

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 is governed by country-specific criteria that recognise more routes than many organisations assume. This guide sets out who qualifies, who does not, and what the process requires.

Overview

Microsoft's nonprofit program provides eligible organisations with grants and discounts on Microsoft 365, Azure, and Dynamics 365. **There is a country-specific layer.** The eligibility rules at microsoft.com/en-us/nonprofits/eligibility are Microsoft's global standard, and the 'en-us' in the URL refers to language rendering rather than a US-only audience. But the global page is not the whole picture. The phrase “recognised legal status in their respective country” is a link, and it leads to criteria set out country by country. The Canadian entry is more specific than the global page and more generous than many organisations assume.

The Core Test: Recognised Legal Status

For Canada, Microsoft's country-specific criteria recognise four qualifying routes:

- **CRA registered charity** — approved by the Canada Revenue Agency, holds an active charity registration number, files a T3010 annually
- **Nonprofit operating entity with tax exemption** — tax-exempt under paragraph 149(1)(l) of the Income Tax Act
- **Federal nonprofit corporation** — incorporated under the Canada Not-for-profit Corporations Act (CNCA)
- **Provincial nonprofit** — incorporated under ONCA or a provincial equivalent

Organisations registered as co-operatives are not eligible.

Charity registration is the cleanest evidence of eligibility, and it is the fastest route through validation. It is not the only route. An ONCA or CNCA nonprofit corporation without a CRA charity number can qualify on legal structure — which is why so many do.

Legal structure is only the first gate. The mission test and the categorical exclusions below decide the rest, and they are where most Canadian applications actually fail.

Three Eligibility Requirements

Organisation Type: Must hold recognised nonprofit legal status by one of the four Canadian routes above, or be a 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 discounted staff pricing on paid plans including Business Premium.**

Pricing verified 2026-08-10. Microsoft sets nonprofit pricing as a percentage of commercial pricing and may change it at any time. Confirm current figures on Microsoft's Canadian nonprofit pricing pages for [business](#) and [enterprise](#) plans before budgeting or quoting. Do not rely on figures reproduced in any third-party document, including this one.

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 its registration or incorporation lapses.

Organisation Type	Why They Qualify
CRA Registered Charities	Direct equivalent to 501(c)(3). An active CRA charity number is the strongest qualifying credential and the fastest route through validation.
Tax-Exempt NPOs	Tax-exempt under s.149(1)(l) of the Income Tax Act.
Federal Nonprofit Corporations	Incorporated under the CNCA.
Provincial Nonprofits	Incorporated under ONCA or a provincial equivalent.
Public Libraries	Explicit carve-out in Microsoft's policy — no nonprofit legal status or charity number required.
Public Museums	Must be open to the public and conserve or exhibit tangible objects for cultural, educational, or aesthetic purposes.

Co-operatives are expressly ineligible, regardless of how they are otherwise structured.

Verifying Your Qualifying Status

Gate 1 is legal structure. Confirm your organisation meets one of the four qualifying routes. If you are claiming charity status, the CRA's public charity registry at apps.cra-arc.gc.ca/ebci/hacc/srch/pub/dsplyBscSrch is one way to confirm an active registration. If you are qualifying as a tax-exempt NPO, a federal nonprofit corporation, or a provincial nonprofit, your corporate registry record and tax status are the relevant evidence instead — a charity number is not required.

Gate 2 is the categorical exclusions. Clearing Gate 1 does not mean the organisation qualifies. It still needs to clear Microsoft's categorical exclusions for healthcare delivery organisations, governmental entities and agencies, and educational institutions, and it must satisfy the mission test. Legal structure is a necessary condition, not a sufficient one — and Gate 2 is where most Canadian applications actually fail.

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 organisation 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 registration is confirmed.
- **Indigenous Friendship Centres (OFIFC members)** — Ontario's 31 OFIFC member centres are incorporated as charity corporations. Each centre holds its own registration and is part of Canada's largest urban Indigenous service delivery network (NAFC, 100+ centres nationally).
- **Food banks, hospices, and shelters** — whether registered as CRA charitable organisations or incorporated as nonprofit corporations under ONCA or the CNCA.
- **Municipal public library systems** — qualify even without charity status or nonprofit legal 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 policy and its country-specific criteria for Canada.

Organisation Type	Why Ineligible	Canadian Examples
Healthcare Delivery Organisations	Healthcare exclusion applies. The US clinic carve-outs (CAH, REH, FQHC, RHC, SNF, LTC) are all US federal designations and do not extend eligibility to Canadian healthcare organisations.	Hospitals and other healthcare delivery organisations
Family Health Teams (FHTs)	Healthcare exclusion and governmental-organisation exclusion; Ministry of Health accountability framework.	Any FHT in Ontario, including FHTs that may currently appear enrolled
Ontario Health Teams (OHTs)	Government-funded; healthcare exclusion and governmental-organisation exclusion; provincial funding acknowledgement required in all communications.	OHT not-for-profit corporations in Ontario
Municipal / Provincial Government & Crown Agencies	Governmental organisations explicitly excluded.	Cities, townships, public health units
Schools, Colleges & Universities	Explicit exclusion; academic licensing channel applies.	Universities, colleges, and school boards
Co-operatives	Expressly excluded in Microsoft's Canadian criteria regardless of nonprofit operation.	Co-operative corporations of any type
Organisations Failing the Mission Test	Must operate on a not-for-profit basis for public benefit; member-benefit bodies are excluded.	Professional and trade associations, sports governing bodies, recreation clubs serving members

Note on member organisations:

Individual organisations within an OHT or FHT may retain their own eligibility if they independently meet one of the four qualifying routes — 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

- Microsoft's eligibility page requires that the person completing the nonprofit registration be an employee or strategic volunteer of the nonprofit. A third-party IT provider, or any other entity working for a nonprofit, 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 Microsoft 365 and cloud nonprofit programs. Checks public registries 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 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 relevant regulator or registry in the country of registration — for Canada, the CRA for registered charities, or the federal or provincial corporate registry for nonprofit corporations
- 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. Microsoft defines the eligibility criteria and Goodstack applies them.

Application Process: Step-by-Step

Step 1 — Confirm your qualifying legal status: Establish which of the four routes applies to your organisation — CRA registered charity, tax-exempt NPO, federal nonprofit corporation, or provincial nonprofit — and gather the corresponding evidence. Confirm you are not registered as a co-operative. Do this before investing 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 your legal name, registration or incorporation details, 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 staff pricing on Business Premium and other plans through the Nonprofit Hub or a Microsoft CSP partner.

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, sector, and mission against Microsoft's published criteria 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.
- **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.
- **Pricing and budget review** — we review your current licence mix against Microsoft's published Canadian nonprofit pricing ahead of renewal so your budget reflects current figures.

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.

Sources

Source	URL
Microsoft nonprofit eligibility — organisation criteria and exclusions	microsoft.com/en-us/nonprofits/eligibility
Microsoft nonprofit eligibility — country-specific criteria	aka.ms/eligibility-requirements
Goodstack nonprofit definitions by country	poweredbypercent.com/nonprofit-definitions
Microsoft Learn — eligibility guidelines	learn.microsoft.com/en-us/industry/nonprofit/microsoft-for-nonprofits/eligibility
Microsoft nonprofit FAQ	microsoft.com/en-us/nonprofits/faq
Goodstack — verification process	help.goodstack.org/what-is-percents-verification-process
Microsoft 365 business plans — Canadian nonprofit pricing	microsoft.com/en-ca/microsoft-365/business/nonprofit-plans-and-pricing
Microsoft 365 enterprise plans — Canadian nonprofit pricing	microsoft.com/en-ca/microsoft-365/enterprise/nonprofit-plans-and-pricing
CRA registered charity registry	apps.cra-arc.gc.ca/ebci/hacc/srch/pub/dsplyBscSrch
Microsoft nonprofit portal (registration)	nonprofit.microsoft.com

FSET Inc

Information Technology

201-610 Lakeview Dr
Kenora ON P9N 3P7
Canada
+1-833-321-3738
info@fset.ca
fset.inc

Disclaimer

This document is for general informational purposes only and does not constitute legal, licensing, or regulatory advice. 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.