



THE
VERITAS
FOUNDATION

Federal Government Budget 2021 Proposes Increasing Disbursement Quotas for Charitable Foundations

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The 2021 Federal Government Budget has proposed increasing the annual disbursement quota for Canadian Charitable Foundations from its current 3.5% of assets to a higher percentage amount.

The disbursement quota is the minimum amount of a charity's holdings that must be spent each year on grants to other charities and internal activities. It is believed that the increased amount will generate additional charitable fund activity in the economy. This is much needed given the economic slowdown associated with the COVID global health pandemic.

If approved, the change to the disbursement quota will be effective in 2022. The exact amount of the change will be determined in consultation with charities. The budget suggests that a change to 5.0% would result in an additional C\$1- to 2-billion support annually.

This will be of particular importance to Account Holders in the Veritas Foundation Giving Fund. Accounts will be required to disburse annual charitable contributions from their accounts at the new minimum disbursement quota level. We will keep you informed of this change as it evolves. You can read more about the Budget proposal [HERE](#).