

WHO PAYS FOR SALARIES?

I am a donor to the SA Foundation, one that likes to remain anonymous ☺

I always try to watch certain details on the audited financial statements of the charities that I support. Among some of the details that I look for are social impact, social return on investment and percentages of administration, fundraising and remuneration and benefits paid out to those working in these charitable non-profit organizations.

I always thought that when I was giving a donation, I and the many others supporting such organizations were paying their staff. I very often wished that my hard cash money was used for programs only. Of course, I realized that this was not realistic but I wanted to make sure no one was abusing my contributions.

I live in the Province of British Columbia and donated to the SA Foundation \$ 1,000.00 in 2013.

Then, it suddenly occurred to me that I received a federal charitable tax credit of \$ 262.00 and a provincial charitable tax credit of \$ 127.72. My total tax credit for the year as per CRA Calculator (visit CRA website for calculator) was \$ 389.72 or a 39% tax credit against my \$ 1,000.00 donation.

This is when I realized that if charities' remuneration and benefits to their staff were under the % of tax refund offered by the federal and provincial governments then these staff are paid, not by us donors, but through the tax credits that Canada has implemented to provide the means for local communities to offer solutions to their social problems!

These tax refunds are paid out through taxes that each tax payer is contributing to, whether they are benefactors of charities or not. Consequently, all tax payers, including those who are working in the charitable non-profit sector contribute to the health of Canada as a whole.

Therefore, I am very satisfied when I see an organization, such as the SA Foundation, that actually pays out in remuneration and benefits that include salaries allocated to administration and fundraising, salaries paid out from sales revenue and salaries paid out directly to programs/projects, a total amount lesser than the % of tax refund donors are entitled to.

Now I know that all my net donations (the amount that I actually gave away in 2013 -\$ 610.28 (instead of choosing to keep this hard cash money of mine in my personal saving account) go directly to worthwhile programs/projects. It makes me happy to be a partner in giving to the cause I believe in, not only with fellow benefactors, but also with those who work so hard at the SA Foundation and who actually are remunerated far less than if they were working in the private sector as I do.

These workers who have made the decision to serve in this unselfish way are an example to my family and I and they should feel proud for doing a job we would never want to do ourselves.

Respectfully yours,

A Friend of the SA Foundation