



ULNOOWEG  
**INDIGENOUS COMMUNITIES**  
FOUNDATION





# First Nations & Philanthropy

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[UlnoowegFoundation.ca](http://UlnoowegFoundation.ca)

# Three Themes

- The needs and opportunities to strengthen the connections between Indigenous communities and the philanthropic sector
- “Qualified donee” status
- Opportunities for new charitable infrastructure in Indigenous communities



# The Needs

The Circle on Philanthropy and Aboriginal Peoples in Canada begins its 2012 paper *Aboriginal Philanthropy: A Foundation for Understanding* with this observation:

**“Aboriginal’ and ‘philanthropy’ are not words that come together often in Canada – and we want to change that.”**

<http://www.philanthropyandaboriginalpeoples.ca/wp-content/uploads/AboriginalPhilanthropyInCanada.pdf>



# The Needs

- A 2017 analysis by The Circle on Philanthropy and Aboriginal Peoples in Canada concluded that approximately 1% of registered charities in Canada are “indigenous-focused” – have purposes that include serving Indigenous people (approx. 5% of the population).

[http://www.philanthropyandaboriginalpeoples.ca/wp-content/uploads/Manitoba-Indigenous-Report\\_RV\\_WEB\\_Sep18.pdf](http://www.philanthropyandaboriginalpeoples.ca/wp-content/uploads/Manitoba-Indigenous-Report_RV_WEB_Sep18.pdf)

- More analysis is needed.



# The Needs

National Chief Perry Bellegarde, Assembly of First Nations:

**“The gap between First Nations and Canada is well documented. In recent years, Canada has ranked between 6th and 8th on the UN Human Development Index while First Nations fall between 63rd and 78th. The federal government’s Community Well-Being Index shows that the gap has not changed at all since 1981.”**

<http://www.afn.ca/uploads/files/closing-the-gap.pdf>



# The Needs

Gaps by many measures:

- Poverty, health, education funding, employment, etc.
- Enterprise of all kinds
- Community economic development
- Community infrastructure
- Capital



# The Opportunities

Not all bad news:

- Leadership, talent, energy
- Demographics
- Entrepreneurial success
- Own source revenues from community enterprise
- Sectoral successes – for example, Atlantic fisheries post *Marshall* decisions



# Why Philanthropy?

- It is an innovative, creative sector dedicated to public benefit
- Potential opportunities for new collaborations and dramatic impact on countless fronts
- Charities can be catalysts for community development
- Grants, investments, services, advocacy
- The connection between philanthropy and Aboriginal communities is ready to grow



# The scale of Philanthropy in Canada

- 86,000 registered charities
- Approximately \$15 billion in receipted donations annually
- \$5.9 billion in grants from charities
- \$61 billion in foundation resources
- 8% to 10% of Canada's gross national product
- International interest



# “Qualified Donees”

- Defined in the *Income Tax Act*
- Organizations that:
  - a) can issue tax receipts to donors;
  - b) can receive grants from registered charities;
  - c) are exempt from income tax.



# Qualified Donees – Nine Types

1. A registered charity (including a registered national arts service organization);
2. A registered Canadian amateur athletic association;
3. A listed housing corporation resident in Canada constituted exclusively to provide low-cost housing for the aged;



# Qualified Donees

4. A listed Canadian municipality;
5. A listed municipal or public body performing a function of government in Canada;
6. A listed university outside Canada that is prescribed to be a university, the student body of which ordinarily includes students from Canada;



# Qualified Donees

7. A listed charitable organization outside Canada to which Her Majesty in right of Canada has made a gift;
8. Her Majesty in right of Canada, a province, or a territory; and
9. The United Nations and its agencies.



# Qualified Donees

- In order to be recognized as a qualified donee, organizations must apply to the Canada Revenue Agency and get on their list (except for categories 8 & 9).
- List of “Municipal or Public Bodies Performing a Function of Government in Canada.”

<http://www.cra-arc.gc.ca/chrts-gvng/qlfd-dns/qd-1stngs/mncplpblcbds-1st-eng.html>



# The List

- As of October 20, 2018 there are 398 organizations on the list.
  - Approximately 370 are Indigenous organizations.
- There are 634 First Nations in Canada.
- 22 of 34 Mi'kmaq and Maliseet communities in Atlantic Canada, and one Tribal Council organization, are on the list.

<http://www.cra-arc.gc.ca/chrts-gvng/qlfd-dns/qd-lstngs/mncplpblcbds-lst-eng.html>



# Getting on the Qualified Donee List

- CRA guidance: <http://www.cra-arc.gc.ca/chrts-gvng/qlfd-dns/mncplpblcbds-eng.html>
- An application to CRA is required
- Not the same as an application to register as a charity
- Once on the List, qualified donees are not regulated like charities



# Getting on the Qualified Donee List

- The term “public body” is not defined in the Act.
- A public body is typically a body that acquires both its existence and its authority from a statute enacted by a legislature...
- Generally, a public body has a governance purpose and is accountable to those governed, regulated or represented by it.



# Getting on the Qualified Donee List

Generally, a public body is:

1. An Indian band as defined in the *Indian Act* with procedures to elect Chief and council.
2. Other Aboriginal governments with election procedures.
3. A body (whether incorporated or not, the members of which may be elected or appointed) established under or as a result of implementing a statute with specific authorization and duties assigned by the statute to the body to develop, administer or regulate governance functions.



# Examples of functions of government

- Enacting and enforcing by-laws
- Negotiating and implementing a treaty
- Providing services, such as education, health, fire or police protection, social services, water or sewer services, etc.
- Operating within “geographic boundaries” is a requirement



# Application Process

A letter describing the applicant Band in detail:

- Who, where, responsibilities, powers, governance, services, programs, sources of finance
- Copies of by-laws and agreements with other governments
- See the above link for a complete description of the application requirements.



# Once on the List

- Can issue tax receipts for donations just like a charity
- Must meet the receipting requirements and keep records to confirm gifts received
- Not regulated by CRA like other charities – more flexibility – no extra reporting
- May grant to non-qualified donees – for example non-profit organizations
- Political & business activities not impeded



# Potential for New Charitable Infrastructure

- There are opportunities for new Indigenous charities of all kinds in Indigenous communities.
- Local, regional, national
- Potential for smart design, synergies and efficiencies.
- Impact investment.



# Examples of New Charities

Abegweit Conservation Society

Ulnooweg Financial Education Centre

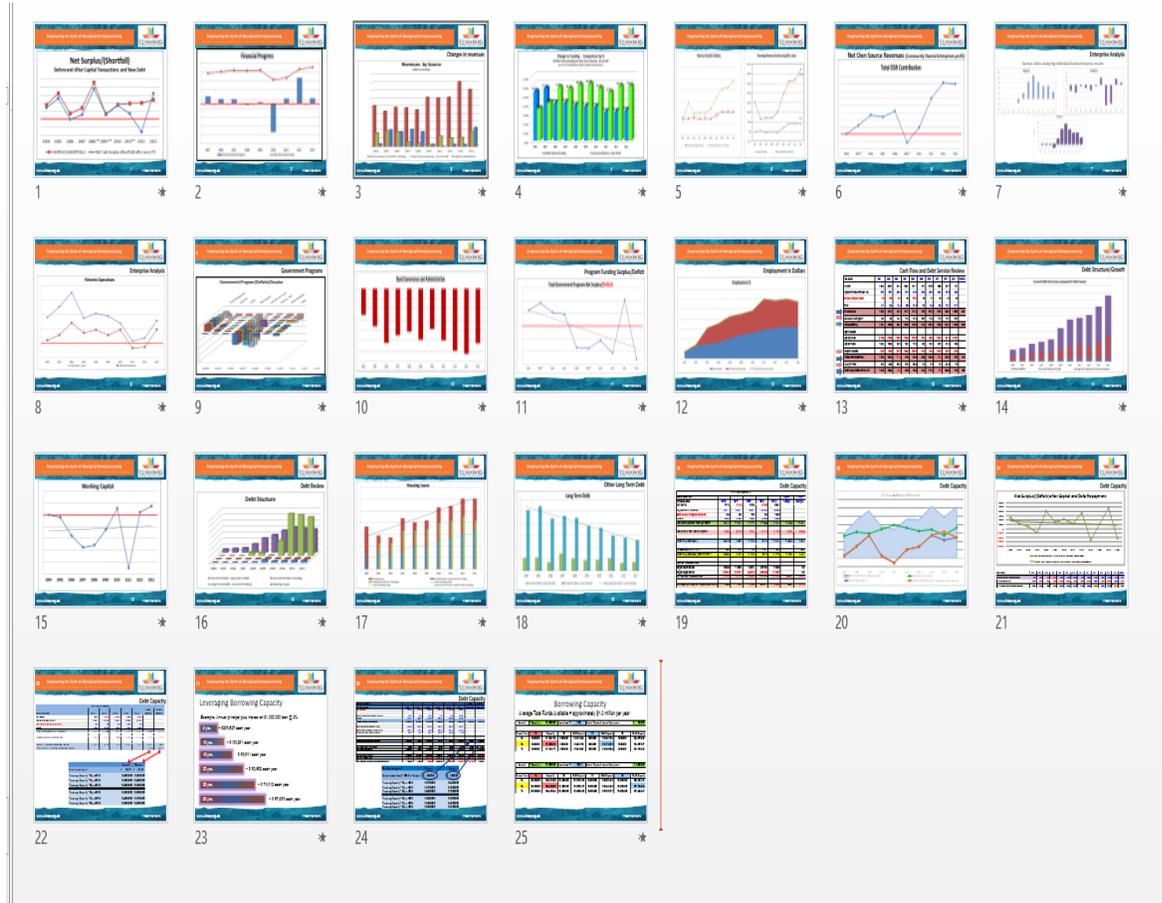
The Ulnooweg Indigenous Communities Foundation



Turn this:



Into this:



## Community Financial Review – Benefits

- ✎ Translates large amounts of complex data into graph form, making it easier to visualize and understand
- ✎ Leads to a clearer understanding of current financial situation
- ✎ Provides a tool that can be used to help make informed investment and borrowing decisions
- ✎ Allows for a better sense of the relative value of financing options
- ✎ Contributes to increased financial understanding
- ✎ Provides documented evidence to illustrate growth and financial position to interested parties

# Looking ahead

- All Bands & other Indigenous government bodies as qualified donees.
- More successful Indigenous charities of all kinds.
- Stronger connections between the broader philanthropic community & First Nations – impact grant-making, impact investment & partnerships

