



MEMBER ADVISORY #1-2021

29 April 2021

To: PFC Members

From: Jean-Marc Mangin

RE: Update on the Disbursement Quota

In light of the 27 April [Globe and Mail article](#) regarding the federal government's proposed consultation for an increase to the Disbursement Quota (DQ), I want to bring our membership fully up to date on PFC's extensive preparations and response. I want to reassure our members that we recognize the significance of this matter, and it has been at the top of our policy and advocacy agenda since December 2020 when I responded to an [op-ed](#) on the DQ in my [President's Blog](#).

As you may recall from the [PFC Special Policy](#) edition of PFC's weekly Digest, in March the Board created a special members-led Working Group to address the matter of the DQ. This group was open to all interested members of the Board and its Public Policy Committee – and its composition reflects this:

- Chaired by Jean-Marc Chouinard (President of the Chagnon Foundation), the group includes Claude Pinard (Vice-Chair of PFC Board), Rachel Renaud (Roasters, PFC Board and chair of the Board's Membership Services Committee), Justin Wiebe (MasterCard Foundation) and Leanne Burton (MakeWay) and myself.
- The Working Group has already met four times and will continue to meet through to the June meeting of the Board. Our focus and approach are outlined below.

Drawing on PFC's [pre-budget submission](#) and [post-budget communique](#) as well as policy briefs to and notes from meetings of this Working Group, we are in the process of drafting a preliminary position that will ultimately be reviewed by the Board. We will engage all of our members in an investment survey during the month of May that will include DQ questions. Given the importance of the matter, we strongly encourage each member to complete this survey.

Some of you will recall that PFC circulated a rapid survey of select members (those with assets over \$200M) with a view to gathering more recent DQ data for 2018-20. This represented an effort to quickly gather more recent proxy data to complement an **Initial Study of Canadian Foundation Grants to Qualified Donees from 2010 to 2017** carried out for PFC by *Carleton University's School of Public Policy and Administration*. While the study is not yet released and cannot yet be officially cited, a key finding is that *private foundations annually disbursed on average 4.1% during that period, while public foundations' average was 10.3% (note PFC members contribute 0.1% and 0.8%, respectively, more in both categories).*

When we learned through our sources that the federal budget might include provisions to increase the DQ, we acted quickly: the WG came together for an emergency meeting to hammer our key points. These are distilled in a position paper – I would be happy to share a copy in confidence with those members who request one – to our government contacts in advance of the budget. We have reason to believe that our key recommendation – that the government first consult on the matter – had a hand in mitigating what would otherwise may have been an outright increase outlined in the budget. Hence, I warmly welcomed the consultation announcement in Budget 2021 and encourage you to read our [post-budget communiqué](#).

Given our focus on data-driven and evidence-based approach to policy, we have our work cut out for us to counter some of the misleading assumptions and much of the misinformation in social and mainstream media but also in the 2021 federal budget itself.

Going forward, our process will involve consultation with our members, first and foremost, as well as other stakeholders and partners such as Community Foundations Canada and Imagine Canada. In the coming weeks, our action plan involves convening special webinars and workshops with PFC members to prepare for the forthcoming Government consultation.

Finally, as part of our enhanced policy and advocacy ambitions outlined [in PFC new strategic framework](#), we have engaged a Special Advisor Désirée McGraw, a seasoned CEO in the charitable and non-profit sector with extensive experience in public policy and government relations. Since the new year, she has been working closely with me, our Policy Committee and our team.

As evidenced by the above points, PFC has been following the DQ matter closely, influencing where we can and preparing for further input and policy advocacy. Our members can expect opportunities for greater engagement and learning in the coming weeks. In the meantime, I would encourage members to follow the links in this advisory and to reach out to me with any questions, concerns or feedback.