

Books and Records: Retention

Introduction (Slide 1)

This learning module covers the length of time that books and records have to be kept as required under the Income Tax Act.

These books and records include:

- ❖ Governing documents
- ❖ Financial books and records
- ❖ Annual Information Returns
- ❖ Donation receipts
- ❖ Record of 10-year gifts

Requirements (Slide 2)

Books and Records of a registered charity have to be kept and made available for review by Canada Revenue Agency (CRA).

The *Income Tax Act* specifies the required length of time that each type of records has to be retained.

Governing Documents (Slide 3)

A Charity has to keep its governing documents, including incorporation documents, trust document, constitution, by-laws, and records of meetings of the directors/executive and members, **as long as the Charity is in operation.**

If the Charity is revoked, these records have to be kept for 2 years after the date it was revoked.

Financial Books and Records (Slides 4&5)

Financial books and records have to be kept for **six years** from the end of the last taxation year to which these records relate.

These records include:

- ❖ books of accounts;
- ❖ general ledger (Book of final entry with the summaries of the year-to-year transactions.)
- ❖ vouchers;
- ❖ accountant worksheets;
- ❖ financial statements and
- ❖ source documents (supporting documents such as original receipts, contracts and invoices)

If the Charity is revoked, these records have to be kept for 2 years after the date it was revoked.

Annual Information Returns (Slide 6)

T1030As and T3010Bs have to be kept for **six years** from the end of the last taxation/fiscal year to which they relate.

For example, your charity has to keep the T3010 for the year ended on March 31, 2007 until after March 31, 2013.

If the Charity is revoked, these records have to be kept for 2 years after the date it was revoked.

Donation Receipts (Slide 7)

Official donation receipts except all records concerning 10-year gifts have to be kept for **two years** from the end of the last calendar year to which these receipts relate.

For example, the official donation receipts for the year 2005 have to be kept until the end of 2007.

Records of 10-Year Gifts (Slide 8)

All records of 10-year gifts have to be retained **as long as the Charity is in operation**.

These records have to be retained for 2 years after the registration of the Charity has been revoked.

Additional Information (Slide 9)

For more information, refer to the Table - Type of Record and Length of Retention at www.charitycentral.ca/site/docs/FastFacts_BandR_Length_final.pdf

or

www.cra-arc.gc.ca/E/pub/tg/charitiesnews-26/charitiesnews26-01-e.html

Self-Test and Answers (Slides 10-15)

Notice (Slide 16)

Information in this module is provided for general educational purposes and not as legal or accounting advice. Consult a lawyer or accountant for professional advice.

Information is accurate as of May, 2009.

For changes after this date, consult Canada Revenue Agency.