

## Charities Connection

### CRA news, information, and events for registered charities

*Charities Connection* is an electronic publication that has replaced the *Registered Charities Newsletter*. This new electronic publication is more concise and gives registered charities information on technical issues, new guidance and policy changes, CRA initiatives, and reminders.

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#### Filing a complete T3010, Registered Charity Information Return

A T3010, *Registered Charity Information Return*, package is mailed to each registered charity the month following the end of its fiscal period. We have created a new Form T3010-1, to be used by charities with fiscal periods ending after March 3, 2010. We have also updated [Guide T4033, Completing the Registered Charity Information Return](#), which is available online. The guide will help you fill out the return.

A charity must fill out the return and file it with the Canada Revenue Agency (CRA) no later than six months after the end of its fiscal period. It is important to file a **complete** return package. This means that all the relevant schedules, attachments, and financial statements must be included and all applicable lines of the information return filled in.

**A complete return package for charities with fiscal periods ending after March 3, 2010, consists of:**

- [Form T3010-1, Registered Charity Information Return](#);
- [Form TF725, Registered Charity Basic Information Sheet](#);
- [Form T1235 \(09\), Directors/Trustees and Like Officials Worksheet](#) (not required if filing Form RC232-WS. See the tips below.);
- [Form T1236 \(10\), Qualified Donees Worksheet /Amounts Provided to Other Organizations](#) (if applicable);
- [Form T2081 \(10\), Excess Corporate Holdings Worksheet for Private Foundations](#) (if applicable); and
- the charity's [financial statements](#) (even if the charity was not active).

Registered charities incorporated in Ontario and subject to the Ontario *Corporations Act* will also receive:

- Form RC232-WS, *Director/Officer Worksheet and Ontario Corporations Information Act Annual Return*; or
- [Form RC232, Ontario Corporations Information Act Annual Return](#).

For more details, see [Important information for registered charities incorporated, continued, or amalgamated in Ontario and subject to the Ontario Corporations Act](#).

**Mail the completed return to:**

Charities Directorate  
Canada Revenue Agency  
Ottawa ON K1A 0L5

**Filling out the T3010 information return**

A return that contains unnecessary or incorrect information, or that omits information, can give a false impression of a charity's situation. Accuracy is crucial because the CRA uses the information to determine whether a charity is complying with its obligations under the *Income Tax Act*. The information on the return is also used by potential donors and the general public to evaluate a charity's effectiveness and efficiency. Remember: most parts of a registered charity's information return are public information and are posted online in the CRA [Charities Listings](#).

**Tips:**

- In section C2, describe all ongoing and new charitable programs. **Do not** use this space to describe fundraising activities.
- Carefully read the box at the beginning of Section D (at the top of page 3) of Form T3010-1. Depending on the charity's situation, you must complete Section D **or** Schedule 6, *Detailed Financial Information*. **Do not** complete both sections.
- Round all amounts to the nearest single dollar; do not show cents. For example, report \$125,753, **not** \$125,752.53.
- Once you have itemized the charity's various expenditures, carefully calculate the amount reported on line 5000 (expenditures on charitable programs). This line tells readers how much of your resources were spent on charitable programs.
- If filing Form T1235, *Directors/Trustees and Like Officials Worksheet*, complete **all** fields. Directors/trustees and like officials must provide their dates of birth and home addresses. This information is required for identification purposes, and will remain confidential. The director's name, position in the charity, and [arm's length](#) status to other directors/trustees and like officials are public information.
- Sign and date the Certification area in Section E.
- Do not fax a copy of a return that has already been sent by mail.

The Charities and Giving Web pages contain a lot of information for charities about the [annual information return \(T3010\)](#), and more generally, [operating a registered charity](#). If you perform an administrative function (as secretary, treasurer, executive director, etc.) for a registered charity, we recommend you bookmark and refer to these pages.

**An important note about financial statements**

You **must** include a copy of the charity's financial statements when you send us the annual information return. At a minimum, financial statements should consist of a **statement of assets and liabilities** (balance sheet) and a **statement of revenue and expenditures** (income statement). The financial statements should show the different sources of revenue and the expenditures for the fiscal period being reported. For more information, see our Web page about [financial statements](#).

We intend to step up our compliance focus to make sure charities are completing Form T3010-1 properly and filing their financial statements.

### **New reference numbers for guidance products**

For the past 10 years, we have published [guidance products](#) online in several formats, including: summary policies (CSP), policy statements (CPS), policy commentaries (CPC), client information letters (CIL), and employees speeches (CES). In 2009, our Web pages contained over 500 products, making it challenging to identify the CRA's current position on particular issues relating to registered charities.

We have now reduced the variety of guidance products online. We removed the employee speeches and client information letters because many were outdated. We also removed a selection of summary policies and included their content in more recently published guidance products.

We have adopted a standardized format for new Charities Guidance products and are using a new reference number system, for example:

- [CG-001, Upholding Human Rights and Charitable Registration](#)
- [CG-002, Canadian Registered Charities Carrying Out Activities Outside Canada](#)
- [CG-003, Charitable Work and Ethnocultural Groups – Information on Registering as a Charity](#)

We will not replace the reference numbers for the existing CSP, CPS, and CPC documents currently online. These policies will be phased out gradually as we update our guidance products.

If you have comments or suggestions to further improve our policies and guidance products, we would like to hear from you. You can [contact us](#) by email, mail, or fax.

### **Hosting information sessions for charities**

We will again be delivering [Charities Information Sessions](#) in 2011. These sessions are an excellent opportunity for your treasurer, new board members, or volunteers to learn about your charity's legal obligations.

These sessions are made possible by registered charities providing free venues. The CRA is now looking for charities that would like to host a session. We need venues that can accommodate between 75 to 150 people, with a white board or wall to project the presentation on. We also must consider the location, wheelchair accessibility, and parking (free is preferable, but not mandatory).

If you are interested in hosting a session, please fill out a [registration form](#). If we select your location, our office will contact you to make arrangements.

### **Standard for registered charities**

The [Bureau de normalisation du Québec](#) (BNQ) recently launched an interesting initiative concerning the governance and good management practices of charities. Through this initiative, a proposed standard for charities to adhere to voluntarily has been established. We invite you to visit the [BNQ](#) Web site to read about the standard. The document is subject to public consultation and the BNQ welcomes your comments.

## Stay informed

- If you have not already done so, subscribe to the Charities and Giving [electronic mailing list](#).
- For information on operating a registered charity, check out our [Charities Information Webinars](#) and [Charities Information Sessions](#).
- If you have comments about this edition of *Charities Connection*, send an email to [charities-bienfaisance-bulletin@cra-arc.gc.ca](mailto:charities-bienfaisance-bulletin@cra-arc.gc.ca).
- Click here if you wish to obtain the [telephone or fax number, or the mailing address](#) for the Charities Directorate.