

# Amplify

Guardian Endowment  
Services Magazine

EDITION 8 | APRIL 2023

## IN THIS ISSUE

A time for rejuvenation	2
A discussion on health care, higher education and philanthropy	3
The Blumbergs charity	7
Talent Engagement	9



**Anthony J. Messina, CPA, CA, CFA**  
Managing Director, Guardian Capital Advisors LP  
President, Guardian Partners Inc.  
Board Member: Villa Colombo Vaughan

# A time for rejuvenation

The arrival of spring brings with it welcomed feelings of rejuvenation and renewal. We hope you are looking forward to the warmer weather and getting a spring in your step along the way.

In this edition:

- **Rhonda L. Lenton, President and Vice-Chancellor of York University** and **Doug Farley, Senior Vice President and Portfolio Manager, Guardian Capital Advisors**, discuss higher education and philanthropy's role in addressing the current gaps in Canada's health care system.
- **Mark Blumberg** and **Maddy Sawyer from Bloomberg's Professional Corporation** highlight important changes to charity regulations, including a new anti-avoidance rule that will significantly impact many foundations.
- **Cherie Payne** and **Maria Turnbull** discuss how **Vantage Point** moved away from the traditional concept of volunteerism to "Knowledge Philanthropy" and how this shift can help transform non-profit organizations.

While we long for the sunnier days ahead, we recognize that charities have many things to consider between the changing regulatory environment and the continued economic uncertainty as they move their missions forward.

If you have any questions or would like to discuss your investment portfolio, please don't hesitate to reach out to us.

We hope you enjoy this edition of Amplify.



Anthony J. Messina



# A discussion on health care, higher education and philanthropy

with Rhonda L. Lenton, President and Vice-Chancellor of York University

Rhonda L. Lenton, President and Vice-Chancellor of York University sat down with Doug Farley, Senior Vice President and Portfolio Manager of Guardian Capital Advisors, for an in-depth discussion on higher education and philanthropy's role in addressing the current gaps in Canada's health care system.

Rhonda L. Lenton is the eighth President and Vice-Chancellor of York University (York). She joined York in 2002 as Dean of the Atkinson Faculty of Liberal and Professional Studies and went on to serve as Vice-Provost Academic and then Vice-President Academic & Provost.



**Rhonda L. Lenton**  
President and Vice-Chancellor  
York University



**Douglas G. Farley, CFA**  
Senior Vice President and  
Portfolio Manager  
Guardian Capital Advisors LP



A dedicated champion of community engagement and innovative partnerships, she has significantly expanded York's institutional collaborations with governments, businesses, community organizations and other post-secondary education partners.

Douglas (Doug) Farley is Senior Vice President and Portfolio Manager for Guardian Capital Advisors LP (GCALP). He is responsible for managing portfolios for non-profit organizations (foundations and endowments) and private clients. He is a Board Member of Michael Garron Hospital, SickKids Hospital Foundation and several private charity boards.

### **D Is there a relationship between the social determinants of health and education?**

**R** Over the last two decades, researchers from York and around the world have contributed to a large and compelling body of evidence that shows that the social determinants of health, or the conditions in which people are born, grow, live, work and age, account for as much as 30-50% of health outcomes.

Social determinants of health include:

- *Income and social protection*
- *Education*
- *Unemployment and job insecurity*
- *Working life conditions*
- *Food insecurity*
- *Housing, basic amenities and the environment*
- *Early childhood development*
- *Social inclusion and non-discrimination*
- *Structural conflict*
- *Access to affordable quality health services*

The catchment York University proposes to serve has a unique population including those at high risk for marginalization due to income instability, housing instability, material deprivation and a concentration of racialized peoples. This population also reports high rates of chronic conditions such as obesity, chronic obstructive pulmonary disease, hypertension, arthritis, asthma and mental health issues.

Communities with more advanced education, improved health literacy and access to good health services have been observed to receive more flu shots and have fewer avoidable hospital visits, readmissions and emergency

room visits, among many other positive health outcomes.

York University has a history of progressive education and community-based research across Nursing, Engineering, Kinesiology and Health Sciences, Clinical Psychology and Social Work and our world-leading program in Global Health, the study and practice of improving health and achieving health equity for all people worldwide. A York University School of Medicine would inject the critical teaching capacity needed into Canada's health care system and enable carefully selected students from our catchment area to become physicians that practice in their local community.

### **D Equity-deserving groups are underrepresented in health care careers. What can be done?**

**R** The next generation of primary care physicians must represent the patients and communities they serve. We have examined this issue very carefully; it is a driving imperative for any new school of medicine. Medical schools are trying to address diversity and inclusion through their outreach and recruitment efforts, bridging programs and bursaries. Leading schools are hiring diverse faculty and changing their curriculums to ensure they reflect the knowledge and perspective of voices historically marginalized in medical education for too long.

Given the accountability we have to the ambitions and needs of prospective medical students in our catchment area, we plan to address the gaps in the current system and work with our partners to:

- *Create a pre-health pathway program:*  
Approximately 25% of York University students are the first in their families to attend university. To enhance access to a School of Medicine, especially for students who may not have anticipated this career path, York University is exploring a competitive two-year pre-health pipeline program from which students will be able to apply directly to our School of Medicine (rather than the typical four-years required by most medical schools).
- *Accelerate competency assessment for internationally-trained medical graduates:*  
Currently, only 17 out of 102 universities in Canada host an accredited School of Medicine. Due to the competitive nature of admission, in 2020, 26% of all Canadian physicians were trained outside Canada. This form of 'brain drain' can diminish

the overall supply of Canada's medical talent. A York University School of Medicine would expand opportunities for prospective medical students to learn, graduate and practice close to home.

- ***Improve the pace of certification for internationally-trained professionals:*** Canada attracts globally-trained medical professionals to immigrate, but their ability to transition to certified Canadian physicians is prolonged and complicated by the limited capacity in medical schools and, particularly, residency spots. We propose unlocking more care facility spaces and speeding up the assessment process so skilled newcomers can obtain the credentials they need to restart their careers in Canada successfully.

## **D What is the role of philanthropy in addressing health inequities?**

**R** Health care in Canada means many things to different people. It's a symbol of Canadian identity, a foundational pillar of our country's economic strategy and, as we've seen throughout the pandemic, an essential service in peril.

Yet the quality of Canada's primary care ranks a shocking second to last among 11 peer countries according to the Commonwealth Fund, which assessed the quality of health care in areas such as access to care, cost, administrative efficiency and effectiveness, equity and positive health outcomes.

One profound impact that philanthropists can have in addressing health inequities is removing the social and economic barriers currently in the way for the next generation of medical school students. This means offering students from diverse backgrounds support from various programs, including scholarships.

This transformation alone will help make the modernization imperatives urgently needed across the health care system possible.

When we refer to modernization, we are guided by the Public Policy Forum's 'Future of Health Care' Project, which produced the [Taking Back Health Care Report](#)<sup>1</sup> released in January 2023 and recommended three imperatives:

- ***"A new definition of access to care that places a performance standard in the hands of people."*** For example, every Canadian should have the right to a relationship with a primary care team within 30 minutes of their home or work.
- ***"Improving health outcomes, not funding, must drive governance and accountability."*** This can be achieved through transparent and accountable data-sharing mandates from provincial and federal governments to ensure we meet health outcomes.
- ***"We can no longer ignore that health is wealth."*** We must demand our governments treat health and wellness as a foundational pillar of our economic strategy.



York University's proposal<sup>2</sup> for a new School of Medicine addresses these modernization imperatives by attracting medical students to an accelerated three-year medical program delivered across a distributed learning network of care sites connected by high-performing digital systems.

Together with the philanthropic community, York University wants to train and graduate physicians that have proven skills in collaboration with integrative health teams combining virtual care with a human touch and using new technologies, including data analytics and artificial intelligence, with clinical decision-making within a primary care setting.

From our perspective, we believe philanthropic support for the York School of Medicine could help address 88% of the projected need for family physicians and other primary care doctors in the generalist specialties in Ontario.<sup>3</sup>

### **D How do you measure quantitative impact in a way that is both understandable and satisfying to donors?**

**R** The philanthropists I work with look for three things:

1. *Is the proposed impact responding to an evidence-based need in a timely way?*
2. *Is the organization building upon strengths and clearly outlining short- and long-term quantitative and qualitative impact?*
3. *Is the organization leveraging partnerships and networks to ensure the investment will scale? Is it integrated with broader transformation efforts underway to effectively contribute to the momentum needed to see systemic change?*

York has established a coalition of partners, including York Region, the City of Vaughan and Mackenzie Health, and we have substantial support throughout the municipalities overlapping with our larger catchment of northern Toronto, York Region, Simcoe, Muskoka and adjacent rural areas.

We are also discussing opportunities for training experiences with Ontario Health Teams (OHTs). This potential partnership will:

- *Support our learning network;*
- *Catalyze the full implementation of OHTs to offer seamless and coordinated health care services; and,*
- *Increase the capacity for residencies and other learning opportunities in Ontario.*

We engaged Deloitte to develop an assessment of the socioeconomic impacts of our proposal. This work validated that the proposed York University School of Medicine offers an affordable plan with a high rate of return at the municipal, provincial and federal levels with respect to direct, indirect and induced economic contributions to GDP, tax bases and job creation.

Deloitte also substantiated the socioeconomic and dynamic benefits that ripple throughout the economy and community by:

- *Addressing the demand for health programs*
- *Addressing Canada's physician shortage*
- *Alleviating pressure on the health care system*
- *Attracting and retaining health care talent*
- *Driving enhanced long-term community health outcomes*
- *Supporting research, training, and technological innovation*

**D Thank you, President Lenton, for sharing your insightful perspective.**

If you would like to learn more about how you can help York University transform health and health care across our region, please contact President Rhonda Lenton:

**president@yorku.ca**

<sup>1</sup> Dr. Bob Bell, et al. "How to Accelerate People-Centred Reform Now." Taking Back Health Care, January 2023. <https://ppforum.ca/wp-content/uploads/2023/01/TakingBackHealthcare-Jan2023-PPF-EN-1.pdf>

<sup>2</sup> York University. "A Conceptual Proposal for the Future York University School of Medicine." York University School of Medicine, February 4, 2022. <https://www.yorku.ca/medicine/planning>

<sup>3</sup> *IBID*



# Foundation grantmaking faces risk and complications under new charity law regulations

By Mark Blumberg and Maddy Sawyer<sup>4</sup>

*2022 was a busy year for charity law regulations with new changes to the way charities can work with non-qualified donees (through the new qualifying disbursements) and to what gifts a charity can accept (the new “directed donations” rule) and how much certain charities must spend each year on charitable activities (changes to the disbursement quota). In light of the complexity of the changes, it may take years, and perhaps a few court cases, to have greater certainty as to the impact of these rules, particularly the qualifying disbursement and directed donations.*

For some charities, these new rules will have very little, if any, impact on how they operate. For others, these new rules, particularly with the directed donations, will create a layer of complexity and risk of non-compliance, which they will have to navigate to maintain their charitable status with the Canada Revenue Agency (CRA).

We briefly explain each of these new rules below. For a more complete understanding, we encourage you to read the legislation in the Income Tax Act and the CRA’s draft guidance on grants to non-qualified donees.

## Qualifying Disbursements

In the Government of Canada’s 2022 Budget, there was a proposal to allow a different approach if a Canadian

registered charity did not wish to use direction and control when making grants to non-qualified donees (which includes non-profits that are not charities and most foreign charities). They introduced the concept of a “qualifying disbursement.” This change was passed in June 2022 and is now part of the Income Tax Act. A registered charity now has a choice when dealing with a non-qualified donee of using a structured arrangement (with direction and control) or using the new qualifying disbursement rules to make a grant to a grantee organization.

A registered charity may make a qualifying disbursement (by cash or other charitable resources) to a non-qualified donee (“grantee organization”), provided that:

1. *The disbursement furthers a charitable purpose of the Charity;*
2. *The Charity ensures that the disbursement is exclusively applied by the grantee organization to charitable activities in furtherance of a charitable purpose of the Charity; and,*
3. *The Charity maintains documentation sufficient to demonstrate the above.*

This change will likely have minimal impact on many foundations as they may already have objectives that

only allow them to make gifts to registered charities or qualified donees. They therefore cannot use direction control or make a grant to a grantee organization anyway.

Some foundations with broad enough purposes have given funds to non-qualified donees under the direction and control rules for decades. Despite some of the criticisms of these rules, direction and control have allowed many billions of dollars per year to go from registered charities to non-qualified donees. Furthermore, requirements under the new qualifying disbursement rules are not all that different from those under the direction and control rules, meaning that these new rules only slightly expand a registered charity's ability to work with non-qualified donees. However, these new rules also increase the requirements for due diligence, evaluation of risk and the need to keep books and records.

## Directed Donations

The qualifying disbursement has been getting most of the attention from charities and charity law experts; however, what has been discussed much less and will have a more significant impact is a new anti-avoidance rule that the CRA refers to as "directed donations" that will make some of the traditional grantmaking more challenging or, even worse, impossible.

The directed donations concept provides that a registered charity's status can be revoked if the registered charity "accepts a gift the granting of which was expressly or implicitly conditional on the charity, association or organization making a gift to another person, club, society, association or organization other than a qualified donee" (our emphasis).

There have always been rules that prevented conduits, with CRA guidance specifically saying a charity cannot act as a conduit and defining a conduit as "a registered charity that receives donations from Canadians, issues tax-deductible receipts, and funnels money without direction or control to an organization to which a Canadian taxpayer could not make a gift and acquire tax relief." This new anti-avoidance rule appears to be more restrictive than the conduit rule as it focuses on the circumstances and conditions under which a charity accepts a gift (including gifts from other registered

charities and individual donors) instead of on how a charity works with non-qualified donees.

Some examples of historical fundraising and grantmaking practices that may now result in significant risk because of the direction donation concept include:

1. *A registered charity makes a grant application to a foundation and provides a project proposal. In that proposal, the grantee registered charity says that it will conduct the activities with its own employees but also provide funds to one or more local organizations that are non-qualified donees.*
2. *A Canadian funder with limited objects of making gifts to qualified donees provides funds to a registered charity with broader objects so that the registered charity can work with other groups that are not registered charities in Canada or abroad.*
3. *A registered charity fundraises for a disaster in a foreign country. On their website, they identify that a group will implement the project in a foreign country that is a non-qualified donee.*

In each scenario, was the donation or gift given to the charity "expressly or implicitly conditional on the charity" making a gift to another person who is not a qualified donee? If so, the charity issuing the receipt could be revoked. A charity receiving a gift from another charity of this sort can also be revoked.

Foundations and operating charities need to carefully review their fundraising and grantmaking practices to ensure compliance with the new directed donation rules.

## Disbursement Quota

In addition to the qualifying disbursement and directed donation provisions, the Federal 2022 budget also changed the disbursement quota (DQ) to increase the percentage from 3.5% to 5% on assets over \$1 million, but the details of that are beyond the scope of this article. For some foundations, this increased disbursement requirement will have no impact as they disburse far more annually than the DQ. For other foundations, it will require additional grantmaking that necessitates either simplifying their process or having additional capacity to increase the amount of grantmaking.

<sup>4</sup> Mark Blumberg and Maddy Sawyer are lawyers at Blumbergs Professional Corporation in Toronto, Canada. To find out more about legal services that Blumbergs provides to Canadian charities and non-profits as well as foreign charities, please visit [www.CanadianCharityLaw.ca](http://www.CanadianCharityLaw.ca), [www.SmartGiving.ca](http://www.SmartGiving.ca) or [www.CharityData.ca](http://www.CharityData.ca). You can contact Blumbergs at [https://www.CanadianCharityLaw.ca/contact\\_us](https://www.CanadianCharityLaw.ca/contact_us), by telephone at 416-361-1982 or Toll-Free: 1-866-961-1982 or by email at [charity@blumbergs.ca](mailto:charity@blumbergs.ca).

GCALP is providing this article with permission from Blumbergs Profession Corporation and is for information purposes only. It is not intended to be legal advice. You should not act or abstain from acting based upon such information without first consulting a legal professional.





# Talent engagement: The key to non-profit capacity building

By Cherie Payne and Maria Turnbull

*Vantage Point has a long history of engaging dedicated people in meaningful work. The 1943 establishment of the Central Volunteer Bureau of Vancouver (our original formation) was initially charged with mobilizing women for the war effort and providing essential volunteer services in Vancouver. For over 60 years, we existed as a volunteer center, then called Volunteer Vancouver, focused on celebrating volunteerism and connecting volunteers to Vancouver's growing non-profit sector.*

Around 2002, we noticed people becoming less interested in filling traditional volunteer roles and more interested in meaningful opportunities that engaged their knowledge and expertise. We began to seriously question the value and relevance of continuing our traditional role as a connector between volunteers and organizations.

In 2009, Vantage Point began to pivot to address this changing paradigm of volunteerism. We moved away from the word "volunteer" in favour of "talent" and "knowledge philanthropist," the latter coined by one of our own strategic volunteers. We realigned all our programs and services under a new direction — transforming non-profit organizations by convening, connecting and equipping leaders to lift organizational capacity.

The tagline of our book, [The Abundant Not-for-Profit](#)<sup>5</sup>, spoke to this refined journey: "how talent, not money,

can transform your organization.” Now, on our 80th anniversary, we remain committed to this mission with a “Knowledge Philanthropy” model at the heart of our work and purpose.

Vantage Point convenes experienced non-profit leaders to network, learn and share information and insights from their work. Our education and consulting team brings leaders into classroom environments to learn about non-profit governance and management, and we provide customized training and consulting support to help boards and management teams move through their challenges. We prioritize engaging our staff’s talents and recruiting expert Knowledge Philanthropists to help inform our work, lead our networks and facilitate training sessions with our clients.

Through this model, we have learned that non-profit organizations can achieve their goals and long-term sustainability simply by changing the way they view human resource engagement. Transforming how organizations engage people can ultimately lead to a greater impact on the communities and causes they serve.

Over the last six months, Vantage Point has interviewed, surveyed and met with over 1,100 organizations across British Columbia (BC) to learn more about their work conditions, state of resources, labour and staffing needs, access to grants and philanthropy and social enterprise opportunities.

Human resources emerged as a key theme from our stakeholder consultations. A few regions suggested that access to a shared talent pool of advisors for practice areas like law, human resources and accounting could provide clients to practitioners and cost-effective access to experts for which organizations may not need

full-time in-house staff. A mechanism like this could be funded by funders and include skilled volunteers offering pro bono advice.

We also heard that increased financial support for administrative costs is required if non-profits are to become more resilient. Funders have previously been wary of providing financial support specifically for administration costs within non-profits; however, our survey revealed that short-term program funding reduces the organizations’ capacity to retain wisdom, maintain systems, recruit strong staff and plan for the future.

In short, investing in core operations allows non-profits to build capacity and a strong talent pool, including permanent staff, external experts and skilled volunteers, allowing them to provide ongoing services to communities in need. Support for operational resources allows organizations to more easily respond to emergencies as they arise and to changing community needs. It also eliminates the waste caused by organizations pursuing grants for programs that are not core to their operations as a way of covering overhead costs.

This spring, Vantage Point will begin developing a formal network of non-profits in British Columbia (BC). Working in collaboration with stakeholders, we will start identifying opportunities to bring non-profits, regions and subsectors together to act on shared priorities similar to these.

Meanwhile, we will continue celebrating and advancing our enduring aspiration to engage skilled and talented people to strengthen and transform BC’s communities through an effective and impactful non-profit sector.

For more information on how Vantage Point convenes, connects and equips non-profit organizations in British Columbia, visit our website:

[www.thevantagepoint.ca](http://www.thevantagepoint.ca)

<sup>5</sup> Kelly, Colleen, and Lynda Gerty. The Abundant Not-for-Profit, 2013. <https://rb.gy/z70yi>.

GCALP is providing this article with permission from Vantage Point and is for information purposes only. It is not intended to be legal advice. You should not act or abstain from acting based upon such information without first consulting a legal professional.

## CONTACT US

For further information on Guardian Capital Advisors LP, please [click here](#)

### TORONTO

**Anthony Messina, CPA, CA, CFA**  
Managing Director,  
Private Wealth Management  
416-364-8054  
[amessina@guardiancapital.com](mailto:amessina@guardiancapital.com)

**Thierry Di Nallo, CFA**  
Vice President & Portfolio Manager  
416-947-4075  
[tdinallo@guardiancapital.com](mailto:tdinallo@guardiancapital.com)

**Doug Farley, CFA**  
Senior Vice President &  
Portfolio Manager  
416-350-3114  
[dfarley@guardiancapital.com](mailto:dfarley@guardiancapital.com)

**Matthew Baker, CFA**  
Vice President & Portfolio Manager  
416-947-4095  
[mbaker@guardiancapital.com](mailto:mbaker@guardiancapital.com)

**Erik Brandt, CFA, CIM**  
Client Portfolio Manager  
416-350-8190  
[ebrandt@guardiancapital.com](mailto:ebrandt@guardiancapital.com)

**Micha Choi, CFA, CFP**  
Client Portfolio Manager  
416-947-3710  
[mchoi@guardiancapital.com](mailto:mchoi@guardiancapital.com)

**Ala Ramahi, CFA**  
Client Portfolio Manager  
416-350-3143  
[aramahi@guardiancapital.com](mailto:aramahi@guardiancapital.com)

### CALGARY

**Steven Rowles, CFA**  
Client Portfolio Manager  
403-776-4478  
[srowles@guardiancapital.com](mailto:srowles@guardiancapital.com)

**Christie Rose, CFA**  
Vice President &  
Portfolio Manager  
403-296-3832  
[crose@guardiancapital.com](mailto:crose@guardiancapital.com)

**Sean Convey, CFA**  
Client Portfolio Manager  
403-296-3831  
[sconvey@guardiancapital.com](mailto:sconvey@guardiancapital.com)

### VANCOUVER

**Mark Bodnar, CFA**  
Client Portfolio Manager  
604-632-9596 x6022  
[mbodnar@guardiancapital.com](mailto:mbodnar@guardiancapital.com)

**Michael Frisby**  
Senior Vice President &  
Portfolio Manager  
604-632-9596 x6011  
[mfrisby@guardiancapital.com](mailto:mfrisby@guardiancapital.com)

**Michael Barkley, CFA**  
Senior Vice President &  
Portfolio Manager  
604-632-9596 x 6012  
[mbarkley@guardiancapital.com](mailto:mbarkley@guardiancapital.com)

**Andrew McLeod, CIM**  
Associate Client Portfolio Manager  
604-632-9596 x 6015  
[amcleod@guardiancapital.com](mailto:amcleod@guardiancapital.com)

This publication is for informational purposes only and does not constitute investment, financial, legal, accounting, tax advice or a recommendation to buy, sell or hold a security. It is not an advertisement and shall under no circumstances be considered an offer or solicitation to deal in any product or service mentioned herein. It is only intended for the audience to whom it has been distributed and may not be reproduced or redistributed without the consent of Guardian Capital Advisors LP. This information is not intended for distribution into any jurisdiction where such distribution, publication, availability or use is restricted by law or regulation. Certain information contained in this document has been obtained from external sources which Guardian believes to be reliable, however we cannot guarantee its accuracy.

Guardian Capital Advisor LP is an indirect wholly-owned subsidiary of Guardian Capital Group Limited (Guardian), a publicly traded firm listed on the Toronto Stock Exchange. All trademarks, registered and unregistered, are owned by Guardian Capital Group Limited and are used under license.