



ELCIC Treasurers Update

February 2023

ELCIC National and Synodical Treasurers continue to meet regularly to help each other find solutions to common problems, be supportive of each other, and work together to help congregations.

Our most recent discussions have identified several items that will be of interest to congregations.

Bill C-32 and Changes to note for Charities

The federal government made changes in the fall of 2022 that impact some spending thresholds of charities and how Management and Administrative expenses relate to these calculations.

Disbursement Quota

The Disbursement Quota (DQ) is the minimum amount a registered charity is required to spend each year on its own charitable activities, or on gifts to qualified donees (for example, other registered charities). The DQ calculation is based on the value of a charity's property not used for charitable activities or administration.

Effective for tax years starting on or after January 1, 2023, the DQ has increased from 3.5% to 5% for the portion of property not used in charitable activities or administration that exceeds \$1M. This change is effective for tax years starting on or after January 1, 2023. For details on how the DQ is calculated, refer to [Disbursement Quota Calculation](#). Note that the DQ requirements will likely not impact your congregation unless you have a significant amount of cash, other investment assets, or property that isn't being used for charitable activities such as rental property, etc.

Management and Administration Expenditures

Bill C-32 clarifies that "expenditures on administration and management of the charity" are not deemed to be an amount spent on charitable activities or a gift to a qualified donee (basically, another charity). In other words, these costs don't count toward a charity's obligation to meet its DQ.

This change is effective for tax years beginning on or after January 1, 2023.

More information and details about all of the changes can be found here:
([Federal Bill C-32: What's Relevant for Charities? - CCCC News & Blogs](#))

Grants to Non-Qualified Donees

Charities are now able to make grants to non-qualified donees provided that strict guidelines are followed. Details on best practices and how to comply with the CRA are outlined here: [\(CRA Draft Guidance on Making Grants to Non-Qualified Donees - CCCC News & Blogs](#)

Health Insurance Premiums

As a part of the changes to the ELCIC health and dental plan in 2021, some employees may be paying a portion of the Manulife Health and Dental Plan premium. Please note that any employee-paid premiums are considered to be medical expenses and eligible for a tax deduction. Please be sure to include the amount of any employee-paid premiums in Box 85 of their T4 so the employee is able to easily claim this deduction when they file their 2022 income tax return.

Insurance Renewals

ELCIC congregations that have insurance through AON should have received their renewal package recently.

If you have insurance with AON and haven't received communication from them about your renewal, please contact elcic@aon.ca.