

The Honourable Ratna Omidvar
Senator – Ontario



L'honorable Ratna Omidvar
Sénatrice – Ontario

SENATE | SÉNAT
CANADA

April 6, 2020

The Honourable Ahmed Hussen, P.C., M.P.
Justice Building, Room: 706,
Ottawa, ON K1A 0A6

Dear Minister Hussen,

I want to commend the government for the tremendous job it is doing during this unprecedented time in the history of Canada. The speed with which the entire government is moving to deliver for Canadians is truly commendable.

The pandemic has put on full display the essential role that charities play in Canada as they battle this crisis on the front lines. Many Canadians are reaching out more and more to local and national charities as their lifeline to services, support, counselling and much more. It is essential that charities are not an afterthought to policy makers.

Imagine Canada has estimate that charities will see financial losses this year of between \$9.5 billion and \$15.7 billion and layoffs of between 118,000 and 194,000 people. The 75 per cent wage subsidy will help but the unique needs of the sector must be considered. The big issue for the sector centers on the requirement for a 30% decline in revenues due to COVID-19. If this is to remain, the manner of calculation and reporting needs to be customized for the sector as their revenue cycles are different from the private sector. Charities must be allowed to forecast revenue decline.

Further, there are three additional measures the government should pursue to support the charitable sector. First, for organizations that have existing funding agreements with federal departments and agencies, there should be automatic renewed funding and flexible conditions on how funds are used by the organization. Reporting requirements should be kept to the bare minimum necessary to protect the public interest. Any unspent funds from this year should be allowed to be carried over to the next. Whilst I appreciate that individual departments are exercising flexibility, a whole of government approach is needed. Treasury Board should issue a directive to this effect.

1/2

Second, there should be a temporary moratorium on the restrictions that limit charities and foundations to only providing funds to qualified donees. By temporarily lifting this restriction, it would allow charities and foundations to form partnerships with nonprofits, social enterprises, private businesses, and community organizations to ensure that important services are effectively delivered during this extraordinary crisis. The current requirements prevent charities from working with partners that are indispensable in reaching vulnerable populations. This is particularly relevant for indigenous populations.

Third, just as the government is developing emergency relief for the hospitality, airlines, retail and other industries, it must keep the specific needs of Canada's charities and not for profits. A stabilization fund, along with wage subsidies, will allow charities to keep their doors open and services provided.

I believe these actions would further support the sector and therefore provide the services and supports Canadians need now more than ever.

Thank you for your attention to these issues. Please do not hesitate to contact me should you need further information. Keep up the good work.

Yours sincerely,

A handwritten signature in black ink that reads "Ratna Omidvar". The signature is written in a cursive, flowing style.

The Honourable Ratna Omidvar, C.M., O.Ont.