Submission To:
The Special Senate Committee on the Charitable Sector

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The University of Manitoba welcomes the Special Senate Committee on the Charitable Sector review of federal and provincial laws and policies governing charities, non-profit organizations, foundations and other similar groups.

The University is home to a dynamic community of almost 30,000 undergraduate and graduate students, including more than 2,400 First Nations, Metis and Inuit students; has 140,000 alumni; generates $1.8 billion in economic activity; and drives innovation and competitiveness through excellence in research and teaching.

Education is key to a thriving middle class and to a competitive economy, and ensuring that all students have access to leading researchers, world-class research labs, scholarships and fellowships is an investment in the future of our Province and Country. Government and donors alike recognize the return on that investment in direct economic activity, in scientific breakthroughs and in equipping our workforce and citizenry for the future, and that financial support is critical to our ability to provide the level of education, training and support students expect from a post-secondary institution.

The University of Manitoba received its first donation in 1885 through a bequest from Alexander Kennedy Isbister. Our first benefactor has inspired countless others and we are grateful for the generosity of our donors who continue to make a transformative impact in our community through innovative contributions.

Each gift and each donor contributes to the University in a different way, and it is important that donors be able to give in the manner that best suits their circumstances.

Today, University of Manitoba donors are leading our greatest transformation, with their support of our $500 million Front and Centre campaign.

One of these donors is philanthropist and University of Manitoba alumnus, Mr. Donald K. Johnson. He has campaigned passionately over the years to open new sources of funding for Canada’s charities and non-profits. For example, he sought to eliminate the capital gains tax on gifts of publicly traded securities to registered charities, and in 2006, the Federal Government made this change. Following that change, the University’s gifts of securities doubled. Gifts of securities have continued to gradually increase and, in recent years, we have received almost three times as many gifts of securities as were received prior to the federal change in 2006.
The additional support provided to students at the University of Manitoba has been significant; gifts include support for outstanding student experience, upgrades to libraries, classrooms and laboratories, research excellence, graduate student support and Indigenous achievement.

We cite this example because it shows the clear benefit of changes to the rules governing donations to charities, non-profits, foundations and similar entities, and to highlight the potential benefits of additional changes.

In that regard, Mr. Johnson is now seeking to extend the exemption from capital gains tax to the sale of private companies and real estate, and the University of Manitoba urges the committee to support the extension of this exemption, as it will in turn provide additional support for students and research at the University of Manitoba.

We are pleased to present this submission in support of our donors, who support countless hospitals, foundations and non-profits across the country that bring incalculable benefits to all Canadians.

**Recommendation:** The University of Manitoba urges the Committee to encourage the federal government to reconsider its decision regarding capital gains taxation on donations of real estate and private company assets.