



REGISTERED MAIL

The Ireland Fund of Canada
Le Fonds Irlande du Canada
Suite 1620
44 Victoria Street
Toronto ON M5C 1Y2

MAR 21 2017

Attention: Mr. Rodney Hill

BN : 124640889 RR0001
File # : 0513788

Subject: Notice of Intention to Revoke
The Ireland Fund of Canada - Le Fonds Irlande du Canada

Dear Mr. Hill:

We are writing further to our letter dated May 13, 2016 (copy enclosed), in which you were invited to submit representations as to why the registration of The Ireland Fund of Canada - Le Fonds Irlande du Canada (the Organization) should not be revoked in accordance with subsection 168(1) of the Income Tax Act (Act).

We have reviewed and considered the Organization's written response dated August 9, 2016. However, our concerns with respect to the Organization's non-compliance with the Act have not been alleviated. Our position is further described in Appendix A attached.

Conclusion:

The audit by the Canada Revenue Agency (CRA) has revealed that the Organization is not complying with the requirements set out in the Income Tax Act. In particular, it was found that the Organization failed to devote all of its resources to its own charitable activities or by way of gifts to qualified donees, failed to issue receipts in accordance with the Act and its Regulations, and failed to complete an accurate T3010 – Registered Charity Information Return. For all of these reasons, and for each reason alone, it is the position of the CRA that the Organization no longer meets the requirement necessary for charitable

registration and should be revoked in the manner described in subsection 168(1) of the Act.

Consequently, for each of the reasons mentioned in our letter dated May 13, 2016, we wish to advise you that, pursuant to subsection 168(1) of the Act, we propose to revoke the registration of the Organization. By virtue of subsection 168(2) of the Act, revocation will be effective on the date of publication of the following notice in the Canada Gazette:

Notice is hereby given, pursuant to paragraph 168(1)(b) of the Income Tax Act, that I propose to revoke the registration of the organization listed below and that the revocation of registration is effective on the date of publication of this notice.

Business Number	Name
124640889 RR0001	The Ireland Fund of Canada - Le Fonds Irlande du Canada Toronto, Ontario

Should you wish to object to this notice of intention to revoke the Organization's registration in accordance with subsection 168(4) of the Act, a written notice of objection, which includes the reasons for objection and all relevant facts, must be filed within **90 days** from the day this letter was mailed. The notice of objection should be sent to:

Tax and Charities Appeals Directorate
Appeals Branch
Canada Revenue Agency
250 Albert Street
Ottawa ON K1A 0L5

A copy of the revocation notice, described above, will be published in the Canada Gazette after the expiration of 90 days from the date this letter was mailed. The Organization's registration will be revoked on the date of publication, unless the CRA receives an objection to this notice of intention to revoke within this timeframe.

A copy of the relevant provisions of the Act concerning revocation of registration, including appeals from a notice of intent to revoke registration, can be found in Appendix C attached.

Consequences of Revocation

As of the effective date of revocation:

- a) the Organization will no longer be exempt from Part I Tax as a registered charity and **will no longer be permitted to issue official donation receipts**. This means that gifts made to the Organization would not be allowable as tax credits to individual donors or as allowable deductions to corporate donors under subsection 118.1(3), or paragraph 110.1(1)(a), of the Act, respectively;
- b) by virtue of section 188 of the Act, the Organization will be required to pay a tax within one year from the date of the notice of intention to revoke. This revocation tax is calculated on prescribed form T-2046, Tax Return Where Registration of a Charity is Revoked (Return). The Return must be filed, and the tax paid, on or before the day that is one year from the date of the notice of intention to revoke. The relevant provisions of the Act concerning revocation of registration, the tax applicable to revoked charities, and appeals against revocation, can be found in Appendix "A". Form T-2046 and the related Guide RC-4424, Completing the Tax Return Where Registration of a Charity is Revoked, are available on our website at cra.gc.ca/charities;
- c) the Organization will no longer qualify as a charity for purposes of subsection 123(1) of the Excise Tax Act (ETA). As a result, the Organization may be subject to obligations and entitlements under the ETA that apply to organizations other than charities. If you have any questions about your Goods and Services Tax/Harmonized Sales Tax (GST/HST) obligations and entitlements, please call GST/HST Rulings at 1-888-830-7747 (Quebec) or 1-800-959-8287 (rest of Canada).

Finally, we wish to advise that subsection 150(1) of the Act requires that every corporation (other than a corporation that was a registered charity throughout the year) file a return of income with the Minister in the prescribed form, containing prescribed information, for each taxation year. The return of income must be filed without notice or demand.

Yours sincerely,



Tony Manconi
Director General
Charities Directorate

Attachments:

- Appendix A: Comments on Representations
- Appendix B: Audit background of the Organization
- Appendix C: Relevant provisions of the Act
- CRA letter dated (May 13, 2016)
- Organization's response letter dated (August 9, 2016)

APPENDIX A
Comments on Representations
The Ireland Fund of Canada - Le Fonds Irlande du Canada

The audit conducted by the Canada Revenue Agency (CRA) identified that The Ireland Fund of Canada - Le Fonds Irlande du Canada (the Organization):

- Failed to devote resources to charitable activities carried out by the Organization itself;
- Issued official donation receipts not in accordance with the Act and/or its Regulations; and
- Failed to complete an accurate T3010, *Registered Charity Information Return*.

For each of these reasons, we maintain our position that the non-compliance issues identified during our audit represent a serious breach of the requirements of the Income Tax Act (Act). As such, it remains our opinion that the Organization's charitable registration should be revoked.

Repeated Non-Compliance

We have reviewed the Organization's representations dated August 9, 2016 (copy attached), and we maintain our position that the non-compliance issues identified during our audit represent a serious breach of the requirements of the Act. As such, it remains our opinion that the Organization's charitable registration should be revoked.

As outlined here and in Appendix B, this is the Organization's fourth audit over the course of 23 years, in which the same or similar issues of non-compliance are present. This suggests that there is aggravated non-compliance present, in that the past and present forms of non-compliance are serious, intentional, and continuous.

The Organization's response to our letter explains that no improvements had been made in the past due to significant turnover among board members, particularly the Chair and the Treasurer. As a result, the seriousness and importance of the undertakings was not fully appreciated by the board.

However, it is our view that this is an unacceptable argument, given the pervasive and on-going nature of non-compliance that has been repeatedly detected in our audits. The board of directors has a fiduciary duty to the charity, which includes the duty to follow the laws and rules of charities. The Charities Directorate has repeatedly provided the Organization with opportunities to improve, along with directions on how to accomplish those improvements. If the Organization has not implemented internal policies and procedures to communicate that information to its board members, or more generally, to ensure that it operates in compliance with the obligations associated with charitable registration, that is a further deficiency of the Organization and cannot be a reason to overlook the seriousness of the non-compliance for a fourth time. While the Organization has taken some steps to address the non-compliance issues, these steps

are insufficient to convince us of its ability to permanently rectify them, given its repeated failure to do so following previous assurances of this nature.

Our specific concerns are described as follows.

Failure to devote resources to charitable activities carried out by the Organization itself

Lack of direction and control over the use of the Organization's resources / Disbursement of funds to non-qualified donees

Our letter of May 13, 2016, advised that a charity may only use its resources for charitable activities undertaken by the charity itself, or for gifting to qualified donees¹.

We explained how a charity's own activities could be carried out through an intermediary, but that it must establish that the activity to be conducted would further its charitable purposes, and that it would maintain continued direction and control over the activity and the use of its resources. A charity cannot merely fund the activities of an organization that is not a qualified donee.

We also advised that the existence of a written agreement between a charity and an intermediary engaged to carry out activities on its behalf is not enough to prove that a charity maintains direction and control and regulates the use of its funds on a continuous basis. The charity must be able to show that the terms of the agreement establish a real, ongoing, active relationship with the intermediary, *and are actually implemented*.

Our previous letter outlined our audit findings; specifically that the Organization was not maintaining adequate direction and control over the use of its resources and the activities carried out, purportedly on its behalf, by third party organizations. The audit revealed the Organization disbursed \$172,188 to non-qualified donees. While the Organization provided some documentation regarding the relationship it maintains with four of these organizations, these documents did not provide the Organization with the means to direct and control the use of the funds, as outlined in our letter of May 13, 2016 (attached). As such, we are unable to conclude that the Organization exercised the necessary degree of direction and control to establish that it was carrying out its own activities through funding these organizations. When a registered charity fails to maintain direction and control over resources transferred to a non-qualified donee, the result is the same as gifting to a non-qualified donee, which is a contravention of the Act.

The Organization's response of August 9, 2016, did not alleviate our concerns regarding this issue. It indicated that a formal Grants Policy had been implemented, a copy of which was included in the response. In addition, a template intermediary agreement was submitted and the Organization indicated that agreements with five

¹ As defined in subsection 149.1(1) of the Income Tax Act.

intermediaries had been completed, with two more agreements to still be finalized. However, none of the completed agreements were submitted for our review. Finally, a copy of a grants report was provided with the response. This is intended to be the reporting mechanism through which intermediaries inform the Organization how its funds were spent.

The Grants Policy provides a list of items that appear in the intermediary agreement. This list comes from CRA guidance CG-002, *Canadian Registered Charities Carrying Out Activities Outside Canada*, specifically Appendix F – *What should a written agreement contain?* For the most part, these items do appear in the template intermediary agreement, with the exception of: a provision for withdrawing or withholding funds, a provision for issuing ongoing instructions as required, a provision for the intermediary to maintain separate books and records, and a provision regarding the treatment of capital property.

The grant application form includes statements such as, “Describe your organization’s purpose and activities in 50 words or less”, and “Describe who benefits from your organization’s work and how in 50 words or less”. It also includes a section in which the applicant can select a program area that best describes the project for which they are seeking funding. These include such areas as peace and reconciliation, promoting culture and heritage, promoting philanthropy in Ireland, and supporting a shared future for Northern Ireland. In addition, the grant progress report includes such statements as, “briefly describe the project for which the grant was used” and “what are the next steps planned for the project, if it is not complete?”

Despite providing these documents, the Organization has not demonstrated that the activities it would be funding are actually its own. As mentioned in our previous letter, and above, the existence of a written agreement is not enough to prove that a charity actually maintains direction and control and regulates the use of its funds on a continuous basis. While the steps the Organization has suggested would improve the monitoring of these activities, there is little to demonstrate that the relationship between the Organization and its intermediaries would be anything other than funding the activities of other organizations and simply being informed regarding how the money was spent. There is no evidence that the Organization would direct, supervise, or make significant decisions regarding the conduct of the activities on an ongoing basis, that it would provide clear, complete, and detailed instructions on how the activity would be carried out, or that it would be able to modify the nature or scope of the activities, as and when needed, to accomplish the Organization’s goals.

The above quotes from the grant progress report illustrate this issue well. If these were truly the Organization’s activities, it would be the one deciding what the grant would be used for, and it would know exactly when and how a project would be completed. The template agreement submitted clearly shows that the Organization is merely seeking to be informed of the use of its funds, rather than directing and controlling those funds in any meaningful way.

Further, with respect to the grant applications, it would be difficult for the Organization to properly assess and establish the charitable nature of a program when it is described in 50 words or less, particularly considering the potentially non-charitable program areas the applicants can choose from. Specifically, there is significant potential for non-charitable activities in relation to peace and reconciliation and supporting a shared future for Northern Ireland. As such, even assuming that the Organization would maintain direction and control **and** establish that these were its own activities, there is no guarantee that the activities being carried out would actually be charitable.

As a result of the above concerns, it remains our position that the Organization does not and will not maintain adequate direction and control over its resources, and that it will not be carrying out its own activities through intermediaries.

Devotion of resources – non-charitable activities

Our letter stated that in order to maintain charitable registration under the Act, an organization must demonstrate that it is constituted for exclusively charitable purposes and that it devotes its resources to charitable activities carried on by the organization itself in support of those purposes.

We advised that our audit revealed the Organization has purchased tickets totaling \$8,350 to other organizations' fundraising events and claimed them as a charitable expenditure. We advised that this did not further a recognized charitable purpose.

The Organization's response stated that its board of directors attends events and functions in support of the Irish Canadian community in order to raise the profile of the Organization among its donor base. It indicated that it would continue to do this in the future, but would ensure it was on a limited basis and that costs would be appropriate.

Notwithstanding that commitment, the Organization has not alleviated our concerns in this regard. It has not provided a description of how its attendance at these events results in a tangible benefit to the Organization, nor has it provided any details regarding what it considers "a limited basis" or "appropriate costs". In addition, we would also point out that the largest expense of this nature (33% of the total) was paid for an event of the Polish Orphans, which would not necessarily involve the Irish Canadian community. As such, it is unclear how the Organization's attendance at these events furthers a charitable purpose or directly benefits the Organization.

Therefore, the Organization has not alleviated our concerns in this matter and it remains our position that the Organization has devoted resources to non-charitable activities.

Devotion of resources – fundraising expenses

Charities are permitted to use a limited proportion of resources for fundraising to support the charitable activities that further its charitable purposes. Fundraising is not a charitable purpose in itself, nor is it a charitable activity that directly furthers a charitable purpose.

The audit revealed that the Organization committed significant resources to its fundraising activities, particularly the St. Patrick's Day Luncheon. Overall, the Organization's fundraising ratio was 71%, meaning that expenses represented 71% of the revenues earned from fundraising. This ratio is well above the 35% benchmark set out in our guidance CG-013, *Fundraising by Registered Charities*. Therefore, we advised that, it was our view that the Organization's involvement in fundraising was not ancillary and incidental to any charitable purpose; rather, the focus and emphasis placed on fundraising activities by the Organization would signify that the Organization has been formed, at least in part, for the collateral non-charitable purpose of hosting fundraising events.

In its response, the Organization said that it is at an advanced stage of launching a fundraising strategy with the goal to raise \$100,000 per year. The Organization estimates that its fundraising ratio will be approximately 45% to 55% for the year ending 2016. It acknowledged that this ratio is still higher than the 35% recommended by the CRA but feels this is acceptable as it is a charity with a cause of limited appeal.

However, while the Organization has indicated that it is a cause with a limited appeal, it has provided no rationale for why this is the case. As per CG-013, when making this claim a charity must be able to *demonstrate* that:

- its cause has limited appeal among the general public;
- that its higher fundraising costs are a direct result of its cause;
- other fundraising methods it has researched or attempted have led it to conclude that the fundraising activity is the most efficient and effective option for its cause; and,
- that the associated costs are being adequately controlled (for example, by ensuring that no more than fair market value is being paid for related services or materials).

Therefore, it is not sufficient for an organization to simply claim it is a cause of limited appeal. Without any further explanation regarding how the Organization qualifies as a cause of limited appeal, it appears the Organization is merely using this as a convenient rationalization for continued non-compliance with respect to its fundraising ratio. As such, we do not accept the Organization's explanation for a higher than average fundraising ratio.

Further, the Organization has not provided sufficient explanation regarding its fundraising strategy. No details of the strategy have been provided, including what

activities will take place or the estimated costs versus the revenues expected. For example, raising \$100,000 will not change much if it costs the Organization \$60,000-\$70,000 to earn that revenue.

Therefore, the Organization has not alleviated our concerns in this matter, and it remains our position that the Organization's involvement in fundraising is not ancillary and incidental to any charitable purpose.

Issued donation receipts not in accordance with the Act and/or its Regulations

Our previous letter stated that as per Regulation 3501(1) of the Act, every donation receipt issued by a registered charity should contain (among other required information) a description of the advantage, if any, in respect of the gift and the amount of that advantage as well as the eligible amount of the gift.

The audit revealed that the Organization only included the eligible amount of the gift on its donation receipts. It did not include a description of the advantage (i.e. St Patrick's Day Luncheon) or the amount of the advantage.

In its response to our letter, the Organization stated that it modified its official receipt template to ensure compliance with the Act and/or its Regulations. A copy of this template was included with the Organization's response. As such, the Organization has adequately addressed our concern in this regard.

Failure to complete an accurate T3010, *Registered Charity Information Return*

In our letter, we advised that pursuant to subsection 149.1(14) of the Act, every registered charity must, within six months from the end of the charity's fiscal period (taxation year), without notice or demand, file an Information Return in the prescribed form and containing prescribed information (including the applicable schedules).

We further stated that it is the responsibility of the Organization to ensure that the information that is provided in its T3010, schedules and financial statements, is factual and complete in every respect. A charity is not meeting its requirement to file a T3010 containing prescribed information, if it fails to exercise due care with respect to ensuring the accuracy of the return.

The audit revealed that the Organization failed to accurately complete its T3010. Specifically, it miscategorised expenses on lines 5000 through 5050, 4500, 4530, and 4630.

In its response, the Organization stated that it appreciates our insight into the completion of the T3010 and has taken this into consideration when submitting charitable returns subsequent to the completion of our field work in May 2015. As such, the Organization has adequately addressed our concern in this regard.

Appendix B

Audit Background of The Ireland Fund of Canada - Le Fonds Irlande du Canada

Audit of the fiscal period ended December 31, 1989

The Organization received a letter on March 19, 1993, as a result of this audit. The letter stated that the Organization had complied with the appropriate provisions of the Income Tax Act (Act), with the exception of its foreign activities. The letter contained corrective actions needed to address the outstanding issue.

The letter advised the Organization that a registered charity must devote all of its resources to charitable activities carried on by itself. It described the conditions that must be met when a registered charity chooses to carry out its programs through an intermediary. These conditions included a written agreement, a system of continuous and comprehensive document reporting, segregation of funds, and financial statements submitted with the T3010, *Registered Charity Information Return* (T3010) that support the expenditures for the year.

The Organization was advised that its "Acceptance of Grant" agreement contained some of these items, but must be amended to include all of them.

Audit of the fiscal period ended December 31, 1994

The Organization was audited for a second time and received another letter, dated January 17, 1996. This audit revealed the same non-compliance issues as the previous audit.

The letter stated that the Organization was not maintaining adequate documentation to support the expenditure of its funds on overseas activities. It said that while an agency agreement did exist with one particular organization, there was no system of continuous and comprehensive document reporting, nor were there regular financial reports reflecting the use of funds transferred to the agent. Further, the funds of the Organization were not segregated from those of the agent. Furthermore, the letter stated that financial statements submitted with the annual T3010 return should provide a detailed list of expenditures for the activities carried out by the Organization's agent. Finally, the audit revealed the Organization had not complied with Regulation 3501 of the Act with respect to the official donation receipts it had issued.

The letter advised that financial reporting controls must be instituted. These included a system of continuous and comprehensive documented reporting, including expense vouchers, and that such reports should be supplemented at least yearly by financial reports reflecting the use of the funds, that the Organization's funds must remain separate from those of the agent, and that financial statements must be submitted with the T3010 to provide a detailed breakdown of the expenditures for the year.

The letter requested that the Organization submit an undertaking to show how it planned to address these issues.

The Organization submitted an undertaking dated December 16, 1996, in which it indicated it would have each agent submit semi-annual reports outlining the nature of the expenditures, and that funds would remain separated. It also stated it would address the issue regarding official donation receipts.

Audit of the fiscal period ended December 31, 2005

The Organization was audited for a third time, the results of which revealed the same non-compliance issues as the previous two audits, as well as additional non-compliance issues.

The audit revealed that, with respect to activities outside Canada, the Organization disbursed funds to non-qualified donees and that the requirements for direction and control were not met. Specifically, where written agreements existed, they did not contain all of the required information, adequate books and records pertaining to the activities carried on by the intermediaries were not kept at the Canadian address of the Organization, and the Organization's funds were not segregated from the recipient's.

Further, the Organization did not accurately complete its T3010. For example, it miscategorised fundraising expenses, management and administration expenses, and salary expenses.

Finally, the audit revealed that the Organization had not complied with Regulation 3501 with respect to issuing official donation receipts. For example, it issued receipts for gifts in kind where a description of the gift wasn't included, for gifts of services and/or gift certificates. In addition, the official receipts themselves were missing information required by Regulation 3501, such as the date received, and the full name and address of the donor.

The Organization agreed to enter into a Compliance Agreement in order to address the issues of non-compliance found during the audit. The Compliance Agreement was signed October 18, 2007.

The corrective measures contained in the Compliance Agreement were as follows:

- The Organization will not disburse funds to Irish charities unless it can show through proper documentation that it retains direction and control over the use of those funds.
- The Organization will not accept and disburse donor-designated funds to Irish organizations unless those funds are designated for projects over which it maintains direction and control.

- The Organization will not make donations to Canadian organizations that are not qualified donees unless it can demonstrate through proper documentation that it retains direction and control over the use of those funds and that they are used for charitable purposes.
- Fundraising expenses will be properly categorized on the T3010, as will all other expenses.
- Where donation receipts are issued for gifts other than cash, the receipts will include the date of the gift, a description of the property, and the name and address of the appraiser.
- Donation receipts will not be issued for services provided.
- Donation receipts will only be issued to the issuer of a gift certificate who donates the certificate in compliance with CRA guidelines.

Finally, the current audit of the fiscal period ended December 31, 2013, revealed similar issues of non-compliance. These issues are explained in Appendix A of this letter, as well as in our administrative fairness letter dated May 13, 2016.

APPENDIX C

Relevant Provisions of the *Income Tax Act*

Section 149.1 Qualified Donees

149.1(2) Revocation of registration of charitable organization

The Minister may, in the manner described in section 168, revoke the registration of a charitable organization for any reason described in subsection 168(1) or where the organization

- (a) carries on a business that is not a related business of that charity;
- (b) fails to expend in any taxation year, on charitable activities carried on by it and by way of gifts made by it to qualified donees, amounts the total of which is at least equal to the organization's disbursement quota for that year; or
- (c) makes a disbursement by way of a gift, other than a gift made
 - (i) in the course of charitable activities carried on by it, or
 - (ii) to a donee that is a qualified donee at the time of the gift.

149.1(3) Revocation of registration of public foundation

The Minister may, in the manner described in section 168, revoke the registration of a public foundation for any reason described in subsection 168(1) or where the foundation

- (a) carries on a business that is not a related business of that charity;
- (b) fails to expend in any taxation year, on charitable activities carried on by it and by way of gifts made by it to qualified donees, amounts the total of which is at least equal to the foundation's disbursement quota for that year;
- (b.1) makes a disbursement by way of a gift, other than a gift made
 - (i) in the course of charitable activities carried on by it, or
 - (ii) to a donee that is a qualified donee at the time of the gift;
- (c) since June 1, 1950, acquired control of any corporation;
- (d) since June 1, 1950, incurred debts, other than debts for current operating expenses, debts incurred in connection with the purchase and sale of investments and debts incurred in the course of administering charitable activities; or
- (e) at any time within the 24 month period preceding the day on which notice is given to the foundation by the Minister pursuant to subsection 168(1) and at a time when the foundation was a private foundation, took any action or failed to expend amounts such

that the Minister was entitled, pursuant to subsection 149.1(4), to revoke its registration as a private foundation.

149.1(4) Revocation of registration of private foundation

The Minister may, in the manner described in section 168, revoke the registration of a private foundation for any reason described in subsection 168(1) or where the foundation

- (a) carries on any business;
- (b) fails to expend in any taxation year, on charitable activities carried on by it and by way of gifts made by it to qualified donees, amounts the total of which is at least equal to the foundation's disbursement quota for that year;
- (b.1) makes a disbursement by way of a gift, other than a gift made
 - (i) in the course of charitable activities carried on by it, or
 - (ii) to a donee that is a qualified donee at the time of the gift;
- (c) has, in respect of a class of shares of the capital stock of a corporation, a divestment obligation percentage at the end of any taxation year;
- (d) since June 1, 1950, incurred debts, other than debts for current operating expenses, debts incurred in connection with the purchase and sale of investments and debts incurred in the course of administering charitable activities.

149.1(4.1) Revocation of registration of registered charity

The Minister may, in the manner described in section 168, revoke the registration

- (a) of a registered charity, if it has entered into a transaction (including a gift to another registered charity) and it may reasonably be considered that a purpose of the transaction was to avoid or unduly delay the expenditure of amounts on charitable activities;
- (b) of a registered charity, if it may reasonably be considered that a purpose of entering into a transaction (including the acceptance of a gift) with another registered charity to which paragraph (a) applies was to assist the other registered charity in avoiding or unduly delaying the expenditure of amounts on charitable activities;
- (c) of a registered charity, if a false statement, within the meaning assigned by subsection 163.2(1), was made in circumstances amounting to culpable conduct, within the meaning assigned by that subsection, in the furnishing of information for the purpose of obtaining registration of the charity;
- (d) of a registered charity, if it has in a taxation year received a gift of property (other than a designated gift) from another registered charity with which it does not deal at arm's length and it has expended, before the end of the next taxation year, in addition to its disbursement quota for each of those taxation years, an amount that is less than the

fair market value of the property, on charitable activities carried on by it or by way of gifts made to qualified donees with which it deals at arm's length; and

(e) of a registered charity, if an ineligible individual is a director, trustee, officer or like official of the charity, or controls or manages the charity, directly or indirectly, in any manner whatever.

Section 168:

Revocation of Registration of Certain Organizations and Associations

168(1) Notice of intention to revoke registration

The Minister may, by registered mail, give notice to a person described in any of paragraphs (a) to (c) of the definition "qualified donee" in subsection 149.1(1) that the Minister proposes to revoke its registration if the person

- (a) applies to the Minister in writing for revocation of its registration;
- (b) ceases to comply with the requirements of this Act for its registration;
- (c) in the case of a registered charity or registered Canadian amateur athletic association, fails to file an information return as and when required under this Act or a regulation;
- (d) issues a receipt for a gift otherwise than in accordance with this Act and the regulations or that contains false information;
- (e) fails to comply with or contravenes any of sections 230 to 231.5; or
- (f) in the case of a registered Canadian amateur athletic association, accepts a gift the granting of which was expressly or implicitly conditional on the association making a gift to another person, club, society or association.

168(2) Revocation of Registration

Where the Minister gives notice under subsection 168(1) to a registered charity or to a registered Canadian amateur athletic association,

(a) if the charity or association has applied to the Minister in writing for the revocation of its registration, the Minister shall, forthwith after the mailing of the notice, publish a copy of the notice in the Canada Gazette, and

(b) in any other case, the Minister may, after the expiration of 30 days from the day of mailing of the notice, or after the expiration of such extended period from the day of mailing of the notice as the Federal Court of Appeal or a judge of that Court, on application made at any time before the determination of any appeal pursuant to subsection 172(3) from the giving of the notice, may fix or allow, publish a copy of the notice in the Canada Gazette,

and on that publication of a copy of the notice, the registration of the charity or association is revoked.

168(4) Objection to proposal or designation

A person may, on or before the day that is 90 days after the day on which the notice was mailed, serve on the Minister a written notice of objection in the manner authorized by the Minister, setting out the reasons for the objection and all the relevant facts, and the provisions of subsections 165(1), (1.1) and (3) to (7) and sections 166, 166.1 and 166.2 apply, with any modifications that the circumstances require, as if the notice were a notice of assessment made under section 152, if

- (a) in the case of a person that is or was registered as a registered charity or is an applicant for such registration, it objects to a notice under any of subsections (1) and 149.1(2) to (4.1), (6.3), (22) and (23);
- (b) in the case of a person that is or was registered as a registered Canadian amateur athletic association or is an applicant for such registration, it objects to a notice under any of subsections (1) and 149.1(4.2) and (22); or
- (c) in the case of a person described in any of subparagraphs (a)(i) to (v) of the definition "qualified donee" in subsection 149.1(1), that is or was registered by the Minister as a qualified donee or is an applicant for such registration, it objects to a notice under any of subsections (1) and 149.1(4.3) and (22).

172(3) Appeal from refusal to register, revocation of registration, etc.

Where the Minister

(a) confirms a proposal or decision in respect of which a notice was issued under any of subsections 149.1(4.2) and (22) and 168(1) by the Minister, to a person that is or was registered as a registered Canadian amateur athletic association or is an applicant for registration as a registered Canadian amateur athletic association, or does not confirm or vacate that proposal or decision within 90 days after service of a notice of objection by the person under subsection 168(4) in respect of that proposal or decision,

(a.1) confirms a proposal, decision or designation in respect of which a notice was issued by the Minister to a person that is or was registered as a registered charity, or is an applicant for registration as a registered charity, under any of subsections 149.1(2) to (4.1), (6.3), (22) and (23) and 168(1), or does not confirm or vacate that proposal, decision or designation within 90 days after service of a notice of objection by the person under subsection 168(4) in respect of that proposal, decision or designation,

(a.2) confirms a proposal or decision in respect of which a notice was issued under any of subsections 149.1(4.3), (22) and 168(1) by the Minister, to a person that is a person described in any of subparagraphs (a)(i) to (v) of the definition "qualified donee" in subsection 149.1(1) that is or was registered by the Minister as a qualified donee or is an applicant for such registration, or does not confirm or vacate that proposal or

decision within 90 days after service of a notice of objection by the person under subsection 168(4) in respect of that proposal or decision,

(b) refuses to accept for registration for the purposes of this Act any retirement savings plan,

(c) refuses to accept for registration for the purposes of this Act any profit sharing plan or revokes the registration of such a plan,

(d) [Repealed, 2011, c. 24, s. 54]

(e) refuses to accept for registration for the purposes of this Act an education savings plan,

(e.1) sends notice under subsection 146.1(12.1) to a promoter that the Minister proposes to revoke the registration of an education savings plan,

(f) refuses to register for the purposes of this Act any pension plan or gives notice under subsection 147.1(11) to the administrator of a registered pension plan that the Minister proposes to revoke its registration,

(f.1) refuses to accept an amendment to a registered pension plan,

(g) refuses to accept for registration for the purposes of this Act any retirement income fund,

(h) refuses to accept for registration for the purposes of this Act any pooled pension plan or gives notice under subsection 147.5(24) to the administrator of a pooled registered pension plan that the Minister proposes to revoke its registration, or

(i) refuses to accept an amendment to a pooled registered pension plan;

the person described in paragraph (a), (a.1) or (a.2), the applicant in a case described in paragraph (b), (e) or (g), a trustee under the plan or an employer of employees who are beneficiaries under the plan, in a case described in paragraph (c), the promoter in a case described in paragraph (e.1), the administrator of the plan or an employer who participates in the plan, in a case described in paragraph (f) or (f.1), or the administrator of the plan in a case described in paragraph (h) or (i), may appeal from the Minister's decision, or from the giving of the notice by the Minister, to the Federal Court of Appeal.

180(1) Appeals to Federal Court of Appeal

An appeal to the Federal Court of Appeal pursuant to subsection 172(3) may be instituted by filing a notice of appeal in the Court within 30 days from

(a) the day on which the Minister notifies a person under subsection 165(3) of the Minister's action in respect of a notice of objection filed under subsection 168(4),

(b) [Repealed, 2011, c. 24, s. 55]

(c) the mailing of notice to the administrator of the registered pension plan under subsection 147.1(11),

(c.1) the sending of a notice to a promoter of a registered education savings plan under subsection 146.1(12.1),

(c.2) the mailing of notice to the administrator of the pooled registered pension plan under subsection 147.5(24), or

(d) the time the decision of the Minister to refuse the application for acceptance of the amendment to the registered pension plan or pooled registered pension plan was mailed, or otherwise communicated in writing, by the Minister to any person,

as the case may be, or within such further time as the Court of Appeal or a judge thereof may, either before or after the expiration of those 30 days, fix or allow.

Section 188: Revocation tax

188(1) Deemed year-end on notice of revocation

If on a particular day the Minister issues a notice of intention to revoke the registration of a taxpayer as a registered charity under any of subsections 149.1(2) to (4.1) and 168(1) or it is determined, under subsection 7(1) of the *Charities Registration (Security Information) Act*, that a certificate served in respect of the charity under subsection 5(1) of that Act is reasonable on the basis of information and evidence available,

- (a) the taxation year of the charity that would otherwise have included that day is deemed to end at the end of that day;
- (b) a new taxation year of the charity is deemed to begin immediately after that day; and
- (c) for the purpose of determining the charity's fiscal period after that day, the charity is deemed not to have established a fiscal period before that day.

188(1.1) Revocation tax

A charity referred to in subsection (1) is liable to a tax, for its taxation year that is deemed to have ended, equal to the amount determined by the formula

$$A - B$$

where

A

is the total of all amounts, each of which is

- (a) the fair market value of a property of the charity at the end of that taxation year,
- (b) the amount of an appropriation (within the meaning assigned by subsection (2)) in respect of a property transferred to another person in the 120-day period that ended at the end of that taxation year, or

(c) the income of the charity for its winding-up period, including gifts received by the charity in that period from any source and any income that would be computed under section 3 as if that period were a taxation year; and

B

is the total of all amounts (other than the amount of an expenditure in respect of which a deduction has been made in computing income for the winding-up period under paragraph (c) of the description of A), each of which is

(a) a debt of the charity that is outstanding at the end of that taxation year,

(b) an expenditure made by the charity during the winding-up period on charitable activities carried on by it, or

(c) an amount in respect of a property transferred by the charity during the winding-up period and not later than the latter of one year from the end of the taxation year and the day, if any, referred to in paragraph (1.2)(c), to a person that was at the time of the transfer an eligible donee in respect of the charity, equal to the amount, if any, by which the fair market value of the property, when transferred, exceeds the consideration given by the person for the transfer.

188(1.2) Winding-up period

In this Part, the winding-up period of a charity is the period that begins immediately after the day on which the Minister issues a notice of intention to revoke the registration of a taxpayer as a registered charity under any of subsections 149.1(2) to (4.1) and 168(1) (or, if earlier, immediately after the day on which it is determined, under subsection 7(1) of the *Charities Registration (Security Information) Act*, that a certificate served in respect of the charity under subsection 5(1) of that Act is reasonable on the basis of information and evidence available), and that ends on the day that is the latest of

(a) the day, if any, on which the charity files a return under subsection 189(6.1) for the taxation year deemed by subsection (1) to have ended, but not later than the day on which the charity is required to file that return,

(b) the day on which the Minister last issues a notice of assessment of tax payable under subsection (1.1) for that taxation year by the charity, and

(c) if the charity has filed a notice of objection or appeal in respect of that assessment, the day on which the Minister may take a collection action under section 225.1 in respect of that tax payable.

188(1.3) Eligible donee

In this Part, an eligible donee in respect of a particular charity is a registered charity

- (a) of which more than 50% of the members of the board of directors or trustees of the registered charity deal at arm's length with each member of the board of directors or trustees of the particular charity;
- (b) that is not the subject of a suspension under subsection 188.2(1);
- (c) that has no unpaid liabilities under this Act or under the *Excise Tax Act*;
- (d) that has filed all information returns required by subsection 149.1(14); and
- (e) that is not the subject of a certificate under subsection 5(1) of the *Charities Registration (Security Information) Act* or, if it is the subject of such a certificate, the certificate has been determined under subsection 7(1) of that Act not to be reasonable.

188(2) Shared liability — revocation tax

A person who, after the time that is 120 days before the end of the taxation year of a charity that is deemed by subsection (1) to have ended, receives property from the charity, is jointly and severally, or solidarily, liable with the charity for the tax payable under subsection (1.1) by the charity for that taxation year for an amount not exceeding the total of all appropriations, each of which is the amount by which the fair market value of such a property at the time it was so received by the person exceeds the consideration given by the person in respect of the property.

188(2.1) Non-application of revocation tax

Subsections (1) and (1.1) do not apply to a charity in respect of a notice of intention to revoke given under any of subsections 149.1(2) to (4.1) and 168(1) if the Minister abandons the intention and so notifies the charity or if

- (a) within the one-year period that begins immediately after the taxation year of the charity otherwise deemed by subsection (1) to have ended, the Minister has registered the charity as a charitable organization, private foundation or public foundation; and
- (b) the charity has, before the time that the Minister has so registered the charity,
 - (i) paid all amounts, each of which is an amount for which the charity is liable under this Act (other than subsection (1.1)) or the *Excise Tax Act* in respect of taxes, penalties and interest, and
 - (ii) filed all information returns required by or under this Act to be filed on or before that time.

188(3) Transfer of property tax

Where, as a result of a transaction or series of transactions, property owned by a registered charity that is a charitable foundation and having a net value greater than 50% of the net asset amount of the charitable foundation immediately before the transaction or series of transactions, as the case may be, is transferred before the end

of a taxation year, directly or indirectly, to one or more charitable organizations and it may reasonably be considered that the main purpose of the transfer is to effect a reduction in the disbursement quota of the foundation, the foundation shall pay a tax under this Part for the year equal to the amount by which 25% of the net value of that property determined as of the day of its transfer exceeds the total of all amounts each of which is its tax payable under this subsection for a preceding taxation year in respect of the transaction or series of transactions.

188(3.1) Non-application of subsection (3)

Subsection (3) does not apply to a transfer that is a gift to which subsection 188.1(11) or (12) applies

188(4) Transfer of property tax

If property has been transferred to a charitable organization in circumstances described in subsection (3) and it may reasonably be considered that the organization acted in concert with a charitable foundation for the purpose of reducing the disbursement quota of the foundation, the organization is jointly and severally, or solidarily, liable with the foundation for the tax imposed on the foundation by that subsection in an amount not exceeding the net value of the property.

188(5) Definitions

In this section,

“net asset amount”

« *montant de l'actif net* »

“net asset amount” of a charitable foundation at any time means the amount determined by the formula

$$A - B$$

where

A

is the fair market value at that time of all the property owned by the foundation at that time, and

B

is the total of all amounts each of which is the amount of a debt owing by or any other obligation of the foundation at that time;

“net value”

« *valeur nette* »

"net value" of property owned by a charitable foundation, as of the day of its transfer, means the amount determined by the formula

$$A - B$$

where

A

is the fair market value of the property on that day, and

B

is the amount of any consideration given to the foundation for the transfer.

189(6) Taxpayer to file return and pay tax

Every taxpayer who is liable to pay tax under this Part (except a charity that is liable to pay tax under section 188(1)) for a taxation year shall, on or before the day on or before which the taxpayer is, or would be if tax were payable by the taxpayer under Part I for the year, required to file a return of income or an information return under Part I for the year,

- (a) file with the Minister a return for the year in prescribed form and containing prescribed information, without notice or demand therefor;
- (b) estimate in the return the amount of tax payable by the taxpayer under this Part for the year; and
- (c) pay to the Receiver General the amount of tax payable by the taxpayer under this Part for the year.

189(6.1) Revoked charity to file returns

Every taxpayer who is liable to pay tax under subsection 188(1.1) for a taxation year shall, on or before the day that is one year from the end of the taxation year, and without notice or demand,

- (a) file with the Minister
 - (i) a return for the taxation year, in prescribed form and containing prescribed information, and
 - (ii) both an information return and a public information return for the taxation year, each in the form prescribed for the purpose of subsection 149.1(14); and
- (b) estimate in the return referred to in subparagraph (a)(i) the amount of tax payable by the taxpayer under subsection 188(1.1) for the taxation year; and
- (c) pay to the Receiver General the amount of tax payable by the taxpayer under subsection 188(1.1) for the taxation year.

189 (6.2) Reduction of revocation tax liability

If the Minister has, during the one-year period beginning immediately after the end of a taxation year of a person, assessed the person in respect of the person's liability for tax under subsection 188(1.1) for that taxation year, has not after that period reassessed the tax liability of the person, and that liability exceeds \$1,000, that liability is, at any particular time, reduced by the total of

(a) the amount, if any, by which

(i) the total of all amounts, each of which is an expenditure made by the charity, on charitable activities carried on by it, before the particular time and during the period (referred to in this subsection as the "post-assessment period") that begins immediately after a notice of the latest such assessment was sent and ends at the end of the one-year period

exceeds

(ii) the income of the charity for the post-assessment period, including gifts received by the charity in that period from any source and any income that would be computed under section 3 if that period were a taxation year, and

(b) all amounts, each of which is an amount, in respect of a property transferred by the charity before the particular time and during the post-assessment period to a person that was at the time of the transfer an eligible donee in respect of the charity, equal to the amount, if any, by which the fair market value of the property, when transferred, exceeds the consideration given by the person for the transfer.

189(6.3) Reduction of liability for penalties

If the Minister has assessed a particular person in respect of the particular person's liability for penalties under section 188.1 for a taxation year, and that liability exceeds \$1,000, that liability is, at any particular time, reduced by the total of all amounts, each of which is an amount, in respect of a property transferred by the particular person after the day on which the Minister first assessed that liability and before the particular time to another person that was at the time of the transfer an eligible donee in respect of the particular person, equal to the amount, if any, by which the fair market value of the property, when transferred, exceeds the total of

(a) the consideration given by the other person for the transfer, and

(b) the part of the amount in respect of the transfer that has resulted in a reduction of an amount otherwise payable under subsection 188(1.1).

189 (7) Minister may assess

Without limiting the authority of the Minister to revoke the registration of a registered charity or registered Canadian amateur athletic association, the Minister may also at

any time assess a taxpayer in respect of any amount that a taxpayer is liable to pay under this Part.



File

REGISTERED MAIL

Mr. Rodney Hill
Treasurer
The Ireland Fund of Canada
[REDACTED]
[REDACTED]

BN: 124640889RR0001
File #: 0513788

May 13, 2016

Subject: Registered Charity Audit of the Ireland Fund of Canada

Dear Mr Hill:

This letter is further to the audit of the books and records of the Ireland Fund of Canada (Organization) conducted by the Canada Revenue Agency (CRA). The audit related to the operations of the Organization for the period from January 1, 2013, to December 31, 2013.

As a result of our audit, the CRA has identified specific areas of non-compliance with the provisions of the *Income Tax Act* (Act) and/or its *Regulations* in the following areas.

AREAS OF NON-COMPLIANCE:		
	Issue	Act Reference
1.	Failure to devote resources to charitable activities carried on by the Organization itself.	149.1(1), 168(1)(b), 188.1(4), 230(2)
2.	Issuing donation receipts not in accordance with the Act and/or its Regulations.	Regulation 3501, 168(1)(d)
3.	Failure to complete an accurate information return.	149.1(14), 168(1)(c)

This letter describes the specific identified areas of non-compliance as they relate to the legislative and common law requirements applicable to registered charities, and provides the Organization with the opportunity to make additional representations or present additional information. As a registered charity, the Organization must comply with all legislative and common law requirements on an ongoing basis, failing which its registered status may be revoked in the manner described in section 168 of the Act. The balance of this letter describes the identified areas of non-compliance in further detail.

Identified Areas of Non-Compliance

1) Failure to Devote Resources to Charitable Activities Carried on by the Organization Itself

a) Lack of direction and control over the use of the Organization's resources / Disbursement of funds to non-qualified donees

As per subsection 149.1(1) of the Act, a charity may only use its resources for charitable activities undertaken by the charity itself, or for gifting to "qualified donees" (as defined in subsection 149.1(1) of the Act).

A qualified donee means a person that is:

- registered by the Minister and that is
 - a housing corporation resident in Canada and exempt from tax,
 - a municipality in Canada,
 - a municipal or public body performing a function of government in Canada that has applied for registration,
 - a university outside Canada that is prescribed to be a university the student body of which ordinarily includes students from Canada, or
 - a foreign organization that has applied to the Minister for registration under subsection (26),
- a registered charity,
- a registered Canadian amateur athletic association, or
- Her Majesty in right of Canada or a province, the United Nations or an agency of the United Nations.

A charity's own charitable activities may be carried out by its directors, employees or volunteers, or through intermediaries (a person or non-qualified donee that is separate from the charity, but that the charity works with or through, such as an agent, contractor or partner). If acting through an intermediary, the charity must establish that the activity to be conducted will further its charitable purposes, and that it maintains continued direction and control over the activity and over the use of the resources it provides to the intermediary to carry out the activity on its behalf. A charity cannot merely be a conduit to funnel money to an organization that is not a qualified donee.

Although there is no legal requirement to do so, and the same result might be achieved through other arrangements or means, entering into a written agreement can be an effective way to demonstrate that charity exercises the necessary direction over the use of its resources. However, the existence of an agreement is not enough to prove that a charity maintains control and regulates the use of its funds on a continuous basis. The

charity must be able to show that the terms of the agreement establish a real, ongoing, active relationship with the intermediary, and are actually implemented. A charity must record all steps taken to exercise direction and control as part of its books and records, to allow the CRA to verify that the charity's funds have been spent on its own activities. While the nature and extent of the required direction and control may vary based on the particular activity and circumstances, the absence of appropriate direction and control indicates that an organization is resourcing a non-qualified donee in contravention of the Act.

The audit revealed that during the fiscal period ended December 31, 2013, the Organization disbursed \$172,188 to organizations that were not qualified donees. \$161,680¹ of this amount was disbursed to non-qualified donees outside Canada. To demonstrate that direction and control was maintained over these resources the Organization provided us with Grant Forms completed by four of the non-qualified donees.² Further, we were provided with documents involving the [REDACTED] and the Organization (i.e. Memorandum of Understanding, list of all scholarships disbursed by the [REDACTED] financial statements). These documents, however, did not provide the Organization with the authority or the means to direct and control the use of the funds that it disbursed to these non-qualified donees, as described above. More specifically, we note that the documents:

- did not provide these non-qualified donees with a detailed description of the activities that they were to undertake on behalf of the Organization, nor did it adequately explain how the activities undertaken by these non-qualified donees would further the Organization's purposes;
- did not state the location where the activities would be carried on;
- did not have any agreed upon time frames or deadlines;
- did not have a provision for the Organization to make disbursements to these non-qualified donees in instalments based on satisfactory performance;
- did not have a provision allowing the Organization to issue ongoing instructions to these non-qualified donees as may be required;
- did not have a provision for regular written financial and progress reports to prove the receipt and disbursement of funds, as well as the progress of the activity;
- did not have a provision requiring the Organization's funds to be segregated from those of these non-qualified donees;

¹ \$5,000 to the [REDACTED], \$9,610 to the [REDACTED], \$12,570 to [REDACTED], \$20,000 to [REDACTED], \$40,000 to the [REDACTED] formerly [REDACTED], \$69,500 to the [REDACTED] to the [REDACTED]

² [REDACTED], [REDACTED], [REDACTED], [REDACTED]

- did not have a statement allowing the Organization the right to inspect the activity, and the related books and records, on reasonably short notice; and
- did not contain detailed financial reports or invoices to support expenses.

In addition to the funds disbursed to the above mentioned foreign entities, the Organization also disbursed \$10,508 to a non-qualified donee in Canada, the [REDACTED] [REDACTED]. The Organization did not have any documentation to demonstrate that it had the authority or the means to direct and control the use of the funds that it disbursed to this non-qualified donee.

It should be noted that after the amounts disbursed to non-qualified donees were eliminated from the Organization's charitable category only 9.4% of its resources were devoted to charitable activities (\$73,516/\$784,939). As a result, the Organization did not devote substantially all of its resources to charitable activities.

The Organization did not exercise the necessary degree of direction and control over the use of its funds, and/or over the activities being conducted with those funds, to establish that it is carrying out its own activities in accordance with the provisions of the Act. Rather, it appears that the Organization is operating as a conduit, funding the activities of third party non-qualified donees. When a registered charity fails to maintain effective direction and control over resources transferred to a non-qualified donee, the result is the same as gifting to a non-qualified donee.

The above concern was also identified in multiple previous audits. It was expressed to the Organization in letters from the CRA dated March 19, 1993, and January 17, 1996. On October 18, 2007, the Organization signed a Compliance Agreement, stating it would remedy this issue and become compliant with the Act and common law applicable to registered charities.

Given that it has failed to take the required corrective measures to direct and control the use of its resources, it is our view that the Organization has failed to meet the requirements of subsections 149.1(1) of the Act. Specifically, it has failed to devote substantially all its resources to charitable activities carried on by the Organization itself. In addition, the Organization made gifts to non-qualified donees and is in contravention of subsection 149.1(2)(c) of the Act. For these reasons it appears there may be grounds for revocation of the charitable status of the Organization under paragraph 168(1)(b) of the Act.

Providing an undue benefit, which includes gifting to a non-qualified donee, is an offence under the Act. A registered charity that confers an undue benefit is liable to a penalty equal to 105% of the amount of the benefit, increasing to 110% if the offence is reproduced within five years. While we have considered the application of this penalty, due to the severity of this issue and the Organization's repeated non-compliance, we are not proposing this sanction at this time.

Finally, because the Organization did not have the documentary evidence mentioned above it is not in compliance with subsection 230(2) of the Act. This is also a revocable offense under the Act.

b) Devotion of resources - non-charitable activities

In order to maintain charitable registration under the Act, Canadian law requires that an organization demonstrate that it is constituted exclusively for charitable purposes and that it devotes its resources to charitable activities carried on by the organization itself in furtherance thereof. To be exclusively charitable, a purpose must fall within one or more of the following four categories of charity and deliver a public benefit:

- relief of poverty (first category);
- advancement of education (second category);
- advancement of religion (third category); or
- certain other purposes beneficial to the community in a way the law regards as charitable (fourth category).

Our audit revealed that the Organization purchased tickets totalling \$8,350 to other organizations' fundraising events and claimed these to be a charitable expenditure.³ Purchasing tickets to fundraising events is not a charitable program expenditure. Allocating resources in this manner does not further a recognized charitable purpose, and lacks the crucial element of public benefit.

Consequently, it is our view that the Organization has failed to meet the requirements of subsections 149.1(1) of the Act, namely, that it devote substantially all its resources to charitable activities carried on by the Organization itself. For this reason it appears there may be grounds for revocation of the charitable status of the Organization under paragraph 168(1)(b) of the Act.

c) Devotion of resources - fundraising expenses

All charitable organizations registered under the Act are required by law to devote their resources to exclusively charitable purposes and activities. Although a charity can use some of its resources for fundraising to support the charitable activities that further its charitable purposes, it is the CRA's position that fundraising is not a charitable purpose in itself, nor is it a charitable activity that directly furthers a charitable purpose.

Where the resources of a charity devoted to fundraising exceed the resources devoted to charitable activities it is a strong indicator that fundraising has become a

³ [REDACTED] - \$1,000, [REDACTED] - \$200, [REDACTED] \$1,250, [REDACTED]
[REDACTED] - \$650, Ireland Park Foundation - \$2,500, Polish Orphans - \$2,750.

collateral non-charitable purpose or that the charity is delivering a more than incidental private benefit. This may happen whether fundraising is done internally through staff or externally through a contractual arrangement. Merely showing that the costs associated with fundraising are at reasonable or market rates will not alleviate concerns in this regard, and, regardless of the cost of fundraising, a registered charity must devote the majority of its resources to charitable activities. If a registered charity's total resources devoted to fundraising exceed those devoted to charitable activities, it is unlikely that this legal requirement will be met. As a general rule, the higher the ratio of expenditures to fundraising versus charitable programs, the more likely it is that the CRA will seek additional justification for fundraising costs.

The Organization held several minor fundraising events during the audit period (i.e. Day at the Races, Young Leader's Summer Party) but its most significant event, the St. Patrick's Day Luncheon, accounted for 97% of its direct fundraising expenditures for the events held.⁴ This luncheon, which was held at the Metro Toronto Convention Centre, is an annual event and includes a three course meal, alcoholic beverages, and live Irish entertainment.

During our audit, we reviewed the Organization's classification of expenses on lines 5000 through 5050 of its T3010, *Registered Charity Information Return*⁵. As part of this review, we examined the Organization's general ledger, minutes of board meetings, employee job descriptions, and invoices. We also discussed details of the expenses with the executive director of the Organization. Through this review we determined that the Organization's expenditures were not classified correctly on lines 5000 through 5050 of its T3010. Details are as follows:

- No charitable expenditures should have been classified on line 5000, *Total expenditures on charitable activities*, as the amounts reported were disbursements to non-qualified donees outside of Canada without the Organization's direction and control.
- Only \$85,941 should have been classified as management and administration expenditures on line 5010, *Total expenditures on management and administration*. Our number excludes \$97,850 of fundraising expenditures and \$8,350 of expenditures made for tickets to other organizations' fundraising events ($\$192,141 - \$97,850 - \$8,350 = \$85,941$).
- \$444,944 of fundraising expenditures should have been classified on line 5020, *Total expenditures on fundraising*. Our number includes the \$97,850 of fundraising expenditures that the Organization had classified on line 5010 ($\$347,094 + \$97,850 = \$444,944$).

⁴ As per the Organization's financial statements, \$335,607 of its total direct fundraising expenses, \$347,094, related to its St Patrick's Day Luncheon.

⁵ The Organization classified \$161,680 of its expenditures as charitable on line 5000, \$192,141 of expenditures as management and administration on line 5010, \$347,094 of expenditures as fundraising on line 5020, and \$84,024 of expenditures as gifts to qualified donees on line 5050.

- Only \$73,516 should have been classified on line 5050, *Total amount of gifts made to all qualified donees*. Our number excludes a \$10,508 gift that the Organization made to the [REDACTED], a non-qualified donee (\$84,024 - \$73,516 = \$10,508).

Using the above reclassification of expenses, we determined that the Organization has devoted more of its resources to fundraising (\$444,944) than it has to making gifts to qualified donees (\$73,516) or to charitable activities undertaken by itself. Further, we calculated the Organization's fundraising ratio (fundraising expenses divided by fundraising revenue) using our revised figure for fundraising expenses (\$444,944) and our revised figure for fundraising revenue (\$628,193). This ratio was determined to be 71%⁶. We consider this ratio to be high as it is well above the 35% benchmark set out in our Guidance CG-013, *Fundraising by Registered Charities*.

As a result of the above, it is our view that the Organization's involvement in fundraising is not ancillary and incidental to any charitable purpose; rather, the focus and emphasis placed on fundraising activities by the Organization would signify that the Organization has been formed, at least in part, for the collateral non-charitable purpose of hosting fundraising events.

Accordingly, it is our position that the Organization failed to meet the legal requirement that it devote substantially all its resources to charitable activities carried on by the Organization itself. For this reason it appears there may be grounds for revocation of the charitable status of the Organization under subsections 149.1(1) and paragraph 168(1)(b) of the Act.

2) Issuing donation receipts not in accordance with the Act and/or its Regulations

As per Regulation 3501(1) of the Act every donation receipt issued by a registered charity should contain (among other required information) a description of the advantage, if any, in respect of the gift and the amount of that advantage as well as the eligible amount of the gift.

The Organization only included the eligible amount of the gift on its donation receipts. It did not include a description of the advantage (i.e. St Patrick's Day Luncheon) or the amount of the advantage.

Consequently, it is our view that the Organization has failed to meet the requirements of Regulation 3501(1) of the Act. For this reason it appears there may be grounds for revocation of the charitable status of the Organization under paragraph 168(1)(d) of the Act.

⁶ \$444,944 fundraising expenses / \$628,193 (\$13,350 actual tax receipts issued + \$614,843 non-tax receipted fundraising revenue) = 71%

3) Failure to complete an accurate Registered Charity Information Return

Pursuant to subsection 149.1(14) of the Act, every registered charity must, within six months from the end of the charity's fiscal period (taxation year), without notice or demand, file an Information Return in prescribed form and containing prescribed information (including the applicable schedules).

It is the responsibility of the Organization to ensure that the information that is provided in its Information Return, schedules and financial statements, is factual and complete in every respect. A charity is not meeting its requirement to file an Information Return containing prescribed information, if it fails to exercise due care with respect to ensuring the accuracy thereof.

We reviewed the Organization's information return for the fiscal period ended December 31, 2013, and in addition to the issues discussed above regarding lines 5000 through 5050, the following issues were noted:

- The Organization reported \$82,058 on line 4500, *Total eligible amount of all gifts for which the charity issued tax receipts*, but only issued \$13,350 of tax receipts. Therefore \$13,350 should have been reported on line 4500.
- The Organization reported nil on line 4530, *Total other gifts received for which a tax receipt was not issued by the charity*, but actually received \$72,761 of gifts for which tax receipts were not issued. Therefore \$72,761 should have been reported on line 4530.
- The Organization reported \$610,593 on line 4630, *Total non tax-receipted revenues from fundraising*, but actually received \$614,843 of fundraising revenue that was not tax receipted. Therefore \$614,843 should have been reported on line 4630.

Consequently, it is our view that the Organization has failed to meet the requirements of subsections 149.1(14) of the Act. For this reason it appears there may be grounds for revocation of the charitable status of the Organization under paragraph 168(1)(c) of the Act.

The Organization's Options:

a) Response

Should you choose to respond, please provide your written representations and any additional information regarding the findings outlined above **within 30 days** from the date of this letter. After considering the representations submitted by the Organization, the Director General of the Charities Directorate will decide on the appropriate course of action, which may include:

- no compliance action necessary;
- the issuance of an educational letter;
- resolving these issues through the implementation of a Compliance Agreement; or
- giving notice of its intention to revoke the registration of the Organization by issuing a Notice of Intention in the manner described in subsection 168(1) of the Act.

b) No Response

You may choose not to respond. In that case, the Director General of the Charities Directorate may give notice of its intention to revoke the registration of the Organization by issuing a Notice of Intention in the manner described in subsection 168(1) of the Act.

If you appoint a third party to represent you in this matter, please send us a written authorization naming the individual and explicitly authorizing that individual to discuss your file with us.

If you have any questions or require further information or clarification, please do not hesitate to contact the undersigned at the numbers indicated below. My team leader, Gary Huenemoeder, may also be reached at [REDACTED].

Yours sincerely,

[REDACTED]
Ann Pratt,
Audit Division
Kingston TSO

Telephone: [REDACTED]
Facsimile: 613-541-7161
Address: 102-1475 John Counter Blvd.
Kingston ON K7M 0E6



THE IRELAND FUND OF CANADA

NATIONAL OFFICE

RECEIVED
MAILROOM
Nº 3

T 416.367.8311

August 9, 2016

AOUT 10 2016

Ms. Ann Pratt
Auditor
Canada Revenue Agency
102-1475 John Counter Blvd
Kingston, ON
K7M 0E6

CANADA
REVENUE
AGENCY
KINGSTON

AGENCE
DU REVENU
DU CANADA

Subject: Registered Charity Audit of the Ireland Fund of Canada
BN : 124640889RR0001
File #: 0513788

Dear Ms. Pratt:

Thank you for your letter of May 13, 2016 regarding the non-compliance issues relating to the Ireland Fund of Canada.

The Ireland Fund of Canada has been operating as a registered charity in Canada since 1978. We are proud of the impact our support has had on organizations across Canada and throughout the island of Ireland and believe that there is more good work to be done by this Charity in the future.

We appreciate your candor and take the matters raised in your letter of May 13, 2016 very seriously. This matter has been discussed with the Executive Committee and the Board and we have unanimous support to make the procedural and operational changes necessary to ensure that we are compliant with the matters raised in your letter.

We regret that changes were not formally implemented following the agreement the Ireland Fund entered into with the CRA in 2007. Due to significant personnel changes amongst the board and staff the necessary changes to our granting policy were not fully institutionalized. The board had no intention or desire to do anything against the object and spirit of charity rules.

Following the first informal discussions with you at the conclusion of the CRA Audit fieldwork we immediately started to take actions on these matters. In the following pages we have set out the actions already taken and additional steps we plan to take to remedy this situation. It is our intent, through these actions, to institutionalize the necessary procedures and steps so that they are not dependent upon any one individual.

As you review the matters set out below, we hope you will see our commitment to improvement and we are very happy to discuss any of these matters further.

Issue #1

Failure to Devote Resources to Charitable Activities Carried on by the Organization Itself

a) Lack of direction and control over the use of the Organization's resources / Disbursement of funds to non-qualified donees.

Response

Our first step taken was on September 2, 2015 when the Board of the Ireland Fund of Canada, after careful review of your initial feedback, implemented a Grants Policy. In common with many small charities such process are frequently informal. However, to ensure clarity of expectations and required process, it was felt that it was appropriate to create a formal policy. This policy, Attachment A, is aligned with the guidance provided by the CRA in CG-002 - Canadian Registered Charities Carrying Out Activities Outside Canada and provides for:

- *The creation a written agreement with the intermediary, and implement its terms.*
- *a clear, complete, and detailed description of the activity to the intermediary.*
- *The Ireland Fund to monitor and supervise the activity.*
- *clear, complete, and detailed instructions to the intermediary on an ongoing basis.*
- *the intermediary to keep the charity's funds separate from its own, and to keep separate books and records.*
- *The Ireland Fund to make periodic transfers of resources, based on demonstrated performance.*

We have developed a template for the intermediary agreement as described by the Canada Revenue Agency CG-004, Issued June 20, 2011. This agreement has been completed for the following non-qualified donees for grants provided in 2015:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

We are in the process of finalizing agreements for:

- [REDACTED]
- [REDACTED]

Included as Attachment B is the template intermediary agreement and the grants progress report template.

We will continue to update and modify this agreement and would be very open to any recommendations you might provide to improving the template.

Secondly, a non-qualified donee must provide a grants report, attached, and an invoice following the completion of the project for which the grant was requested. This process has been formalized and is now tabled regularly with the Grants Committee of the Board, so that they can exercise the appropriate oversight.

We now appreciate that documentation of such matters is critical and we now formally require the Executive Director to maintain a file for each non-qualified donee which will include (a) the Intermediary Agreement (b) grants report(s) (c) invoices and (d) any other ongoing relevant correspondence.

In summary, we believe that (a) the creation of a policy (b) template intermediary agreement (c) standardization of grant reporting (d) enhanced oversight by the Grants Committee of the Board of Directors and (e) clarification of documentation expectations creates a suitable framework with which the Charity can exercise direction and control over the use of its resources to non-qualified donees.

b) Devotion of resources -non-charitable activities

Our audit revealed that the Organization purchased tickets totalling \$8,350 to other organizations' fundraising events and claimed these to be a charitable expenditure.

Response

Our Board of Directors believes that attending events and functions in support of the broader Irish Canadian community is important in raising the profile of the Ireland Fund of Canada among our natural donor base. While most of our Directors attend such events by paying directly for tickets, from time to time, we do ask our Executive Director and, at times, some volunteers to attend these events. Per CRA guidelines, charities are permitted to undertake other acceptable activities within certain limits such activities could include business, social and fundraising activities. While we may continue to do this on a limited basis we will ensure the costs are appropriate.

c) Devotion of resources - fundraising expenses

No charitable expenditures should have been classified on line 5000, Total expenditures on charitable activities, as the amounts reported were disbursements to non-qualified donees outside of Canada without the Organization's direction and control.

Response

We appreciate and concur with your observations that amounts paid to non-qualified donees should not have been classified as charitable activities when such expenditures are done without the organization's direction and control.

As noted above we have taken specific steps, commencing in 2015, to ensure that amounts disbursed to non-qualified donees are done so under the direction and control of the organization. Specifically, (a) creation of a Grants and Community Support Policy (b) the creation of an standard intermediary agreements to be used for all non-qualified donees, and (c) a new practice to properly designate as a non-charitable expense if we purchase tickets for events arranged by other organizations. All of these activities, we believe, will ensure the proper classification of expenditures resulting in a decrease of the overall fundraising ratio.

The Board has also recognized the need to diversify fund raising away from a single event with high execution costs. We are at an advanced stage of launching a fundraising strategy with the goal to raise \$100,000 per year of unrestricted funds. At the time of writing we have commitments of approximately \$25,000 per annum for a five year period and are seeking to get to \$35,000 per annum of commitments before a formal launch.

Taking the above matters into consideration we estimate that the fundraising ratio for the Ireland Fund of Canada for the year-ending 2016 will be approximately 45% - 55%. I am sure you will agree this is a significant improvement in this ratio from prior years. And while still higher than the recommended 35%, the Board of the Ireland Fund believes the charity to be a cause of limited appeal, being less popular with the general public as outlined by the Canada Revenue Agency CG-103 dated April 20, 2012:

"The CRA recognizes that charities that advance causes with limited appeal may encounter particular fundraising challenges. These charities could include, for example, those conducting research into the prevention and cure of a disease that is relatively unknown, or those with causes that are less popular with the general public, such as supporting the rehabilitation of violent offenders. The CRA may be prepared to accept some increased fundraising costs for

these charities, provided the charity can show that those costs are a direct result of the nature of the cause that it advances and are appropriately controlled."

Furthermore, our fundraising ratio appears larger due to the way in which we primarily raise funds. The St. Patrick's day lunch is shown as both revenue and costs on our T3010 and it would be much more appropriate to show this event on a net basis to truly understand our fundraising ratio. If we did this, then our fundraising ratio would be 18%. This primarily represents the cost of only one full time resource and less than 15% of that resources time is spent organizing the charities biggest annual fundraising event, the St. Patrick's Day lunch. Since we believe in the need for a full time resource to achieve our objectives, given the smaller scale of our organization and the challenges due to its limited appeal, we would submit that our fundraising ratio is acceptable following the CRA guidance reproduced above.

Issue #2

Issuing donation receipts not in accordance with the Act and/or its Regulations.

Response

Immediately upon your receiving your informal comments on this matter the Executive Director of The Ireland Fund undertook to modify its tax receipt template in April 2015. The template was modified to take into consideration the specific requirements set out by the Canada Revenue Agency. We are of the view that this modified template will ensure compliance with the Act and/or its Regulations. The modified template is included as Attachment C.

Issue #3

Failure to complete an accurate Registered Charity Information Return

The following issues were noted:

- The Organization reported \$82,058 on line 4500, Total eligible amount of all gifts for which the charity issued tax receipts, but only issued \$13,350 of tax receipts. Therefore \$13,350 should have been reported on line 4500.
- The Organization reported nil on line 4530, Total other gifts received for which a tax receipt was not issued by the charity, but actually received \$72,761 of gifts for which tax receipts were not issued. Therefore \$72,761 should have been reported on line 4530.
- The Organization reported \$610,593 on line 4630, Total non tax-receipted revenues from fundraising, but actually received \$614,843 of fundraising revenue that was not tax receipted. Therefore \$614,843 should have been reported on line 4630.

Response

We appreciate your insight into completion of the T3010 and have taken this into consideration in submitting charitable returns subsequent to the completion of the fieldwork of your audit in May 2015. As such we now believe we are in compliance with the requirements.

As was stated at the start of this letter we take the comments made by you during your audit and in the letter dated May 13, 2016 very seriously. We trust that you can see in our responses to these concerns our commitment to being compliant with the rules and regulations set out by CRA.

To summarize you have our commitment to undertaking the following:

- (a) Ensuring that the process outlined in our Ireland Fund of Canada Grants and Community Support Policy is followed and overseen by the Grants Committee of the Board;
- (b) Putting in place a written intermediary agreement for each and every grant to a non-qualified donee;
- (c) Ensuring that grant reporting is undertaken for each non-qualified donee;
- (d) Continuing to issue charitable receipts in line with the updated grant receipting template; and
- (e) Update our filing practices to correctly classify expenditures on the T30110.

Finally, the Board of the Ireland Fund of Canada have asked me to convey our apologies that the undertakings agreed to by the Board in 2007 to the CRA were not fully acted upon. The Board does note that subsequent to the agreement with the CRA, there was significant turnover among board members and specifically with the Chair and the Treasurer. As a result, the seriousness and importance of the undertakings was not fully appreciated by the new Board. To avoid a recurrence of this unfortunate outcome, the Board has asked the Nominating Committee to amend the procedures for recruiting new Directors to ensure that new Director nominees are provided with a copy of all relevant correspondence with the CRA and that the importance of our undertakings to the CRA is discussed with each candidate prior to their formal nomination to the Board

We look forward to your feedback on the steps that we have taken.

Yours truly,

Rodney Hill
Treasurer, The Ireland Fund of Canada

ATTACHMENT A

Ireland Fund of Canada Grants and Community Support Policy

Policy	Grant and Community Support
Draft:	July 2015
Board Review:	September 2, 2015
Formally Implementation:	September 2015
Review Cycle	Annual

Background

The Ireland Fund of Canada (Ireland Fund), part of the largest worldwide network of people of Irish ancestry and friends of Ireland, is dedicated to raising funds to support programs of peace and reconciliation, arts and culture, education and community development, in all of Ireland and in Canada.

For grants made to Canada our main emphasis has been on:

- Irish culture and heritage - We recognize the opportunity to share the unique gift of Irish culture. We are proud to support Irish theatre companies, Celtic festivals, the Artist in Residence program at the University of Toronto and many others.
- Education – We are proud of our academic partnerships including providing funding to Irish students to study in Canada and for Canadian students to study in Ireland. We are also committed to the preservation of the Irish language and provide funding to academic institutions providing courses in Irish language, culture and tradition.

For grants made to Ireland our main emphasis has been on:

- Integrated education - bringing together Protestant and Catholic children from both sides of the community to learn together. Assistance has built and improved school facilities, purchased much-needed equipment for classrooms and helped improve the quality and range of services available.
- Assisting Disadvantaged Youth - In both urban and rural Ireland, challenging environments and poverty are faced by many children. We assist organizations on the ground working with these at-risk children.
- Advancing Education Through Access and Excellence - We partner with the universities in Ireland to provide education for economically disadvantaged students who might not otherwise attend university. We also provide support for programs such as the National Institute for Intellectual Disability which offers the only full-time third level course in Ireland for adults with intellectual disabilities.

ATTACHMENT A

Ireland Fund of Canada Grants and Community Support Policy

Policy

This policy is being implemented to ensure the Ireland Fund's giving practices are transparent and in alignment with the requirements of the Canada Revenue Agency.

Any organization, in Canada or Ireland, requesting funding must complete an application form. This form should outline the specific need of the requesting organization, the associated timeline of the service delivery and the budget. The application must also indicate how the request fits with the mandate of the Ireland Fund.

All requests will be reviewed by the grants committee of the board of the Ireland Fund. Any requests for funding received from organizations in Ireland will also be reviewed by the Ireland Fund's grants officer in Ireland. This secondary review will highlight any specific concerns with the requesting organization.

Funding decisions will be based on the strength and comprehensiveness of the application.

The grants committee will make funding recommendations to the board of the Ireland Fund at the annual general meeting. The board will have final approval over all funding decisions.

Following review by the grants committee and the board, non-successful applicants will be notified. Successful applicants will be asked to complete an intermediary agreement. This agreement will include:

- exact legal names and physical addresses of all parties;
- a clear, complete, and detailed description of the activities to be carried out by the intermediary, and an explanation of how the activities further the charity's purposes;
- the location(s) where the activity will be carried on (for example - physical address, town or city);
- all time frames and deadlines;
- any provision for regular written financial and progress reports to prove the receipt and disbursement of funds, as well as the progress of the activity;
- a statement of the right to inspect the activity, and the related books and records, on reasonably short notice;
- provision for funding in instalments based on satisfactory performance, and for the withdrawing or withholding of funds or other resources if required (funding includes the transfers of all resources)
- provision for issuing ongoing instructions as required;
- provision for the charity's funds to be segregated from those of the intermediary, as well as for the intermediary to keep separate books and records;
- if any of the charity's funds or property are to be used in the acquisition, construction, or improvement of immovable property, the title of the property will vest in the name of the charity. If not, there will be provision showing how legal title to that property is held by a qualified donee;
- effective date and termination provisions;

ATTACHMENT A

Ireland Fund of Canada Grants and Community Support Policy

- signature of all parties, and the date.

Upon successful completion of the intermediary agreement the requesting organization must submit an invoice. The Ireland Fund reserves the right to provide the funding in installments based on satisfactory performance. The requesting organization, upon delivery of the service, must provide a report to the Ireland Fund on the implementation of the program and/or service.

Annual Grants Cycle:

April 30	Applications must be received
June/July	Grants committee reviews applications
August/September	Grants committee makes funding recommendation to the board
October/November	Organizations are notified, intermediary agreements are drafted and funding is provided
February	Organizations provide report on service delivery

ATTACHMENT A

Ireland Fund of Canada Grants and Community Support Policy

Appendix A - Ireland Fund of Canada – Grant Application Form

General Information

Name of Organization	
Address 1	
Address 2	
Country	
Website	
Name of Primary point of contact	
Phone Number	
Name of Secondary point of contact	
Phone Number	
Legal Status of Organization	
Charitable Registration Number or Company Registration Number	

Organization and Structure

Year organization established	
Number of employees	
Number of volunteers	
Number of Board Members/Trustees	

Describe your organization's purpose and activities in 50 words or less

--

Describe who benefits from your organization's work and how in 50 words or less

--

Is your organization affiliated with any other organization? yes no

If yes, please give details

--

Does your organization have a governing document? yes no

If yes, what type (e.g constitution, article of incorporation)

--

ATTACHMENT A

Ireland Fund of Canada Grants and Community Support Policy

Does your organization have audited accounts?	yes	no
---	-----	----

If no, how are your accounts recorded?
--

Please include a copy of your audited financial statements or your most recent annual financial report.

Grant Request

Please select the **Programme Area** that best describes the project for which you are seeking funding.

	Arts & Culture		Community Development
	Education		Peace and Reconciliation

Please select which of The Ireland Funds' funding priorities best describes your project:

	Promoting Culture and Heritage		Assisting the Elderly or Forgotten Irish
	Investing in Ireland's Communities		Providing Access to Education
	Assisting Disadvantaged Youth		Supporting a Shared Future for Northern Ireland
	Promoting Philanthropy in Ireland		

Describe the project or activity for which you are seeking funding (100 words)

--

Describe what activities will be supported and what specific items will be paid for by the grant in 50 words or less (e.g. classroom materials, equipment)

--

How will you know that the activity or project is successful (max 100 words)

--

Has the project already commenced?	yes	no
------------------------------------	-----	----

Enter the start date or proposed start date

Financial Overview

Breakdown of Cost of Project

Description	Cost
1.	
2.	
3.	

ATTACHMENT A

Ireland Fund of Canada Grants and Community Support Policy

4.	
5.	
6.	
Total cost of delivering the activity as described above	\$

Grant Amount Requested	\$
------------------------	----

Additional Information

Has your organization received funding from the Ireland Funds in the past?		yes		no
--	--	-----	--	----

If yes, enter the years that grants were received.	
--	--

Include any additional information you wish to give (max 50 words)

--

ATTACHMENT B

Template Intermediary Agreement

Intermediary Agreement

Name of Organization		
Address		
Detailed description of how funds will be used		
Description of how activities relate to the mandate of the IFOC		
Location where activity will be conducted		
Timeline for delivery of activity		
Value of Grant		

Agreements

	Initial
I agree to provide regular written financial and progress reports to prove the receipt and disbursement of funds, as well as the progress of the activity	
I agree that the Ireland Fund has the right to inspect the activity, and the related books and records, on reasonably short notice	
The Ireland Fund reserves the right to disburse the funds in instalments based on the above timeline and based on the successful completion of milestones.	
The funds provided by the Ireland Fund will be held in a separate fund and allocated for the specific use as set out above.	

ATTACHMENT B**Template Intermediary Agreement****Authorization**

Primary point of contact for grant	
Signature:	
Date:	
Ireland Fund of Canada Executive Director:	Jane Noonan
Signature:	
Date:	
Ireland Fund of Canada Grants Committee Chair:	Eithne Heffernan
Signature:	
Date:	
Ireland Fund of Canada Treasurer:	Rodney Hill
Signature:	
Date:	

ATTACHMENT B

Template Intermediary Agreement

Ireland Fund of Canada Grant Progress Report

Details of Organization

Name of Organization	
Address of Organization	
Name of Contact Person	
Contact Telephone No.	

Project Details

Name of Project	
Date Funding Received	
Project Description	
Briefly describe the project for which the grant was used.	

Progress

Is the project complete? (Yes/No)	
If not, is the project on schedule? (Please elaborate, explaining what the current project schedule is)	
If yes, please provide any additional information and or collateral that will help to prove the project completion	

Financial Management

Has the grant been used for the purpose allocated? (Yes/No)	
If no, please explain	

Next Steps

What are the next steps planned for the project, if it is not complete?

ATTACHMENT C

Charitable Receipt Template



THE IRELAND FUND OF CANADA

Dear :

Thank you for supporting the Ireland Fund of Canada. Your generosity is greatly appreciated.

[REDACTED] is a philanthropic network across 12 countries that has raised over \$480 million for worthy causes in Ireland and Irish causes around the world. It is the largest network of friends of Ireland dedicated to supporting programs of peace and reconciliation, arts and culture, education and community development. Founded in 1976, [REDACTED] have benefited over 3,000 organizations.

Below is an official tax receipt for income tax purposes.

Receipt #:

Period of Donation:

Date Receipt Issued:

Donated by:

Address:

Total Amount Received:

Advantage to Donor:

Eligible Gift of Amount:

Location Receipt Issued:

Authorized Signature:

Charitable Registration Number: 12464 0889 RR 0001.

For information on all registered charities in Canada under the Income Tax Act please visit:
Canada Revenue Agency www.cra.gc.ca/charities