



Charity Central: Helping Charities Cope



Kimberly Ireton

From animal shelters, bible camps, and cultural centres to Ukrainian dancing, violence prevention, and wetland conservation, the varied people, communities and causes that make up Canada's more than 83,000 charities all have an impact on the world we share. Surprisingly, in a group as vast and dynamic as this, there are many things that all Canadian charitable organizations have in common. Most rely on donations and volunteers, and their work benefits our communities and the public in general. They all must follow very specific rules when it comes to the tax benefits they receive as Registered Charities, and, while they do not have to pay income tax, all Canadian charities must file annual returns, including financial statements, with the Canada Revenue Agency.

It's a daunting task for charities. Sorting through the nitty-gritty details concerning T3010As (which became T3010Bs in 2009), receipts, T2094s, or disbursement quotas is time consuming, tedious, and can lead to many questions. Who are qualified donees? What should an official donation receipt look like? When do

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charities file? How do they file? Because of questions like these, along with other compliance problems and issues, Canada Revenue Agency (CRA) was finding that many Registered Charities were not following all the regulations set out for them. Therefore, CRA decided to fund a variety of charity tax-focused projects that would help Canada's charities understand the rules which govern them. Charity Central is one of those ventures.

Charity Central is a project of the Legal Resource Centre of Alberta, located in Edmonton, Alberta. Its official aim is to provide information and resource materials to Registered Charities in Canada, and to help them comply with the requirements of the *Income Tax Act*. The work that the four Charity Central staff members do is intricate and varied. With three defined areas of focus – receipting, fundraising, and keeping proper books and records – the staff might be researching new tax requirements, or fielding a telephone question about a golf fundraiser one minute; developing FAQs, making a presentation, or meeting with charities to identify their needs the next. Their goal is to improve the charitable sector's understanding of what it must do and, in turn, improve charities' compliance with these regulations.

Charity Central's audience is both national and provincial. On a national level, many resources are, and will become, available across the country by March 2010. The project is working towards a website launch, along with the creation of educational print and electronic resources, available in English and French, for the staff and volunteers of Registered Charities. E-tutorials, guides, podcasts, and workshops are also on the horizon. Currently however, Charity Central's website, which includes the development of educational resources, is its main focus. "The website will be both an interactive learning medium and a depository for downloadable print resources," explains San San Sy, Educational Consultant on the project. "It will have multiple access points to accommodate the different needs of the Registered Charities." The website's resources, researched and developed by Charity Central, will take many forms:

- frequently asked questions (FAQs) with dynamic search capability;
- learning objects;
- podcasting;
- fact sheets; and
- organized links to other resources.

Sy also explains that, "a learning map will facilitate users' understanding of the inter-connectivity of the legal concepts and requirements."

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In September, Charity Central launched a toll-free Helpline in Alberta. Its purpose is to help guide Alberta's Registered Charities through the ins and outs of issuing official donation receipts, maintaining proper books and records, and complying with the tax requirements of charitable fundraising.

To date, the Helpline has answered enquires from all over Alberta about all manner of issues. "Is a gift of service (helping to build a fence) eligible for a receipt?" "What's the definition of 'arm's length'?" "Do we need to keep offering envelopes?" "Where on the T3010A do you report on fundraising income from a casino?" These are just some examples of the questions the Helpline has fielded.

Lesley Conley, Project Assistant, comments: "We have been very pleased with the number of calls and the variety of questions we have received. From the feedback we are getting from the Helpline users, we believe we are meeting a real need. The charities seem very interested in and appreciative of the information we are providing."

And what do the Registered Charities think about all this?

When asked about how she sorts through the myriad of *Income Tax Act* rules, Kirsten Austin, treasurer of Edmonton Vocal Minority, laughs and responds: "Are you kidding? It's all way over my head! I have an accountant help me out." Austin continues, "If I had to do it all myself I don't know what I'd do. Probably step down as treasurer ... Small charities like ours, we definitely need help. We're just regular volunteers doing what we can. We don't know all the rules about the T30 blah blah blahs."

And, while discussing Charity Central, Austin agrees that "a service like that can only help. If there are actual people out there willing to answer questions about that stuff, then it's great! Especially for people trying to work it out by themselves."

Jean Bruce, Administrative Assistant of Argyle Road Church of Regina, agrees that projects such as Charity Central will be of great help to Registered Charities, as they seek to understand the *Income Tax Act*. "I've been doing this for many years so I'm familiar with what needs to be done at our church's financial year-end...what records to keep, how to manage receipting, that kind of thing," states Bruce. "But I definitely don't know it all! So to have another resource that I know is available to answer any questions, will be a really big help. And not just for me, but other churches [and charities] too."

Charity Central is also working with local accounting associations and the Law Society of Alberta to identify *pro bono* support. This support will be accessible through the website. In addition, the project continues to work with the public libraries of Alberta and other local charities to distribute information.

Only time will tell what results Charity Central will achieve. Yet, with each telephone call that is answered and each charity that is helped, the project gets one step closer to reaching its goal of helping Canada's Registered Charities comply with the *Income Tax Act*.

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