What Counts Guide

PRISM
Corporate Leadership.
Community Impact.
Certified.

IMAGINE CANADA

Understanding & Calculating Community Investment Contributions for Imagine Canada Certification

2026
Company Guidance

Contents

About this Guidance

This guide is the practical companion to your Imagine Canada PRISM Certification. It explains what counts toward your community investment, how to calculate it, and what to submit each year.

Whether you're applying for the first time or completing your annual update, everything you need is here, and the Imagine Canada team is available when your situation doesn't fit neatly into the framework.

Since 1988, the Imagine Canada Certification has recognized outstanding leadership in community investment, acknowledging companies that contribute a minimum of 1% of their pre-tax profits to strengthen Canadian communities. A trusted bridge between the corporate and nonprofit sectors, Imagine Canada provides companies with a structured framework for giving, one that goes beyond pledges to deliver accountability, credibility, and lasting impact across Canadian communities.

The criteria in this guide are designed so that community investment is measured as consistently as possible, not just within your company year over year, but across every company in the PRISM network. That consistency is what makes the Trustmark meaningful and the benchmarking data valuable. Where possible, Imagine Canada's approach aligns with leading international frameworks for corporate community investment, so your reporting works within a broader field standard as well.

01

The Costs That Count

Companies in the PRISM network are already doing meaningful work in their communities. This section helps you capture that work accurately and consistently so your contribution is counted, comparable, and credible.

The total annual community investment reviewed as part of the Imagine Canada Certification is the aggregate domestic cost to the company in four areas:

01 Cash
02 In-kind contributions
03 Employee volunteerism during work hours
04 Management costs

To be included in the calculation, contributions must be calculated annually and must uphold the following principles:

- Contribution is a cost to your company
- Contribution is voluntary (i.e., not regulated or part of daily operational costs)
- Clear benefit either to the community at large or a community partner
- Benefit goes beyond your company's customers, clients, suppliers, or employees
- Supports a public benefit nonprofit or charitable organization

CASH CONTRIBUTIONS

Eligible community investment contributions include donations, grants, and community sponsorships (see guidance on sponsorship that follows). If your company has a corporate foundation, contributions from the company to the foundation can also be included in the total. However, any funds raised independently by the foundation—such as through external donors—or grants and donations issued by the foundation cannot be counted. This avoids any double counting of contributions.

GUIDANCE ON SPONSORSHIPS

Not all sponsorships are eligible to be counted as community investment. The key distinction lies in the intent and benefit to the business. If the primary intent is to support charitable programs and any brand exposure or promotional benefits are incidental, the contribution may count as community investment, even if some recognition is provided. See Guidance Note A for a side-by-side reference guide to determine if a contribution would be considered a commercial sponsorship, and therefore, ineligible to count as community investment.

IN-KIND CONTRIBUTIONS

The value of any in-kind contributions (valued at cost to your company) such as office space, technology or inventory can be counted within the contribution total. To ensure assessment at the same level as cash donations, in-kind contributions should be valued at what they cost to produce or procure, not the resale value on the open market. In-kind contributions include any pro-bono services provided by the company. See Guidance Note B for further guidance on pro-bono support. Discounts of products and services from a list price do not count towards total contributions.

EMPLOYEE VOLUNTEERISM

Employee volunteering that occurs during working hours (i.e., time paid for by the employer) can be included in the calculation. This is calculated by multiplying the total hours volunteered by the average hourly earnings including overtime for salaried employees in Canada, as provided by Statistics Canada and updated by Imagine Canada each year in January. As of January 2026, that figure is $48.23 per hour, which will be used for the calculation of contributions for the 2025 fiscal year.

Previously, Imagine Canada permitted companies to calculate an average wage based on the salaries of employees who participated in volunteer programs. However, adopting a standardized wage enhances the comparability of different programs. It also fosters volunteerism among employees from all salary levels. Furthermore, it acknowledges that much of company-supported volunteerism is initiated by employees themselves, meaning the company cannot control whether volunteers come from higher or lower salary bands.

MANAGEMENT EXPENSES

Eligible management expenses include salaries of community investment staff, travel, and costs related to promoting community programs, such as the development of an annual report or ESG report. Additional allowable expenses may include technology costs, professional fees, training and development, travel and accommodation, and measurement and evaluation. These costs must relate to the overall administration of the community investment program, rather than to a specific initiative or contribution. Staff costs should be calculated as full-time equivalents, e.g. if a staff member spends 25% of their time on community investment, only 25% of their salary should be included in the total. The Imagine Canada fee and costs of other associations can be included in your management expenses.

Additional Details

OTHER COSTS

Should your company incur any additional expenses not mentioned in this guide, or you have a question about the eligibility of particular community investment costs, please contact the Imagine Canada team at prism@imaginecanada.ca.

ELIGIBLE RECIPIENTS

With the exception of management costs, all contributions must be in support of eligible nonprofit organizations. This includes nonprofit organizations that are either: 1) a registered charity in Canada, 2) another organization designated as a qualified donee by the CRA (e.g., registered journalism organization, a First Nation, an amateur athletic association), or 3) a public benefit nonprofit organization.

Contributions to nonprofit organizations without charitable status (and which are not otherwise designated as qualified donees) cannot be included unless it is a public benefit nonprofit organization, as defined below.

Public benefit organizations are nonprofits that receive funding outside of fees for membership, products, and services, and are financed outside of people who are members, directors, officers, or employees. They are organized for the benefit of the public good, not for the benefit of their members. In Canada, nonprofit organizations are not required to serve the public benefit. Most nonprofit organizations without charitable status are organized for the benefit of their members, and donations to these do not count towards community investment. This includes but is not limited to professional bodies, trade associations, sporting and social clubs, professional sports labor unions, and political parties.

STAKEHOLDER CONTRIBUTIONS

Many PRISM companies amplify their impact by involving employees, customers, and other stakeholders in their giving through activities like payroll giving programs, customer campaigns, franchisee contributions, and matched investment. This is how corporate engagement grows into something larger than itself, and it's one of the ways PRISM companies are helping to build a stronger culture of generosity across Canada.

Stakeholder contributions are tracked separately from a company's own community investment total at this time. We encourage companies to continue these programs and to report them externally. We recognize their value and are actively exploring how to capture them more formally in future.

COMPANIES WITH NET LOSSES OVER MULTIPLE YEARS

Companies that are Certified and continue to invest in the community, despite net losses over multiple years, can calculate their community investment percentage using total revenue as a proxy for pre-tax profit, at a 1:10 ratio. In order to use total revenues as a proxy for pre-tax profits a company must not have a positive pre-tax profit figure, using the average of the three most recent consecutive fiscal years. For example, if your company had an average annual total revenue of \$100 million over the past three years, and pre-tax earnings of -\$5 million during that time, you can use \$10 million as the proxy for pre-tax profit when calculating your community investment percentage.

02

Completing the Imagine Canada Data Submission

In completing your online application to Imagine Canada—and each year thereafter—your company will be asked to provide summary information related to pre-tax profits, cash and in-kind contributions, volunteerism, and management costs, as well as general supporting documents.

A company is not required to report costs in a specific community investment category if it is not relevant or if the necessary data and verification are not available. However, we encourage companies seeking benchmarking data to provide as complete a submission as possible.

EXTERNAL AUDITS

If you have had your community investment audited by LBG Canada or another agency during the fiscal year in question, you can input your provided data into Imagine Canada's community investment data collection platform. Alternatively, you can contact our team at prism@imaginecanada.ca with the summary reports, and our staff will input it for you— please ensure that you include the full details on pre-tax profit and revenue numbers as well as community investment amounts.

ASSESSMENT OF MATERIAL COSTS

When you report your total community investment in each category (such as in-kind donations, management costs, etc.), you will be asked to provide additional details. This step is designed to reduce common errors and ensure consistency across all submissions. If any category exceeds a set threshold compared to your total contributions, or if your submission deviates significantly from typical company profiles, it will trigger a further review. Refer to Table 1 below for specific thresholds and criteria. There are three types of submissions depending on your company's certification status:

- **New Company Applications:** Required for companies applying for Imagine Canada Certification for the first time or those who have been out of the program for more than three years.
- **Annual Information Submission:** A simplified update that all certified companies must complete annually to confirm eligibility.
- **Periodic Reassessment:** Every few years, companies will be asked to submit a full certification application again as part of a comprehensive review.

TABLE 1:

Additional Evidence Required by Cost Category & Submission Type

Community Investment Cost Category	Annual Information Submission	New Company Applications
Cash contributions	List three (3) significant gifts included in your cash contributions, with the name of the nonprofit recipients and contribution amount to each. These can either be your three largest gifts, or gifts over $50,000. If the gift is multi-year, include only the cash given in the fiscal year. An agreement confirmation (e.g., donation receipt) is required for one (1) of these contributions.	List all gifts included in your cash contributions, excluding transfers to your corporate foundation and matching gifts (where applicable), with the name of the nonprofit recipients and contribution amount to each. If the gift is multi-year, include only the cash given in the fiscal year. An agreement confirmation (e.g., email exchange or donation receipt) is required for three (3) of these contributions.
In-kind contributions	**If in-kind contributions exceed 50% of the total community investment amount:** List all categories of goods and services donated and the total value of each, with notes on valuation for each category. A reference letter from one (1) nonprofit recipient verifying the receipt and nature of the gift(s) is required.	List all categories of goods and services donated and the total value of each, with notes on valuation for each category. A reference letter from one (1) nonprofit recipient verifying the receipt and nature of the gift(s) is required.

Community Investment Cost Category	Annual Information Submission	New Company Applications
Management costs	**If management costs exceed 50% of the total community investment amount:** Share the receipts or agreements for the two (2) largest costs (excluding staff salaries). An up-to-date job description for a member of the community investment team.	A breakdown of the costs across categories (e.g., professional fees), receipts or agreements for the two (2) largest costs (outside of staff salaries), and an up-to-date job description for a member of the community investment team whose position is included in the total (if applicable).
Paid volunteerism	**If employee volunteerism exceeds 50% of total community investment amount:** The names of organizations receiving volunteer hours, along with total hours contributed to each are required. Provide a copy of the paid volunteerism policy that has been shared with staff in a company manual or other internal communication (e.g., newsletter).	A copy of a paid volunteerism policy shared with staff in a company manual or other internal communication (e.g., newsletter). The names of organizations receiving volunteer hours, along with total hours contributed to each are required.

COMPANY EXCEPTIONS

We aim to apply the framework consistently while also accommodating reasonable variations in how companies operate.

DEADLINE FOR ANNUAL INFORMATION SUBMISSION

To remain in good standing each calendar year, companies must **complete their submissions by October 1.** Please note that your company's benchmarking report will only be available once Imagine Canada has received your complete submission.

If your company anticipates challenges meeting this deadline, you may contact Imagine Canada to request a delay or discuss possible data exemptions.

COMPANY EXCEPTIONS

We recognize that every company structures and tracks its community investment activities differently, and that unique situations may arise where a company's approach may not align directly with the standard guidance. If your organization has a community investment approach, contribution type, or data limitation that may not fit within our typical framework, we encourage you to reach out. Our team is happy to talk through your situation and help determine an appropriate approach to classification or data submission. We aim to apply the framework consistently while also accommodating reasonable variations in how companies operate.

INFORMATION SHARING

In addition to verifying your Certification eligibility, the information you submit may be aggregated to better understand the broader trends in Canadian community investment, including through annual Benchmarking Reports provided to the PRISM Network. No specific information will be attributed to any particular company. Information related to your business will be accessible only to Imagine Canada staff members and will be kept strictly confidential, ensuring the privacy and security of your data.

CHANGES TO GUIDANCE

As the practice of community investment continues to evolve, Imagine Canada reserves the right to revise this guidance in consultation with our program participants, Board of Directors, and other stakeholders. Imagine Canada updates this Certification Guide on an annual basis—we recommend that you reference the most recent version.

AFTER YOU SUBMIT

Once Imagine Canada receives your complete submission, our team reviews it against the eligibility criteria in this guide. If we have questions or need supporting documentation, we'll be in touch directly. Most submissions are straightforward and require no follow–up.

Companies applying for the first time that meet the 1% threshold will receive confirmation of their certified status and access to the Imagine Canada Trustmark for use in communications, annual reports, and public–facing materials. Guidance on how to use the Trustmark, including approved language and logo files, is available from the PRISM team.

Your benchmarking report, which shows how your community investment compares against other PRISM companies with comparable data, will be available once a threshold of submissions for the year have been processed.

03

Guidance Notes

GUIDANCE NOTE A:

Factors to Determine Sponsorship Eligibility

Donations and sponsorships exist along a continuum: very few contributions are purely philanthropic with zero recognition, and equally, few sponsorships given to nonprofits are purely transactional with only advertising value. Many fall somewhere in between and most commonly are donations that includesome degree of public acknowledgment or brand visibility as part of standard nonprofit stewardship practices. To determine if a partnership is a commercial sponsorship, review the factors below. If most land in the "Commercial Sponsorship" column, the contribution is ineligible to be included in the community investment total. Reach out to the PRISM Network team if you have any questions.

TABLE 2:

Sponsorship Indicators

Indicator	Commercial Sponsorship	Philanthropic Donation
Primary Purpose	Brand exposure, advertising or lead-generation is the main objective	Supporting the charity's mission or programs is the main objective
Value of Benefits	Benefits (tickets, signage, hospitality, media, etc) are not proportionate to public benefit • i.e. fair market value of greater than 50% of payment	Benefits are minimal/incidental (e.g. less than 20% of payment)
Sponsor Activation	Sponsor plans to spend greater than 50% of total on its own marketing activation of the relationship	Little or no additional marketing spend by sponsor
Tax Treatment	GST/HST charged and/or no donation receipt issued	No GST/HST and sponsor receives a charitable donation receipt
Acknowledgment	Acknowledgement is highly visible to the general public (i.e., individuals outside of the organizations' members, volunteers, and service users)	The acknowledgement resembles standard stewardship (thank-you calls, impact reports, volunteering opportunities, acknowledgement in donor listings, etc.)
Exclusivity	Sole or category-exclusive signage, venue naming or on-site activation zones	No exclusive marketing rights
Term & Commitment	Multi-year signage, venue naming agreements, or ongoing ad rotations	No ongoing signage or advertising terms

Indicator	Commercial Sponsorship	Philanthropic Donation
Measurable ROI Metrics	Advertising deliverables specified beyond typical donor recognition (e.g., impressions, click-throughs, lead targets, hospitality quotas)	Impact reporting on charitable program activities or outcomes
Charitable Purpose Requirement	No stipulation on how funds are used for charitable programs or objectives	Funds must support specific programs or charitable objectives

GUIDANCE NOTE B:

Pro-bono Support Guidance

Pro-bono support can be included within in-kind contributions. This refers to professional services provided by employees, where their time and expertise are given to nonprofit organizations who otherwise would not be able to access those skills. These services must be within the employer's area of professional expertise and be provided to the same standard as paying clients.

The following types of support would not be considered pro-bono:

- General volunteering or unskilled activities (e.g., packing hampers, tree planting, event staffing)
- Services provided outside of company standards, systems, or frameworks
- Services not related to the employee's professional role or skillset
- Services offered to individuals (rather than registered charities or public benefit nonprofit organizations)
- Activities with a primary commercial or business development intent

Only services that are both professionally specialized and demonstrably beneficial to a community organization, without expectation of commercial return, are classified as pro-bono.

GUIDANCE NOTE C:

Approaches to Calculating Pre-Tax Profit

The 1% threshold is calculated against pre-tax profit as it is a consistent, verifiable measure of what a company earned from its operations (before tax obligations that vary across provinces, jurisdictions, and corporate structures). It reflects business performance in a way that holds up year to year and across the network of participating companies.

Pre-tax profit also has a practical advantage for most companies: it appears as a standard line on every audited income statement and requires no additional calculation (often labelled "Income before income taxes" or "Earnings before income taxes"). This helps with reporting for a program manager compiling data for the Imagine Canada submission.

However, Imagine Canada recognizes that corporate structures, financial reporting, and business models are genuinely diverse. A single rigid formula would exclude companies with legitimate reasons to calculate differently, and that would work against the program's goal of broad and sustained participation. The approaches below are designed to accommodate variation while maintaining the integrity of the commitment.

EBITDA, GROSS PROFIT, AND REVENUE: WHEN MIGHT THEY APPLY?

These metrics are not the default calculation, as they measure different things.

- **EBITDA** adds back depreciation, amortization, and interest, making it typically higher than pre-tax profit. One percent of EBITDA generally means more in donations, a more demanding commitment for companies. For that reason, it's not automatically disqualifying. It may be used when a company's pre-tax profit is structurally and persistently depressed by non-cash accounting (e.g., heavy amortization carried from a past acquisition) such that pre-tax profit significantly understates sustainable earnings. In these cases, using EBITDA would typically require the company to give more, which is consistent with the spirit of the program.
- **Gross profit and operating income** don't capture the full financial results of running a business and vary significantly by sector, making cross-company comparison unreliable. These are generally not accepted as a calculation base.
- **Total revenue** is accepted as a proxy only for certified companies sustaining a giving commitment through a significant period of net losses (see Part 1 and the Revenue-Based Proxy row below). Outside that specific situation, revenue is not a substitute for a profit-based calculation. For early-stage companies or social enterprises where no standard profit metric cleanly applies, the PRISM team is open to discussing an appropriate approach on a case-by-case basis.
- **Net income** (after tax) varies based on loss carryforwards, tax planning, and jurisdiction, and is less comparable as a shared standard.

Pre-tax profit also has a practical advantage for most companies

EARNINGS CALCULATION PRINCIPLES

While these aren't prerequisites, these are the considerations Imagine Canada weighs when reviewing any submission. Companies should keep these principles in mind when making their own calculation decisions.

- **Comparability.** The 1% threshold means something because it's held to a common standard across the network. Where possible, use an approach that makes your contribution comparable to other PRISM companies.
- **Commitment**. The calculation should honestly reflect your company's capacity to give. Imagine Canada looks at whether the approach chosen represents a genuine long-term commitment, not one that shifts year to year based on what produces a more favourable number.
- **Consistency**. Applying the same approach year over year matters more than which approach you use. If you change methodology, let Imagine Canada know and explain why. One-off adjustments that happen to lower the base in a difficult year will be reviewed carefully.
- **Transparency**. Use audited or reviewed figures where available.
- **Scope.** Where a global parent files consolidated statements, the goal is to reflect Canadian earnings against Canadian community investment. Use a Canadian entity or segment figure where one exists.

GUIDANCE NOTE D:

Valuing Donations of Space

When a company allows nonprofit organizations or community groups to use company-owned space, such as a boardroom, meeting room, event space, or lobby, this can be counted as an in-kind contribution under the company's total community investment. This guidance note explains how to determine an appropriate value for these donations.

As noted in Part 1, in-kind contributions are explicitly recognized as an eligible contribution type and include office space made available to nonprofits. The key principle is that contributions should be valued at cost to the company: the genuine economic cost of providing that benefit, not the premium market value.

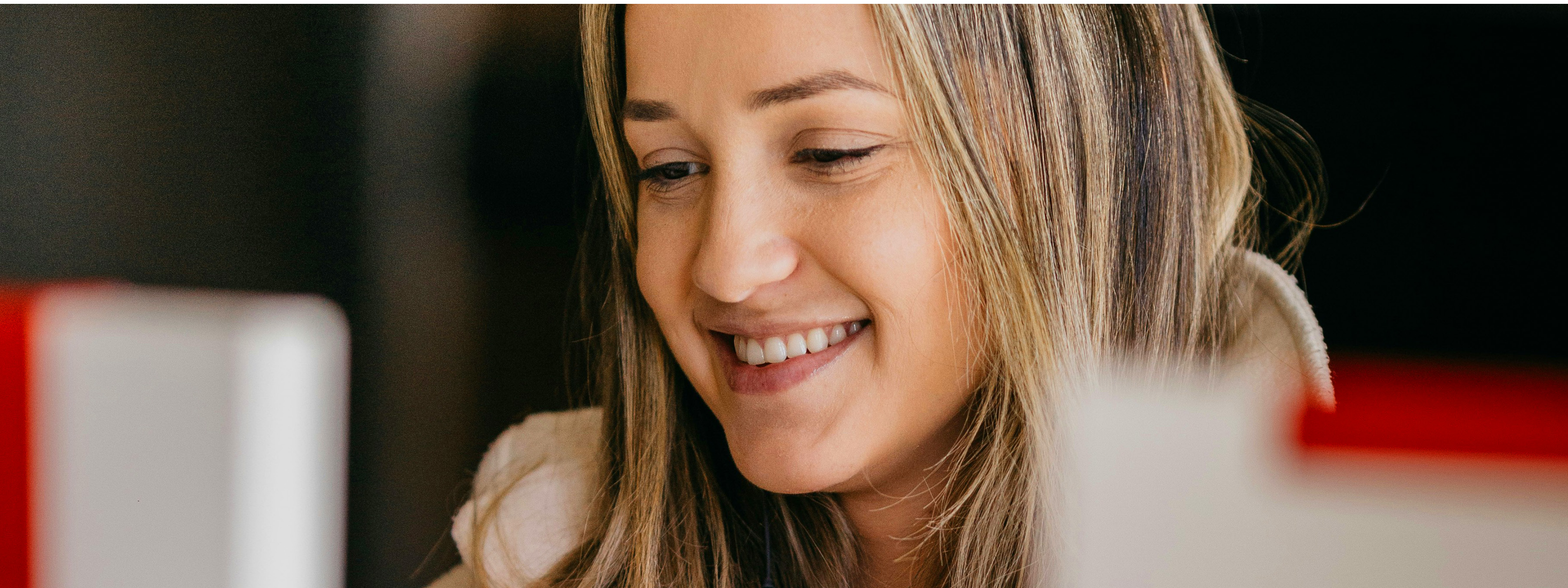

TABLE 3:

Space Donation Valuation Methods

Situation	Valuation Basis	Method
Space is regularly rented to external parties	Actual rental rate can be used as long as it is provided to the same standard as paying clients	Apply the company's standard rental rate for the equivalent space and time period.
Space is not regularly rented	Community-comparable market rate	Look up rates for comparable spaces from community-oriented providers in your local market: public libraries, community centres, co-working spaces, nonprofit hubs. Apply the per-hour or per-day rate to actual usage time.
Space is not regularly rented (alternative approach)	Allocated overhead cost	Divide total annual occupancy costs for the space (rent/mortgage share, utilities, cleaning) by available hours per year to derive a cost-per-hour rate. Multiply by actual hours donated.

WHAT COUNTS AS A COMMUNITY-COMPARABLE RATE?

Use what a nonprofit would realistically pay, not hotel or corporate conference centre pricing. Reference public libraries, community centres, co-working spaces, and nonprofit hubs. Premium venues are not appropriate benchmarks.

Questions about the PRISM Certification?
Contact us at **prism@imaginecanada.ca**

PRISM
Corporate Leadership.
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