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TAX-RELATED INFORMATION FOR CANADIAN PARTICIPANTS

PFSP Membership, Donations and BFF Certifications

PFSP's BFF Partner, Seeds Canada, has provided the following informal guidance about tax treatment of donations to PFSP as a U.S. 501(c)(3) nonprofit, whether for PFSP Membership, BFF Certification Fees, or Donations:

- PFSP does not appear to qualify as a donee in Canada, and thus donations to PFSP would not qualify as charitable donations for Canadian donors.
- However, if the person/company that paid their fee was a farmer/grower that was using the information or materials as part of their business, it could be treated as a business expense.
- Official tax guidelines (IC84-3RC) for donations to charities outside of Canada—along with the attachment to IC84-3RC listing approved charities outside of Canada—is provided on the following pages for your reference.
- Individuals/companies in Canada are of course urged to consult their own tax experts before making any determinations.



NO.: **IC84-3R6**

DATE: July 9, 2010

SUBJECT: **Gifts to Certain Charitable Organizations Outside Canada**

This version is only available electronically.

This circular cancels and replaces Information Circular 84-3R5, Gifts to Certain Charitable Organizations Outside Canada, dated May 31, 2000.

1. The *Income Tax Act* (the Act) allows taxpayers to claim a tax deduction or credit for gifts made to registered charities, namely charities that are resident in Canada and that were either created or established in Canada. This circular provides information to persons who want to give to certain other charitable organizations¹ outside Canada.

2. Subparagraph 110.1(1)(a)(vii) and paragraph (g) of the definition “total charitable gifts” in subsection 118.1(1) of the Act allow donors to claim gifts to certain charitable organizations outside Canada, provided that Her Majesty in right of Canada (the federal government or its agents) has already made a gift to them within the time periods specified in paragraphs 6 and 7. Corporations would claim the gifts as a tax deduction, and individuals would claim them as a tax credit.

3. The Charities Directorate, as part of the Canada Revenue Agency, maintains a list of qualifying charitable organizations outside Canada to which Her Majesty in right of Canada has made gifts. Some federal departments or agencies make gifts over several years, to ensure that the recipient charitable organization remains eligible to receive gifts. The list, which can be found through our Forms and Publications Web pages at www.cra.gc.ca/charities, is updated if the government department or agency that makes an initial or subsequent gift to a foreign charitable organization on behalf of Her Majesty in right of Canada provides the Charities Directorate with details about the gift.

4. Charitable organizations outside Canada whose names appear on the list are deemed qualified donees and are therefore eligible to receive gifts from Canadian registered charities or donors. The definition of a qualified donee and the types of organizations that are qualified donees can be found through our Glossary Web page at www.cra.gc.ca/charities.

5. Information on how the Charities Directorate determines whether an organization outside Canada, to which Her Majesty in right of Canada has made a gift, would meet the requirements for qualified donee status can be found in Policy Commentary CPC-030, *Foreign charities: Requirements for qualified donee status*. This is available as a related document to this circular through our Forms and publications Web pages at www.cra.gc.ca/charities.

6. Gifts by individuals, including trusts that report on a calendar-year basis, qualify for tax relief if Her Majesty in right of Canada made a gift in the calendar year, or if Her Majesty in right of Canada made a gift in the 12 months immediately before that calendar year.

7. Gifts by corporations, or trusts that do not report on a calendar-year basis (see paragraph 6), qualify for tax relief if the gifts are made in a tax year that includes the date of the gift by Her Majesty in right of Canada, or if Her Majesty's gift was made within the 12 months immediately before the tax year in which the corporation or trust made the gifts.

8. Gifts made by a partnership qualify for tax relief for the individual or corporate partner(s) for the periods described in paragraphs 6 and 7.

9. Income Tax Regulation 3501(1.1) outlines the information that qualifying foreign charitable organizations must include on the official donation receipts that they issue to Canadian donors as proof of their gifts.

10. For more information on this circular or its related documents, go to www.cra.gc.ca/charities.

11. You can call the Charities Directorate at:

- **1-800-267-2384**, or
- **1-800-665-0354** for TTY service for persons with a hearing or speech impairment.

12. You can fax us at **613-954-8037**.

13. You can write to us at:

Charities Directorate
Canada Revenue Agency
Ottawa ON K1A 0L5

¹“Charitable organizations,” in this document, refers to organizations that, except for the residency requirement, meet the Canadian common law definition of charitable and would be eligible for registration as a charity in Canada.

IC84-3R – Attachment

Attachment to IC84-3R, Gifts to Certain Charitable Organizations Outside Canada

Her Majesty in right of Canada has made gifts to the following organizations since January 1, 2000:

Organization	Location	Date of gift
Aga Khan Foundation	Switzerland	May 17, 2000 May 4, 2001 June 11, 2002 July 9, 2003 June 15, 2004 March 10, 2005 April 7, 2006 April 4, 2007 April 2, 2008 April 2, 2009 April 21, 2010
Aga Khan University Foundation	Switzerland	May 17, 2000 May 4, 2001 June 11, 2002 July 9, 2003 June 15, 2004 March 10, 2005 April 7, 2006 April 4, 2007 April 2, 2008 April 2, 2009 April 21, 2010
The American Assembly	United States	July 22, 2004
Canadian International School of Hong Kong Limited (formerly: The Canadian International School Foundation Limited)	Hong Kong	August 7, 2000 August 13, 2002
Cayman Islands National Recovery Fund	Cayman Islands	June 7, 2005
Center for Strategic & International Studies	United States	October 16, 2000 September 25, 2001 August 9, 2002
Christchurch Earthquake Appeal Trust	New Zealand	March 14, 2011

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Council for Canadian American Relations, Inc. (formerly: American Friends of Canada)	United States	April 16, 2002 July 9, 2003 May 27, 2004 July 7, 2005 May 4, 2006 June 21, 2007 July 3, 2008 June 4, 2009 June 10, 2010 June 16, 2011
Education Africa	South Africa	September 2, 2010
The Foundation for Canadian Studies in the United Kingdom	England	March 15, 2000 March 30, 2000 August 20, 2001 September 5, 2002 March 11, 2003 March 17, 2003 March 11, 2004 March 30, 2004 February 13, 2006 February 16, 2006 March 15, 2006 July 28, 2006 August 23, 2006 August 31, 2006 February 25, 2008 March 2, 2010
The Rhodes Trust – Public Purposes Fund	United Kingdom	December 15, 2010
Roman Catholic Archbishop of Kingston	Jamaica	February 6, 2007

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The State Hermitage Museum	Russia	July 7, 2003 December 23, 2005
Village Focus International	United States	July 31, 2002 October 10, 2002 August 12, 2003 February 16, 2004
William J. Clinton Foundation	United States	June 2, 2010
Woodrow Wilson International Center for Scholars	United States	October 1, 2001 December 3, 2002 October 23, 2003 October 26, 2004 October 26, 2005 October 27, 2006 October 12, 2007 October 31, 2008 November 2, 2010

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