



# What's the Scoop 2010

## Information for Registered Charities

### Message from the Director General

Welcome to *What's the Scoop*. This edition will provide you with highlights of what has been going on in the Charities Directorate in the past year, along with various notices and reminders that may be important to you.

As I take on the role of Director General of the Charities Directorate, it is with great excitement that I look forward to working closely every day with the charitable sector. The significance of this sector to Canadian society is beyond measure. Canada is a better place to live because of the work that you and people like you do every day.

It is my intention to build on the positive relationship my predecessors established between the Canada Revenue Agency (CRA) and the sector. I have spoken with some of you already and look forward to meeting more of you, to better appreciate the important work undertaken by your charities. I also want to hear from you on how we can continue to improve the Charities Directorate's services for charities.

One of our newer services, webinars, was launched in February of 2009. As many of you know, a webinar is an online, interactive information session. We know, from the feedback received to date, that using this means of communication is popular. We will continue to offer this delivery method in the future and we are excited about exploring new ideas for more electronic service delivery.

The Charities Directorate continues to pursue an electronic strategy to provide accurate, up-to-date information in a cost-efficient, sustainable manner. Relying upon electronic technology as much as possible will save trees and lower our costs, saving taxpayers' dollars. We know however that Internet access is not universal. Rest assured, we will continue to provide paper copies of all of our forms, guides, policies, and other publications to those who request them—this will not change.

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We are very proud of our ever-improving Charities and Giving Web pages. These pages provide registered charities and the public with a wealth of information and tools that help registered charities stay compliant. We encourage all charity administrators to refer to the Charities and Giving Web pages on a regular basis. The following are just a few examples of what is available on our Web pages:

- information that is written in a clear and easy-to-understand style;
- updated and new policies, guidance, and other technical information;
- fillable and saveable forms;
- webinars and webcasts;
- checklists, sample forms, and a variety of similar tools; and
- electronic copies of every charity's annual return.

For the future, we are looking at the possibility of online tutorials for charities.

Given the current economic climate, charities in Canada face many challenges. It is my goal to ensure that charities get the help they need from us to meet these challenges. I look forward to continuing to work with you, as did my predecessors, to improve the regulatory environment in which we operate and strengthen the charitable sector for the benefit of all Canadians.

Cathy Hawara  
Director General

### **New electronic publication to replace *Registered Charities Newsletter***

In April 2010, the Charities Directorate will introduce a new electronic publication that will replace the *Registered Charities Newsletter*. This new publication, called *Charities Connection*, will be shorter (two to three pages) and will be posted to the CRA Charities and Giving Web pages about 8 to 12 times a year. The *Registered Charities Newsletter* it will be replacing was only published twice a year. When the new *Charities Connection* is posted to the Charities and Giving Web pages, an email will be sent to notify all subscribers to the *Charities and Giving – What's New* electronic mailing list.

Our goal is to provide registered charities with timely, up-to-date information on technical issues, new or enhanced policies, new initiatives, and reminders about important information.

*Charities Connection* will be published on a trial basis and, if successful, it will permanently replace the current newsletter format. If you have questions or comments on this new publication, please email them to [charities-bienfaisance-bulletin@cra-arc.gc.ca](mailto:charities-bienfaisance-bulletin@cra-arc.gc.ca).

### **New and upcoming policies and guidance**

As part of the Charities Directorate's ongoing commitment to promoting consistent interpretation and application of common law and the *Income Tax Act*, and to make it easier for charities to understand our approach, we continue to develop and publish guidance on various topics. Last year, we published guidance on sport and charitable registration, research as a charitable activity, and fundraising by registered charities. We also posted two draft guidance documents as part of our online consultations: *Guidance on Activities Outside of Canada for Canadian Registered Charities*, and *Guidance on the Protection of Human Rights and Charitable Registration*. We would like to thank everyone who has taken the time to provide thoughtful comments through our online consultation process. We give all comments careful consideration before we establish a guidance document.

This year, we will be developing new guidance on a number of topics. In addition, you may have noticed that we have changed the online consultation page. Feel free to submit comments on any of our policy guidance documents at any time by going to the policy consultation page of the Charities and Giving Web pages at [www.cra-arc.gc.ca/tx/chrts/plcy/cnslttns/menu-eng.html](http://www.cra-arc.gc.ca/tx/chrts/plcy/cnslttns/menu-eng.html). Your feedback on how these can be improved is greatly appreciated.

## **What constitutes a completed annual filing?**

The *Income Tax Act* requires a charity to file an information return each year. All charities with fiscal periods ending in 2009 and onward must submit:

- Form T3010B, *Registered Charity Information Return*;
- Form TF725, *Registered Charity Basic Information Sheet*;
- Form T1235, *Directors/Trustees and Like Officials Worksheet*;
- Form T1236, *Qualified Donees Worksheet / Amounts Provided to Other Organizations* (if applicable);
- a copy of the charity's financial statements;
- Form T2081, *Excess Corporate Holdings Worksheet for Private Foundations* (if applicable); and
- Form RC232-WS, *Director/Officer Worksheet and Ontario Corporations Information Act Annual Return* or Form RC232, *Ontario Corporations Information Act Annual Return* (if applicable).

**Note:** Failure to include financial statements with a charity's return can lead to revocation of its registration.

## **Filing reminders for Form RC232-WS, *Director/Officer Worksheet and Ontario Corporations Information Act Annual Return*, and Form RC232, *Ontario Corporations Information Act Annual Return***

Since January 2009, registered charities incorporated in Ontario and subject to the *Ontario Corporations Act* may file Form RC232-WS or Form RC232 with their T3010, *Registered Charity Information Return*. Over the past year, we have been reviewing the submitted RC232-WS and RC232 and have identified the following common filing errors. It is a charity's responsibility to provide complete and accurate information when filing its annual return. Failure to provide this information may result in follow-up action from either the Canada Revenue Agency or the Ministry of Government Services for the Province of Ontario.

### **1. Form RC232-WS, Part 8 – not completed**

Form RC232-WS, *Director/Officer Worksheet and Ontario Corporations Information Act Annual Return*, is a blended form that collects corporate information for the Province of Ontario and the CRA under the authority of the *Corporations Information Act* and the *Income Tax Act*.

Part 8 of Form RC232-WS collects director/officer information for CRA purposes only. The information is confidential and will not be transmitted to the Government of Ontario. To fulfill your filing obligation with the CRA, Part 8 must be completed.

## **2. Forms RC232-WS and RC232 – filed without Form T3010B**

The CRA will accept forms RC232-WS and RC232 **only** if they are filed with a Form T3010B, *Registered Charity Information Return*. If a charity wants to change the information for its directors or corporate officers at another time during the year, it must contact both the CRA and ServiceOntario.

## **3. Forms RC232-WS and RC232 – street name in Part 7 not completed**

When completing the address information note that the Street name, Rural Route, P.O. Box, City, and Country are mandatory pieces of information for the address fields. In particular, when completing address information for a Director or Officer in Part 7, remember to provide the Street name, Rural Route or P.O. Box in the “Street Name” field 731.

## **4. Forms RC232-WS and RC232 – “Elected/Appointed” is left blank when ceasing the name of a director/officer in Part 7**

When removing the name of a director or officer, a charity must enter the date elected/appointed and a cease date for all the director/officer positions shown for that individual.

## **5. Form RC232-WS – changes to the name of a director/officer are not correctly done**

When changing the name of a director or officer, do not white out, scratch the name out, or write “Delete” over the information in Part 7. The way to change the name of a director or officer is as follows:

1. Enter a cease date for all director/officer positions shown for that individual.
2. Photocopy the blank page included with Form RC232-WS for each individual for which changes are being made.
3. Complete a blank Part 7 and Part 8 with the new director/officer information.

## **Improved turnaround time for applications**

One of the main functions of the Charities Directorate is to determine whether an organization is eligible to be registered as a charity. Registration not only provides an organization with tax privileges, but the registration process also plays a role in ensuring the integrity of the charitable sector in Canada. The time it takes to register an organization depends on the completeness and the complexity of the information provided in its application.

Thanks to changes in processes, more resources, and the dedication of staff and management in the Directorate’s Assessment, Determinations and Monitoring Division, it now takes significantly less time to process applications for registration as a Canadian charity.

### **Reminder**

For the timely processing of an application for registration or re-registration, make sure you give a complete answer to every question on Form T2050, *Application to Register a Charity Under the Income Tax Act*, and attach all necessary documents. For more information about registering a charity, visit our “Applying for registration” Web pages at [www.cra-arc.gc.ca/tx/chrts/pplng/menu-eng.html](http://www.cra-arc.gc.ca/tx/chrts/pplng/menu-eng.html).

## Improvements to the Charities and Giving Web pages

The CRA's Charities and Giving Web pages continue to be improved, in order to provide charities with the information and tools they need to meet their regulatory obligations. The latest improvements include:

- an “Applying for registration” section with more than 30 new pages containing information about the advantages of registration, charitable purposes and activities, governing documents, and more;
- a Toolbox for directors, officers, and volunteers – containing resources for maintaining charitable registration, including samples of Form T3010B, with schedules, worksheets, and financial statements;
- a “Charities Information Webinars” section that allows users to register for upcoming webinars and view webcast videos on various topics;
- an expanded glossary and an alphabetical index of topics to help users find information on our Web pages;
- an improved search feature for the Charities Listings application, so that users can easily get information about a specific charity; and
- coming soon – enhancements to the “Revoking registered status” section.

## New “Webinars, Information Sessions and Other News” section (previously called “Outreach and Communication”)

Based on feedback from our Web survey, we have renamed the “Outreach and Communication” section. The newly titled “Webinars, Information Sessions and Other News” section of the Charities and Giving Web pages is where you can find out about our educational programs and various other services for charities.

Go to [www.cra.gc.ca/charities](http://www.cra.gc.ca/charities) and select “Webinars, Information Sessions and Other News.” There you can learn about:

- What’s new – recent updates to our Web pages;
- education activities, such as our live charities information sessions, our online interactive webinars, and our webcasts;
- our *Registered Charities Newsletter* (soon to be replaced with our new online publication, *Charities Connection*);
- subscribing to our electronic mailing list; and
- how to contact our telephone help desk (Client Service).

The Charities Directorate is committed to regular communication and engagement with the charitable sector. The “Webinars, Information Sessions and Other News” section is an important area, which you should visit regularly to stay informed about our educational programs and other services that we provide to charities.

## **Charities Information Sessions, Webinars, and Webcasts**

- Charities Information Sessions are face-to-face presentations offered by the CRA across the country.
- Charities Information Webinars are live, interactive presentations made by the CRA using technology on the Web.
- Webcasts are recordings of webinars that have been posted on the Charities and Giving Web pages for people to view at any time.

Webinars and webcasts are free, and are an excellent opportunity for members of a charity to learn about a charity's obligations under the law, particularly under the *Income Tax Act*. Many different topics of common interest are presented, such as: filing the annual information return (Form T3010), payroll, and gifting and receipting.

The Charities Information Sessions and the webinars are also a great opportunity to ask questions to a CRA representative and to share information with participating charities.

If you are interested in attending or finding out more information about these sessions, visit [www.cra.gc.ca/charities](http://www.cra.gc.ca/charities) and select "Webinars, Information Sessions and Other News."

## **Client Service Section update**

The Client Service Section is responsible for answering questions of a general and technical nature from, or about, registered charities. These include questions that deal with policies, guidance, procedures, and CRA services. Last year the Section responded to more than 120,000 telephone enquiries, and received over 9,000 written enquiries. Thanks to hard work by the Client Service Section staff, more than 11,000 written enquiries were processed, effectively eliminating the previous year's backlog.

Wondering whether to call or whether it's important to write in? For the list of requests that need to be sent in writing and require the CRA's written approval, see the Charities and Giving Web page at [www.cra-arc.gc.ca/tx/chrts/prtng/rqsts/menu-eng.html](http://www.cra-arc.gc.ca/tx/chrts/prtng/rqsts/menu-eng.html).

Requests for a technical interpretation of the law or of a fact situation can also be submitted to the Charities Directorate by letter to the address listed below under "Contact information."

## **Charities Partnership and Outreach Program update**

The Charities Partnership and Outreach Program is designed to provide funding to registered charities and non-profit organizations who want to develop and deliver innovative compliance-related education and training projects for the benefit of Canadian registered charities.

Since the beginning of this contribution funding program in 2005, we have signed 21 contribution agreements worth a total of nearly \$9.8 million. Projects are chosen in response to proposals and are tailored to reflect different priorities that are regularly set by the CRA. Online resources, workshops, DVDs, videos, and in-person mentoring projects have all been supported by this unique contribution program. The projects have been active across Canada, in both official languages where warranted, and are generally free to access for registered charities or organizations that are considering applying for registered status.

Under the program, the CRA will provide more than \$2 million to various organizations in the 2009-2010 fiscal year. A fifth call for proposals was launched in October 2009. The CRA has been reviewing all submissions for this call, and expects to sign agreements under the call in the spring of 2010.

For more information on the projects that have been funded by the program and to access links (where available) to the resources that have been developed, visit [www.cra.gc.ca/charities](http://www.cra.gc.ca/charities) and select “Contribution Program.”

## **Helping your charity work—subscribe to the electronic mailing list**

We encourage all officers, directors, employees, and volunteers of registered charities to subscribe to the Charities and Giving “What’s new” electronic mailing list (EML). Subscribing to the EML provides you with a free service that will notify you by email when new information is placed on the Charities and Giving Web pages. By subscribing, you will receive about two emails per month.

To subscribe to the EML, visit [www.cra.gc.ca/charities](http://www.cra.gc.ca/charities) and select the “Electronic Mailing List” link. The CRA takes your privacy seriously. Any information that you provide when you sign up for the EML will be kept confidential. The names of subscribers on this list are not shared with any other organization.

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