance is intended not only to ensure compliance by the charitable sector with the requirements under the Act, but also to regulate the fundraising industry\textsuperscript{20}.

E. Potential Adverse Impact of Disclosure

The level of disclosure required under the Guidance is extensive and may adversely impact certain charities’ ability to raise funds. Although the general public most likely understands the

\textsuperscript{19} The Charities and Not-for-Profit Section of the Canadian Bar Association questions the ongoing need for the distinction between the various types of expenditures as between management, administration, fundraising and charitable in light of the repeal of the 80-20 disbursement quota rule: \textit{supra} note 15. Similar comments are made by Susan Manwaring and Andrew Valentine, \textit{supra} note 7 at 753: “With this requirement removed from the Act, one might have thought the requirement to continue to allocate expenditures would be removed as well, especially when it is clear that all of a charity’s expenditures are made to achieve its charitable objectives.”

\textsuperscript{20} In their article, Susan Manwaring and Andrew Valentine suggest that CRA may be overstepping its constitutional jurisdiction in reviewing and purporting to regulate certain non-tax aspects of charitable fundraising, which aspects have traditionally been understood to fall under provincial jurisdiction. See \textit{supra} note 7. In Ontario, donors can complain about the fundraising practices of a charitable corporation to the Court, which may then order an investigation by the Public Guardian and Trustee: see section 6 of the \textit{Charities Accounting Act}. 
concept of fundraising expenses as a percentage of total expenses or in relation to revenue, it is not clear that it would have the same understanding as regards information disclosed with respect to the terms of fundraising contracts and the details of how fundraising staff is assessed and compensated\textsuperscript{21}. It is also not clear that this is information that the general public has been clamouring for, though we can understand CRA’s interest in such information.

F. Application of Guidance to Public and Parallel Foundations

The application of the Guidance to public foundations, such as United Way organizations, and to parallel foundations, such as hospital foundations, is not clear. Since most of the resources of public foundations and parallel foundations are used in raising funds and donor stewardship, it is not clear whether they must now include as part of their fundraising expenses all of the funds they spend and whether, as a result, they will be held to not be in compliance with the Guidance\textsuperscript{22}.

G. Application of Guidance to Long Term Fundraising Activities

The fundraising ratios set out in the Guidance are based on a ratio of fundraising costs and revenue calculated on an annual basis. Accordingly, they do not take into consideration the fact that the nature of fundraising activities of charities varies widely and that certain fundraising activities (e.g., planned giving fundraising program) will only generate revenues in future years. It has been suggested that a rolling average approach would have been more appropriate.

\textsuperscript{21} The charitable sector’s sensitivity about disclosure of remuneration of its fundraising staff is obvious from their response to Bill C-470, An Act to amend the Income Tax Act (disclosure of compensation — registered charities), 3rd Sess., 40th Parl., 2010. This Bill calls for an annual public disclosure requirement to CRA for all registered or previously registered charities indicating he name, job title and annual compensation of any executive or employee who is paid aggregate compensation in respect of a taxation year of the executive or employee exceeding $100,000. See in this regard the letter addressed to Stephen Harper by Imagine Canada, dated August 19, 2010. The letter can be found at http://www.imaginecanada.ca/node/255.

\textsuperscript{22} The Charities and Not-for-Profit Section of the Canada Bar Association has recommended that the Guidance be amended to state that, as regards foundations that are established to make grants to other qualified donees, the activities related to raising funds to make such grants be considered by CRA to fall into the category of charitable activities. See supra note 15.