

Checklist for Grants to a Grantee Organization

For a registered charity considering gifting to a grantee organization

- ☐ Have you read the CRA guidance and sought advice on any parts that are unclear?
- ☐ Are there specific reasons why an agency relationship is not suitable for this situation instead? E.g. liability, insurance reasons, etc.
- ☐ Have you checked the charitable purposes of your registered charity?
i.e. reviewed the original or ammended incorporating documents.
- ☐ Is the activity you will be granting funds to the grantee organization for
a charitable activity in furtherance of the charitable purposes as stated
and approved by CRA?
- ☐ Will the activity that is being funded meet the public benefit test?
- ☐ Do you have a grantmaking process? Is it made with all of the
due diligence and accountability tools contained in the CRA guidance?
- ☐ Do you follow standard granting processes and procedures for all grants?
- ☐ Do you have a written agreement with the grantee organization?
- ☐ Have you described the activity succinctly and in accordance with the charitable
purposes that the activity will further?
- ☐ Have you laid out monitoring and reporting steps that you are requiring
the grantee organization to commit to?
- ☐ How are you monitoring the reporting requirements that you have imposed?
Do you have processes and procedures in place for this?

Keeping books and records

- ☐ Have you completed and documented a review of grantee information for compliance with your granting policy?
- ☐ Has the distribution of each phase of payout been approved by an authorized officer or committee?
- ☐ Have you documented the grantee risk assessment and project risk assessment?
- ☐ Have you set up the unique file and general ledger accounts/sub-accounts to permit tracking of the grant?
- ☐ Have you recorded as a liability any amounts that will be paid after grantee reporting milestones?
- ☐ Are dates of the grantee's interim and final reporting phases and amounts being tracked in your accounting system?

Other considerations

- ☐ If your grant is being made to a grantee organization outside of Canada, have you considered how you will comply with local laws?
- ☐ Are the activities contrary to any Canadian public policy?
- ☐ Are the activities contrary to any anti-terrorism laws?
- ☐ Have you considered the requirements under the Charities Registration (Security Information) Act?

Directed donations and acting as a conduit

- ☐ Are you considering accepting a gift that is conditional (expressly or implicitly) upon your charity using it to support a non-qualified donee?
- ☐ If yes to the question above, have you communicated with the donor (e.g. on your website or in your fundraising materials) that while they can indicate their preference for how the charity applies the donation, ultimate authority as to the donation's use will rest with your charity and that funds will not be returned if your charity does not use the donation the way the donor prefers?
- ☐ If the gift is proceeding, does the associated documentation for the gift clearly stipulate the following:
 - ☐ While the donor can indicate their preference for how the charity applies the donation, ultimate authority as to the donation's use rests with your charity.
 - ☐ Your charity will not return the donation to the donor if your charity does not use the donation the way the donor prefers.
- ☐ Where are the accounting records stored for the grant information?
- ☐ Where is the documentation for all of the grants being kept?

The information provided in this resource is intended to be of a general nature. This is not legal advice. If you require legal advice, you should contact a lawyer.