

**THE REGISTERED CHARITIES INFORMATION RETURN  
AND SUPPORTING SCHEDULES**

COMPLETION INSTRUCTIONS - FOR Fiscal year 2010  
Revised June 10<sup>th</sup> 2011

**GENERAL:** The Information Return is now Number T3010-1 E and it has a few changes from 2009. The major changes relate to calculation of the Disbursement Quota and the elimination of reference to certain financial details around accumulated capital gains.

The intent of this return is to provide the Charities Division with information on all charities operating in Canada. Many charities receive the bulk of their financial backing through donations from individuals, who in turn, may receive tax credits for their contributions. In addition, income earned by charities is not subject to tax levies. These two reasons alone are sufficient to have in place a clear and detailed reporting system for charities.

The return is normally mailed to the Parish Treasurer or the Incumbent. If you have not received your "personalized" return you should contact the charities division at 1-800-267-2384 to obtain the proper forms.

Or you can go the WEB site and download the form in PDF format. The site address is

<http://www.cra-arc.qc.ca/E/pbg/tf/t3010b/README.html>

The Charities Division no longer mails the guide for completing the Return. You can call them (1-800-267-2384) to request a copy of the Guide or you can get it on line at [www.cra.qc.ca/tx/chrts/formspubs/menu-eng.html](http://www.cra.qc.ca/tx/chrts/formspubs/menu-eng.html)

Regardless of how you get, it is a good source of completion instruction. Read it carefully especially if you are completing the Return for the first time.

**DEADLINE:** The return is to be submitted by the end of the sixth month after the charity's year end. **In your case the filing deadline is June 30th each year.**

**The Basic Information Sheet:** This is an important part of the process and it must be filed with your Return. The front page shows the address and you should change it if necessary. Also on this page is a supply of bar-code labels. You must affix one of those to the Return and one on every schedule or list that accompanies it. Also put one on the copy of your Parish Financial Statements that will accompany your Return.

On the reverse of the Basic Information Sheet is shown telephone, FAX, email WEB site and other contact information. You should update this as necessary. On the bottom of page two is the current description of your parish's program emphases which appears on the Charities Division Web site. You can change this if you wish, using the guide to determine how.

**THE MAIN FORM:** Be sure you have the right one IE **T3010-1 E**  
You will need a copy of the Parish financial statements for 2010 and the return for 2009 as reference.

**SECTION A:**

Question A1 Answer yes, referencing the Diocesan Synod of Fredericton and Business number 130357197 RR0001

Question A2 would normally be No

Question A3 answer No

**SECTION B:**

References a listing which will include the Rector, if there is one (Priest-in-charge is not listed), the Wardens, the Vestry Clerk, Treasurer, and the elected vestry persons. A schedule is provided for creating the list. You can use your own format but it must include all required information.

Note the list requires that you indicate the term of office for each person listed. This means you will need to list everyone who served in any of those capacities in 2010. Use from January 1, 2010 to the date of your annual meeting as the term for anyone who held the office prior to the annual meeting and the term from annual meeting date to year end for those elected those year.

Example: Warden D Smith was elected at the 2009 annual meeting and was re-elected at the 2010 meeting held on February 8<sup>th</sup> - Since she held the office all year, list her once using the term January 1 to December 31, 2011. If she was not re-elected list her as January 1, 2010 to February 8<sup>th</sup> and list the new warden from February 8<sup>th</sup> to December 31<sup>st</sup>.

ARMS LENGTH: The list of Directors/Trustees asks a "yes or no" in respect of Arm's Length. A definition of this term is in the guide. Simply put, persons are at "arm's length" to each other if they are not related by blood, marriage or adoption. This distinction is important and that is why the question is asked.

To determine whether to answer "yes" or "no" for each person listed, ask yourself if this person is related by blood or marriage to any other person on the list? If he/she is, then arm's length is "NO".

**SECTION C:**

Question C1 - "Yes" (revised June 1<sup>st</sup> 2010)

Question C2 is an opportunity to explain what your parish does in the course of its ministry. The guide depicts several good examples of statements relative to religious organizations such as ours. The following sentences may also help - the key is to use sentences, to personalize it, to make it "active": It is suggested you seek input from your Incumbent.

We conduct weekly services of Christian worship in the Anglican tradition.  
We carry out Christian Education programs for adults and young people.  
We are actively engaged in out social outreach programs in the local community.  
We support both financially and otherwise in mission endeavours in our community, in the Diocese, across the nation and around the world through the world wide Anglican Communion.  
We give a high level of pastoral care to the sick, the disadvantaged, the bereaved.  
We provide a Sunday school program and a day care service.  
We offer our facilities to the broader community for programs and activities.

Question C3: It is highly likely the answer will be yes. Parish payments to the Diocese for Shared Ministry Budget support, Pension Bonus and PWRDF, the Camp Campaign, the Paul Jeffries mission, the corn grinders project etc are all examples of payments to a qualified donee. You may have others like S.A.M.S., Threshold Ministries, a local food bank etc.

You will need to complete the Qualified Donees Worksheet. To do so requires the name, address and registered charity number for any charity to whom funds were gifted. The Diocese charity number is 130357197 RR0001. You can report the Diocese in total for all payments as noted above. Employment Assessment is not listed as it is NOT a gift.

**Complete that form now so that you will have the list of donees and the total dollars gifted to them. When you get to Section D (or Schedule 6) you will be glad you did**

Question C4 - Say No, unless you have a compelling reason to say yes.

Question C5 - No

Question C6 - check the appropriate boxes

Question C7 - is most likely No. If Yes, there will be related questions to answer

Question C8 - No

Question C9 - Yes if you have paid employees

Question C10 - answer as applicable

Question C11 - answer as applicable

Question C12 - No

Question C13 - No

Question C14 - No

#### **SECTION D - Financial Information**

**This is a greatly simplified financial report and it is a welcome change. However, this section is designed specifically for smaller charities. It can only be completed if your parish meets the qualification found in the text box at the top of the page. Some parishes will indeed be able to do Section D, but many others will have to continue completing the more detailed Financial Section (Schedule 6).**

D2: (4200) Includes investments, bank accounts, land, buildings, etc

D2: (4350) This is money you owe, regardless of who you owe it to.

Box 4400 is No

D3: (4510) Include any Grant money received from the Diocese. Do not count money from your investment funds, rebates, reimbursements etc..

D3 (4530) The open offering is an example - do not count fund raisers

D3 (4575) Should be zero

D3 (4640) Does not apply

D4: (4860) In most cases is zero - do not count honorariums to clergy

D4: (4810) Do not include any travel allowance paid to the cleric in your parish as that will be included in compensation. Amounts paid on a per Km basis however are counted

D4: (4920) Do not fill in this Box until you report in Box 5050 IE the total of Gifts to Qualified Donees (as explained in Section C3)

Then:

- Take the total parish expenditures (from your income statement) and subtract the amounts showing in Boxes 4860, 4810 and 5050
- Enter the result in Box 4920
- In box (4950) enter the total of boxes 4860, 4810 and 4920

D4: (5000 and 5010) Here you show how much of the total in box 4950 was spent on either charitable activities or management/administrative work. In most parishes there administrative costs (postage, bank fees, office supplies, secretarial staff for example). If so make a list and report the total in box 5010. All the rest of the box 4950 amount goes in box 5000

D4: (5100) enter the total of boxes 4950 and 5050 as instructed

Section E and Section F are self explanatory

You now need to look at the checklist provided on the form to ensure you've done all various pieces of the Return as required.

Schedule 1 will not apply to you and in almost every case Schedule 2 will not either. Schedule 3 deals with compensation and should be fairly clear. When filling in 1b, compensation includes stipend/salary, travel & car replacement allowance along with premiums for benefits, pension, LTD and continuing education plan. In other words, the employment costs.

Schedule 4 will apply to very few parishes.

Schedule 5 asks about non-cash gifts or Gifts in Kind. It could apply to any parish and if it does, just follow the instruction.

Schedule 6 is the alternate financial reporting form and a majority of our parishes will need to complete this schedule. Do not complete this Schedule if you have filled in Section D of the Return. Instructions for Schedule 6 follow:

**Financial Information:**

4020: Critical and must be attended to.

**Statement of Financial Position:**

Assets: you are to list assets and liabilities in the numbered boxes and the following is offered for assistance:

4100: Quite clear

4110: Report 0

4120: If your statements make no reference to receivables, then this doesn't apply.

4130: Report 0

4140: Refers to any operating fund investments you may have. This would include GIC's bonds, stocks, and of course holdings in the Diocesan Investment Fund. (Restricted Funds such endowments, trusts, bequests etc should be reported under Line 4170.)

4150: Report 0

4155: Report the value of buildings, land etc as it appears on your balance sheet. If you have no values to report for the parish buildings then use the insurance valuation, property tax assessment value or some other estimate.

4160: Other capital assets is a broad range of items. Only report them if they are listed as assets in your Balance Sheet.

4165: Report 0

4170: Report the value of the Restricted Funds as mentioned above.

Total in box 4200

**Important:** It is critical to report in box 4250 ,the value of any assets (in 4140, 4155, 4160 or 4170) that are not used DIRECTLY for your charitable purposes. Examples are vacant land, rental properties, unused buildings. It also includes the value of endowment/trust funds where use is limited to only the income generated.

Liabilities: Again report only if your statements make reference to accounts payables Report bills outstanding in box 4300 and loans or mortgages in box 4330. Boxes 4310 and 4320 will be 0.

#### Statement of operations:

Here you are to list revenue/expense and while it is straightforward, it will require a translation of the income/expenses in your financial statements into the categories listed on the form. The following may help:

#### **REVENUE**

4500: Simply the total of ALL tax receipts issued by the parish

5610: is zero

4510: If you have such gifts/income (from the Diocese for example) report the total

4530: The open offering is the most obvious, but also count monies received from ACW's Guilds etc and any funds received for use of facilities.

4540 4550 & 4560: The most common example is student employment grants, but there are others as well. If you received grants from any level of government be sure to report them.

4575 will not apply

4580: Limit this to interest and dividends and include the 1% bonus interest

4590 and 4600: If securities, land, rectory, or other capital assets were sold you will need to report as required here

4610: May apply in some cases (eg parking lot rentals)

4620: is 0

4630: Report the money realized from fundraising identified in C6. Try to report the net

4640: is 0

4650 should not be used if at all possible - try to keep it at zero as your income should fall into the other identified categories. - do not recording such items as HST rebate, loan proceeds, internal transfers, insurance claims.

***...for the total in Box 4700 please note which boxes are to be added***

#### **EXPENDITURE:**

The guide gives good detail as to each line item. Make sure that virtually all of your expenditures appear somewhere in boxes 4800 - 4910 . **Try not to use "Other"**

PLEASE NOTE: The amounts you paid as to other charities (see section C3) will NOT appear anywhere in boxes 4800 - 4910 . This is instead shown in the Schedule of Gifts Qualified Donees and is reported in box 5050

..... You then will total expenditures in box 4950 as instructed. Then it gets interesting:

You must report in boxes 5000 - 5040 a breakdown of your expenditure total in Box 4950.

In box 5000 you show how much of the total in box 4950 was spent on charitable activities. But do that last.

In box 5010 report your administrative costs (postage, bank fees, office supplies, secretarial staff for example)

Boxes 5020 and 5030 are likely zero

Box 5040 is a restate of Box 4920

Then complete Box 5000 (Box 4950 less boxes 5010, 5020, 5030, 5040)

Box 5050 refers to your schedule of gifts to Qualified Donees

Box 5100 is a total. Be sure to added the proper boxes as instructed.

**The bottom line is that the amounts you show in Boxes 5000 and 5050 - 5070 will be combined to determine whether the Parish has met its Disbursement Quota.**

Lines 5500 to 5750 are not likely to apply to any parishes.

Lines 5900 and 5910 are relevant if you have reported "property not used in charitable activities"

The return is now essentially complete. Once it is signed put the identification label on the front page. There is a mailing label as well, but you will need to provide your own envelope.

It is STRONGLY suggested that the return be signed by someone other than the Treasurer. It would be best to sit down with the Rector and with one or both of the Wardens to go over the return so they may understand its form and content and its critical nature. One of them can then sign it.

Go back to the checklist for reference. Ensure all schedules and a copy of your statements are included. Put a bar code label on every document submitted with the Return.

**Once the Return is filed, it must be announced to the Corporation at the first possible opportunity. It is to be noted in the minutes of the Corporation meeting at which the announcement is made. This raises awareness of the Return and emphasizes that filing is a corporate responsibility.**

**DO NOT FORGET TO INCLUDE A COPY OF YOUR FINANCIAL STATEMENTS WITH THE RETURN.**

You will receive in due course confirmation of the return being filed and a statement as to whether you have met your disbursement quota (see note on following page)

#### **IMPORTANT NOTE RE DISBURSEMENT QUOTA**

When it comes down to it, the primary reason we file our return is to ensure we have met our Disbursement Quota. The calculation of Disbursement Quota has changed dramatically and is now limited to the following:

- 100% of amounts received from other registered charities and
- 3.5% of the value of investment assets not used in charitable activities

The old rule about spending 80% of tax-receipted donations no longer applies.

Even with the two bullet items listed it is highly unlikely any parish will fail to meet their disbursement quota. When Charities Division confirms receipt of your Return, they will also

indicate whether or not you have met your disbursement quota.

**NOTE: If their notice indicates you have not met your disbursement quota, it is important to follow up, as that would be a most rare occurrence and would likely be caused by an error in completing the return. If that is not the case, there is provision for using up past, or even future excesses of quota. Again the Charities Division will inform you accordingly.**

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