

Microsoft Nonprofit Licensing in Canada

Eligibility Guide for Canadian Organisations

Microsoft's nonprofit program offers meaningful savings on Microsoft 365, Azure, and Dynamics 365. For Canadian organisations, eligibility criteria are frequently misunderstood, and some currently enrolled organisations may be at risk. This guide clarifies who qualifies, who does not, and what the process requires — including where validation gaps exist.

Overview

Microsoft's nonprofit program provides eligible organisations with grants and discounts on Microsoft 365, Azure, and Dynamics 365. For Canadian organisations, eligibility is governed by a single global standard — there is no separate Canadian eligibility page, and the criteria are frequently misunderstood.

The core test: your organisation must hold **recognised legal status equivalent to US 501(c)(3) status**. In Canada, this means an **active CRA registered charity number**. Being incorporated as a not-for-profit organisation (NPO) under ONCA, CNCA, or a provincial equivalent is not sufficient on its own. Many organisations that believe they qualify do not.

Three Eligibility Requirements

Organisation Type: Must be a registered nonprofit/NGO, public library, or public museum. Healthcare carve-outs on the eligibility page apply only to US federal designations (CAH, REH, FQHC, RHC, SNF, LTC) — they do not apply to Canadian healthcare organisations.

Mission: Must operate on a not-for-profit basis with a community benefit mission: relief of poverty, advancing education, improving social welfare, preserving culture or environment, promoting human rights, or establishment of civil society.

Terms of Use: Licences are for the organisation's own employees and volunteers only. They cannot be shared with affiliates, partner organisations, or related entities. Organisations with centrally managed IT are limited to one grant account.

■ **Grant Update (July 1, 2025):** Free grants for Microsoft 365 Business Premium and Office 365 E1 have been discontinued. Eligible nonprofits now receive up to 300 free Microsoft 365 Business Basic licences, plus discounts of up to 75% on paid plans including Business Premium. Looking ahead — July 1, 2026: Microsoft has announced that nonprofit pricing will increase on July 1, 2026, aligned with global commercial pricing changes. Organisations on discounted nonprofit plans should factor this into budget planning ahead of renewal.

Who Qualifies in Canada

The following organisation types meet Microsoft's eligibility criteria for Canadian applicants. In all cases, confirm active status — eligibility can be revoked if an organisation's circumstances change or if their CRA registration lapses.

Organisation Type	CRA Basis	Microsoft Eligibility
CRA Registered Charity (charitable organisation, public foundation, private foundation)	Active CRA charity registration number (T3010 filer)	✓ Eligible Direct equivalent to 501(c)(3)
Public Library (government-run or independent)	Legal library status; no charity number required	✓ Eligible Explicit carve-out in MS policy
Public Museum (open to public; conserving tangible objects)	Registered charity or public institution	✓ Eligible Must be open to the public

Verifying CRA Charity Status

Before applying, confirm the organisation holds an active CRA registered charity number. Search the CRA's public charity registry at apps.cra-arc.gc.ca/ebci/hacc/srch/pub/dsplyBscSrch. The CRA registry is **Gate 1**. If the organisation appears with an **active** registration, it passes the legal structure test. If it does not appear, or the registration shows as revoked or lapsed, it does not qualify — regardless of how it is incorporated or how it describes itself. Passing Gate 1 does not mean the organisation qualifies. It still needs to clear **Gate 2: Microsoft's categorical exclusions** for healthcare organisations, governmental entities, and educational institutions. A hospital foundation illustrates why: it will appear on the CRA registry as a registered charity, but its purpose is to support a hospital — the healthcare exclusion follows the entity. CRA charitable status is a necessary condition, not a sufficient one.

Ontario Sector Examples

The following organisation types are among the most consistently eligible in Ontario. Eligibility is confirmed at the individual organisation level — always verify the specific CRA registration at the registry before applying.

- **Community Living Ontario (CLO) affiliates** — local agencies supporting adults with intellectual disabilities. Each CLO affiliate is independently incorporated as a CRA registered charity. If your organisation is affiliated with Community Living Ontario and holds an active CRA charity number, it will generally qualify.
- **CMHA branches** — each Canadian Mental Health Association branch in Ontario operates as its own independently incorporated CRA registered charity, separate from the Ontario Division and national CMHA office. Branch-level eligibility is typically straightforward once CRA charity registration is confirmed.
- **Indigenous Friendship Centres (OFIFC members)** — Ontario's 31 OFIFC member centres are incorporated as charity corporations. The OFIFC describes its members as "not-for-profit and charity corporations." Each centre holds its own CRA registration and is part of Canada's largest urban Indigenous service delivery network (NAFC, 100+ centres nationally).
- Food banks, hospices, and shelters registered as CRA charitable organisations
- Municipal public library systems — qualify even without CRA charity status (explicit Microsoft carve-out)

- Public art galleries and natural history museums open to the public

Who Does Not Qualify in Canada

The following organisation types are ineligible under Microsoft's global policy, confirmed against the live eligibility page (microsoft.com/en-us/nonprofits/eligibility) as of March 2026.

Organisation Type	Why Ineligible	Canadian Examples
Hospitals & Hospital Foundations	Healthcare exclusion applies. US-clinic carve-outs (CAH, FQHC, RHC, SNF, LTC) do not apply to Canadian healthcare orgs. Hospital foundations are separately incorporated CRA charities but the exclusion follows the entity.	Thunder Bay Regional HSC, Sioux Lookout Meno Ya Win, all Canadian hospitals and their affiliated foundations
Family Health Teams (FHTs)	Healthcare exclusion + no CRA charity status + Ministry of Health accountability framework	Any FHT in Ontario; including FHTs that may currently appear enrolled
Ontario Health Teams (OHTs)	Government-funded; no CRA charity status; healthcare exclusion; provincial funding acknowledgement required in all communications	NW OHT and all OHT NFP corporations in Ontario
Municipal / Provincial Government & Crown Agencies	Governmental organisations explicitly excluded	Cities, townships, public health units, local health integration networks
Schools, Colleges & Universities	Explicit exclusion; academic licensing channel applies	Lakehead University, Confederation College, all school boards
NPOs Without CRA Charity Registration	No recognised legal status equivalent to 501(c)(3); incorporation alone is insufficient	Sports associations, recreation clubs, professional associations

Note on member organisations:

Individual organisations within an OHT or FHT may retain their own eligibility if they independently hold CRA registered charity status — for example, a community mental health charity that participates in an OHT. The disqualifier applies to the OHT or FHT entity itself, not to every participant in the broader care network.

The Registration Rule

■ From the Microsoft eligibility page: "The person completing the nonprofit registration must be an employee or strategic volunteer of the nonprofit. If you are a third-party IT provider or other entity working for a nonprofit, you may not complete registration on its behalf."

This is a hard rule and a common source of compliance problems. An MSP or IT provider completing registration on behalf of a client — even for a legitimately eligible organisation — violates Microsoft's terms. Detection by Microsoft or Goodstack can result in revocation of nonprofit status.

What Partners Can and Cannot Do

Permitted: Assess eligibility before the application is started; guide the client's team through the registration process; provision and manage licences through the Microsoft CSP channel once eligibility is confirmed; monitor attestation renewal cycles.

Not Permitted: Submit or complete the eligibility registration on behalf of a client; register using the IT provider's account or contact details for the client's organisation. The registration must be completed by an employee or board-level volunteer of the organisation itself.

How Validation Works in Canada

Validation Partner	Role in Canada
Goodstack	Primary validation partner for M365 and cloud nonprofit programs. Checks the CRA public registry and other publicly available data. May request a Corporation Information Sheet (from the provincial or federal corporate registry) as the accepted government-issued document for Canadian organisations. Reviews typically complete within 3 business days.
TechSoup Canada	As of August 2025, TechSoup no longer completes validation reviews for Microsoft for Nonprofits. TechSoup continues to distribute on-premises software grants (e.g., up to 50 Windows Pro licences, with a nominal admin fee) and remains a Microsoft training partner through the Digital Skills Center for Nonprofits. Cloud licensing validation is now handled exclusively through Goodstack.

Goodstack's Three Verification Requirements

- Recognised as a charitable or nonprofit organisation by the local regulator in the country of registration (CRA for Canadian charities)
- Operating on a not-for-profit basis
- Operating for the public benefit

Goodstack also verifies that the person applying is actually associated with the organisation, and that the organisation is in good standing with its regulator. Partners select which types of nonprofits are eligible for their specific program — Microsoft defines the eligibility criteria and Goodstack applies them.

A Note on Validation Gaps

Important:

Goodstack's validation is primarily automated, using registry checks and submitted documentation. It is not infallible. Some organisations that do not meet Microsoft's eligibility criteria have been approved — often because automated checks cannot detect disqualifying factors such as government funding relationships or healthcare designations that are not apparent from registry data alone.

An organisation that is currently enrolled but does not actually meet the criteria carries real compliance risk. Microsoft actively reviews utilisation and reserves the right to audit eligibility and revoke nonprofit status at any time. If there is any doubt about whether an organisation's enrolment was properly established, a review is worth conducting proactively.

Application Process: Step-by-Step

Step 1 — Confirm CRA charity status: Search the CRA charity registry to verify an active registration number. If no number exists, the organisation is almost certainly ineligible. Do this before investing any time in the application process.

Step 2 — Run the eligibility pre-check: Visit nonprofit.microsoft.com and use the Eligibility Pre-Check tool. Enter the organisation's country (Canada) and primary activity.

Step 3 — Register (organisation staff only): An employee or board-level volunteer of the organisation — not the IT provider — completes registration at nonprofit.microsoft.com. Have the CRA registration number, legal name, and contact details ready.

Step 4 — Goodstack validation: Goodstack reviews the application, typically within 3 business days. They may request a Corporation Information Sheet from the provincial or federal corporate registry as a supporting document.

Step 5 — Access nonprofit offers: Once approved, access up to 300 Microsoft 365 Business Basic licences at no cost, plus discounted pricing on Business Premium and other plans through the Nonprofit Hub.

Step 6 — Annual attestation: Microsoft requires periodic attestation renewals. The organisation — not the IT provider — is responsible for completing them. Missing an attestation can result in suspension of status.

How FSET Inc Can Help

FSET Inc is a security-first Managed Services Provider, ISO 27001:2022 certified, serving law enforcement, healthcare, and municipal clients across Canada since 1999. As a Microsoft CSP partner, we provision and manage Microsoft nonprofit licensing directly through our Microsoft CSP relationship at nonprofit pricing — once your organisation's eligibility is confirmed through Microsoft's program.

We help organisations understand their eligibility position and navigate the application process — as advisors and guides, not as applicants on your behalf.

- Eligibility assessment — we review your organisation's legal structure and CRA status before you invest time in the application process, and give you a clear answer on whether criteria are met.
- Application guidance — we walk your team through the registration process and make sure the right person completes it correctly under Microsoft's rules.
- Microsoft nonprofit licensing — as a Microsoft CSP partner, we provision and manage your Microsoft 365 licences at nonprofit pricing once your eligibility is confirmed.
- Enrolment review — if your organisation is currently enrolled and there is any question about how eligibility was established, we can assess the compliance risk and determine whether action is needed.
- Licence right-sizing — we identify the right mix of Business Basic, Business Premium, and other plans based on your organisation's actual needs and budget.
- Budget planning — with nonprofit pricing changes coming July 1, 2026, we can review your current licences and help you plan ahead before renewal.

Companion Resource — Plan Comparison

Once eligibility is confirmed, use FSET's Microsoft 365 Nonprofit Plan Comparison guide to choose the right plan for each staff role. Available at fset.inc or contact us to receive a copy directly.

We do not complete Microsoft nonprofit registrations on behalf of clients — Microsoft's rules prohibit it, and doing so would create compliance risk for your organisation. What we do is ensure you are informed, prepared, and in a position to navigate the process correctly.

FSET Inc 201-610 Lakeview Dr
Kenora ON P9N 3P7 Canada

+1-833-321-3738 info@fset.ca
fset.inc

ISO 27001:2022 Certified Since 1999

Disclaimer

This document is for general informational purposes only and does not constitute legal, licensing, or regulatory advice. Information reflects Microsoft's published eligibility requirements and Goodstack's published validation documentation as of March 2026. Microsoft reserves the right to amend eligibility guidelines, validation criteria, grant structures, and program terms at any time without notice. Organisations should confirm current eligibility requirements directly at microsoft.com/en-us/nonprofits/eligibility and consult qualified legal or licensing counsel before making decisions based on this content. Eligibility determinations are made solely by Microsoft and its validation partners. FSET Inc makes no representations or warranties regarding the accuracy or current applicability of third-party program requirements.