By Mark Blumberg for the Senate Committee on the Charitable Sector

November 19, 2018

**Schedule “A”**

To understand what is a good or appropriate charity regulator I have tried to distill about 17 factors:

1. good rules (enabling for charities but not scammers)
2. attitude of regulator (fair, realize diversity of sector, helpful, empathetic)
3. strategy of regulator/regulatory approach
4. staff knowledge (technical expertise)
5. prepared to listen (consultations)
6. willingness to change or adapt within rules
7. timeliness (in responding to charity applications and requests)
8. regulatory burden vs. benefit (e.g. whether tax incentives)
9. educating charities about rules (communication and capacity building)
10. transparency as to rules and rule of law (guidance)
11. concern with public interest vs. business/political parties
12. well managed up to date list of charities with relevant information on each charity and making data available publicly
13. collaborate with sector when appropriate
14. predictability/certainty/consistency
15. one regulator versus many overlapping or contradictory regulators
16. strength/resources of regulator to handle really bad charities
17. stakeholder fairness (charities, government, donors, beneficiaries, etc.)
Schedule “B”

List of Recommendations from Mark Blumberg

- **Recommendation 1:** That the government amend Section 241 of the Income Tax Act in order to allow the CRA to disclose serious non-compliance with legal requirements by a registered charity, Registered Canadian Amateur Athletic Associations or certain other qualified donees.

- **Recommendation 2:** That the government amend Section 241 of the Income Tax Act in order to allow the CRA to disclose to the public information contained on the T1044 Non-Profit Organization (NPO) Information Return.

- **Recommendation 3:** That the government increase the disbursement quota payout from 3.5% to 5% or 6%.

- **Recommendation 4:** That the government ensure that each donor advised fund is required to disburse a certain percentage per year per fund.

- **Recommendation 5:** That the government roll out additional educational programs to assist Canadian charities and non-profits understand their compliance obligations.

- **Recommendation 6:** That the government require charities to demonstrate annually in their reporting that they actually have a “public benefit”, rather than this being assumed.

- **Recommendation 7:** That the government consider the pros and cons of implementing a system where the ability to issue tax receipts is not based on being a “registered charity” but rather a narrower category of deductible gift recipients.

- **Recommendation 8:** That the government establish a unit within the RCMP, or other police force, tasked with the responsibility of reviewing complicated abusive charity schemes that provide inappropriate official donation receipts.

- **Recommendation 9:** That the government change its October 25, 2018 proposal to allow non-partisan political activities connected to the purpose of the charity but it must be subordinate (less than 50%) to the charity’s charitable activities.

- **Recommendation 10:** CRA should be given extra resources to ensure that the objects and latest financial statements of all Canadian charities are easily accessible on the CRA website.