

## Registered Charities: The Basics

### *Introduction (Slide 1)*

This learning module introduces general information about being a registered charity and maintaining charity status.

- ❖ Being a registered charity
- ❖ Benefits
- ❖ Compliance
- ❖ Obligations and requirements
- ❖ Determining your charity's status

### *Registered Charities (Slide 2)*

There are 161,000 non-profits and charities in Canada (as of 2008). Over 83,000 of these are Registered Charities under the *Income Tax Act*.

These Registered Charities have gone through the application process and have received approval by the Canada Revenue Agency (CRA).

Each Registered Charity has its own Business Number (BN) consisting of fifteen digits that end with **RR0001** such as 123456789RR0001.

### *Benefits (Slide 3)*

Registered Charities enjoy two benefits:

- ❖ They can issue official tax receipts for gifts (donations received). Donors can use the receipts in their income tax returns.
- ❖ They are exempt from paying income tax under Part 1 of the *Income Tax Act*.

## *Compliance (Slide 4)*

Registered Charities have to comply with the requirements of the *Income Tax Act*.

The Charities Directorate of the Canada Revenue Agency (CRA) administers the *Act* as it applies to Registered Charities. It also monitors the operations of the Registered Charities making sure they comply with the requirements of the *Act*.

Registered Charities must also comply with the requirements under their provincial legislations on issues such as maintaining the legal status of their organizations.

## *Is your Organization a Registered Charity? (Slide 5)*

If you are not sure...

- ❖ Check to see if your Business Number ends with RR0001. A typical Registered Charity Business Number is 987654321RR001.
- ❖ Check your official documents such as the Notification of Registration letter from CRA or your Annual Information Returns.
- ❖ Search CRA Charitable Organization Registry

online at [www.cra-arc.gc.ca/tx/chrts/menu-eng.html](http://www.cra-arc.gc.ca/tx/chrts/menu-eng.html)

or

call 1-800-267-2384 or 1-888-892-5667.

## *Notice (Slide 6)*

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 January, 2009.

For changes after this date, consult Canada Revenue Agency.