



## Fact Sheet: Cross-border giving

*March, 2022*

### ***How can Community Foundations of Canada (CFC) facilitate gifts from U.S. donors into Canada?***

CFC provides American donors with the opportunity to donate through Friends of Community Foundations of Canada ([FOCFC](#)), is a designated 501C3 organization based in Arizona. Its tax id (EIN) is 61-1958124.

Donations from American individuals, charities, and corporations to FOCFC will be eligible for tax receipts that can be used for American tax filings. FOCFC is only permitted to make grants to members of Community Foundations of Canada.

There are no restrictions on the size of the gift. FOCFC can also be included as a beneficiary of a bequest. We are exploring if and how we can accept gifts of securities.

Donors interested in donating to FOCFC must complete a [gift agreement form](#) wherein they can indicate to which community foundation in Canada they would like to support.

Prior to making the gift, please contact:

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Director, Corporate Services  
Community Foundations of Canada

Tel: (1) 613-355-1787

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***Can FOCFC also facilitate gifts from Canada to the U.S.?***

No. At this time gifts can only be made from the U.S. to Canada.

***Once a gift agreement form is sent to CFC, what are the next steps and timelines?***

Once the agreement has been sent to CFC, CFC will confirm once the gift is received by direct deposit then the turnaround for the time would be 10 business days from receipt to CFC delivering the gift to the community foundation.

If it is received by cheque then CFC will wait 15 business days for the cheque to clear and then forward the gift to the community foundation.

***What is the fee structure?***

Generally, the fee per donation is set at 0.5%. Each transaction will be reviewed based on the size of gift to reflect a cost-recovery model. CFC will review the fee structure on an annual basis.

***Can FOCFC actively solicit gifts from U.S. donors for CFC members?***

No.

***Can an individual Canadian community foundation directly accept gifts from U.S. citizens and provide a tax receipt? Can the charitable tax receipt we issue be used by the donor?***

Community foundations can accept gifts from American donors, but only issue Canadian tax receipts. Charitable tax receipts issued in Canada can only be used to offset Canadian income. The tax receipt can only be applied if the donor has Canadian income from employment or other sources. The FOCFC allows Canadian community foundations to accept donations from Americans and provide tax receipts, offsetting American income.



### ***What about a Canadian who wants to donate directly to a U.S. charity?***

The same rules apply. A charitable tax receipt can only be applied against income earned in the same country. There are additional considerations for Canadians giving in the U.S.

### ***Claiming against U.S.-sourced income***

If you have U.S.-sourced income, you can claim a gift to a U.S. registered charity.

You may claim your U.S. gifts up to 75% of the net U.S.-sourced income you report on your Canadian return.

### ***Exemptions: Claiming against your net world income***

You may claim your gifts to U.S. charities and qualified donees if it would be allowed as a deduction under the US Internal Revenue Code and:

- you live near the border in Canada throughout the year
- commute to your principal workplace or business in the United States
- that employment or business was your main source of income for the year

OR

- Your gift is to a U.S. college or university at which you or a member of your family is or was enrolled in or to [a registered U.S. university](#).

### ***Can a donor advised fundholder make a grant to a charity outside of Canada?***

For a grant to be made directly to a charitable organization outside Canada, it must be on the CRA list of qualified donees. There is a limited list of qualified donees outside Canada, falling into two categories: Prescribed universities outside Canada and Foreign charities that have received a gift from Her Majesty in right of Canada.



***I've heard that MakeWay\* can facilitate gifts from Canada to U.S. or international charities. How does that work?***

Tides Canada Global Projects Fund: Tides Canada Foundation and Charities Aid Foundation of Canada (CAF Canada) have partnered to help Tides Canada Foundation's donors in Canada give to charitable projects it advises globally. Through this partnership, Tides Canada Foundation works directly with donors to support and advise charitable projects around the world. Once projects are approved by CAF Canada, CAF Canada funds and oversees project implementation.

Currently a minimum of \$10,000 CAD and other restrictions, costs apply. Canadian charitable tax receipts are issued that can be applied against Canadian income.

\*Formerly TIDES Canada

***Cross border giving seems to be complicated. Why is that?***

Governments are foregoing revenue by issuing tax credits on charitable donations. Therefore, they want to know that the donations will primarily benefit citizens in their home country.

***Further information can be found at:***

- [Canadian Registered Charities Carrying Out Activities Outside Canada](#), Revised: 11/27/2020
- [Charities in the International Context](#), Date modified: 1/20/2020
- [Operating a registered charity](#), Date modified: 12/21/2018

**For more information on Friends of Community Foundations of Canada, please contact:**

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