

From the Editor

Tax reform is here and this issue addresses some of the effects that it will have on the charitable sector. Our regular feature "Recent Tax Developments" addresses the question of how tax reform would affect individual donors and Lee Stratton of Blake, Cassels & Graydon examines the impact of the proposed multi-stage sales tax.

Professional advisors must now base their advice on their own best judgment of the impact of tax reform because it is too early to tell what the final outcome will be. The United States experience with tax reform, however, suggests that many of the consequences for the charitable sector were not foreseen. In our next issue, Blake Bromley will bring his experience of the impact of tax reform on United States charities to an analysis of probable effects in Canada.

Also in this issue, Colin Graham provides another progress report on the proposed new accounting principles for non-profits and John Hodgson addresses the critical question of how to keep the charitable organization healthy after its successful entry into the charitable world.

For that successful entry, however, it is necessary that the organization be registered as a charity. This all-important first step is considered by Professor Ellen Zwiebel of the University of Ottawa in the context of a recent case, *Native Communications Society of B.C. v. M.N.R.*

The question of just what *is* a charity seems always with us. In a changing society, criteria that were established hundreds of years ago may no longer be appropriate or sufficient and the question becomes particular when other competing social policy issues are introduced. For example, there is a public good at stake in the efficient operation of schools and hospitals. However, if the means by which efficiency is achieved by non-profit organizations are operations in the profit-making sector, then charitable status may be questioned, if by no one else, then by the private sector. In the United States, the operation of for-profit enterprises by charities has led some to demand that charities lose their privileged status when they enter the profit-making field. This development may be perceived as a backward step.

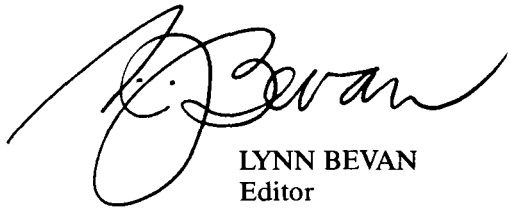
Even when competition is not an issue, there is increasing public pressure on charitable institutions to account for the way in which they operate. We shall address the twin issues: the appropriate role and accountability of charities, in future issues.

Other important management issues are addressed by Paul Verret of the Saint Paul Foundation who discusses grant-making policies and procedures and the need to ensure that grant making not be on an ad hoc basis.

The rapid change in work patterns has led many companies to recognize that employee training is no longer a cost, but a necessary investment. The most important kind of training is in generic skills that are readily transferable from

one job requirement to another in order to accommodate changing technologies and changing markets. Non-profit organizations which are considering taking the same approach will find ample justification for their training programs in an article by Michael Godkewitsch. He points out that staff and volunteers clearly represent a valuable asset to charities as well as business and making the most of that asset may include investing in their training and further education.

Finally, readers will be interested to learn that publication of *The Philanthropist* has been transferred from The Canadian Centre for Philanthropy to The Agora Foundation. A brief description of The Agora Foundation, which played an important role in the establishment of the Centre, appears below.



LYNN BEVAN
Editor

The Agora Foundation

With this issue, The Agora Foundation takes over responsibility for publishing *The Philanthropist* from The Canadian Centre for Philanthropy.

The Agora Foundation was incorporated on January 23, 1979. The Foundation is registered with Revenue Canada as a charitable organization which undertakes to “provide directly and indirectly, educational, research and administrative resources and facilities to encourage individuals to assume a responsible role in society”.

Over the years Agora has been involved in assisting groups and organizations to establish a number of charitable projects. One of these was the planning and organization of The Canadian Centre for Philanthropy during its development phase from October of 1979 through to its incorporation as a separate entity in August of 1981.

Agora’s support of *The Philanthropist* arises from its recognition of the need for a learned and authoritative journal devoted to philanthropy in Canada.