# Difference Between Not-for-Profits & Registered Charities

Amber Stewart, Executive Director Legion Foundation BC/Yukon

## **Basic Information**

- You are either one or the other cannot be registered as both
- There are a number of Legion-affiliated Registered Charities:
  - Branch 8 White Rock Poppy Fund
  - Branch 13 (Terrace) Benevolent Fund
  - Branch 26 (Kelowna)
  - Branch 37 Saanich Peninsula Poppy Trust Fund
  - Branch 54 Sooke Poppy Fund
  - Branch 148 North Burnaby Poppy Fund
  - Esquimalt Dockyard Branch 172 Poppy Fund (REVOKED Failure to File)
  - Branch 288 (Westbank) Poppy Fund
  - Vancouver Poppy Fund
  - Victoria Remembrance Day Committee Poppy Fund
  - Westshore Poppy Fund Committee
  - BC/Yukon Command of the Royal Canadian Legion Foundation
- Not sure? Google "CRA Charity Listing" and do a search

# Registration & Taxes

## Registered Charity

- Must apply to CRA and be approved
  - Charitable purposes
- Registered Charity number issued will end in RR0001
- Able to issue tax receipts for income tax purposes
- May claim partial rebate of GST on eligible purchases (supplies)
- \$5,000 to \$15,000 to setup

- aka NPO
- Doesn't need approval just apply
- No number might have business number or society number
- Issue general receipts can't be claimed on taxes
- May only claim partial rebate of GST if it receives significant gov't funding
- \$100 (in BC) to setup

# Purposes / Objects

## Registered Charity

- Must use resources exclusively for "charitable activities" that have a "charitable purpose", including:
  - Relief of poverty
  - Advancement of education
  - Advancement of religion
  - Purposes that benefit community
    - Example: Animal shelters, libraries

- Can do a wide variety of things including:
  - Social, recreational or hobby groups
  - Amateur sports
  - Festival organizations

# Legion Foundation Example



- (a) to fund activities and programs which provide medical, social and other services, equipment and facilities including transitional and low rental housing required by needy individuals or families;
- (b) to fund, facilitate and promote research into medical problems faced by seniors with a particular emphasis on community geriatric research;
- (c) to advance education of the Canadian public about the historical and current accomplishments of the Canadian Armed Forces, Allied armed forces and Royal Canadian Mounted Police by supporting memorial events and sites in Canada;
- (d) to promote health by supporting medical research and delivery of programs for medical conditions related to active or past service in the Canadian Armed Forces and first responders, including the Royal Canadian Mounted Police;
- (e) to make grants to qualified donees as defined in section 149.1(1) of the Income Tax Act (Canada).

# Issuing Receipts

## **Registered Charity**

- All Charitable Tax Receipts must include:
  - Name & address of charity
  - Unique serial number
  - Charitable Registration number
  - · Location where it was issued
  - Date received
  - Date of receipt
  - Full name & address of true donor
  - Eligible amount
  - Signature of authorized individual
  - Name & website of CRA

## **Non-profit Organization**

 Issue general receipts – can't be claimed on taxes



Official Donation Receipt
For Income Tax Purposes
Charitable Registration Number
880760285RR0001

Charitable Registration #

Name & address of donor —

JOHN SMITH 789 W PENDER ST SUITE 500 VANCOUVER, BC, V6C 1H2

Unique serial number —

Location issued ——

**Date Received** 

Eligible Amount

Authorized signature

Charity Name & Address

**CRA** website

Receipt Serial #	KEE-2020-1
Date Issued	Oct 3, 2024
Location Issued	Surrey, BC
Transaction ID	6q9Bphwywr5Dshj9E
Date Received	Oct 3, 2024
Total Amount of Gift	\$100
Amount of Advantage	\$10
Description of Advantage	Dinner at the Fairmont
Eligible Amount of Gift	\$90

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This is an official donation receipt for income tax purposes. BC/Yukon Command of the Royal Canadian Legion Foundation is registered with the Canada Revenue Agency as a registered charity (Reg #880760285RR0001). No goods or services, except for the above stated advantage, were provided in exchange for this donation. Please keep this receipt as proof of your donation. For information on all registered charities and donees in Canada under the Income Tax Act, please visit: Canada Revenue Agency https://www.canada.ca/charities-giving.

# Reporting

## Registered Charity

- Must file an annual information return (Form T3010)
  - Directors (including D.O.B.)
  - Financial Statements
  - Donations given
  - Public solicit = audit
- Annual return (Form 4022)
- Public on the info CRA website

- May need to file a T2 return (if incorporated) or an information return (Form T1044) or both
- Annual return (BC Societies)



Government of Canada

Gouvernement du Canada

Canada Revenue Agency

> Charities and Giving > Search > T3010 Registered Charity Information Return

#### Resources

Online services

Forms and publications

A to Z index

Enquiries

## BRITISH COLUMBIA/YUKON COMMAND OF THE ROYAL CANADIAN LEGION FOUNDATION Quick View

#### Charity's detail page

880760285 RR 0001 Registration no.:

Status: Registered Effective date of 1997-07-04

status:

Type of qualified

Charity

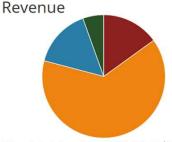
donee:

Public foundation @ Designation:

Website: www.legionbcyukonfoundation.ca [2]

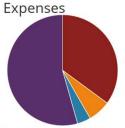
### Reporting period views

Quick View	Full View
2023-12-31	2023-12-31
2022-12-31	2022-12-31
2021-12-31	2021-12-31
2020-12-31	2020-12-31
2019-12-31	2019-12-31



- ■Receipted donations \$149,432.00 (15.04%)
- ■Non-receipted donations \$636,516.00 (64.07%)
- ■Gifts from other registered charities \$153,154.00 (15.42%)
- ■Government funding \$0.00 (0.00%)
- ■All other revenue \$54,426.00 (5.48%)

Total revenue: \$993,528.00



- ■Charitable programs \$350,181.00 (35.07%)
- Management and administration \$66,103.00 (6.62%)
- Fundraising \$39,101.00 (3.92%)
- Gifts to other registered charities and qualified donees \$543,179.00 (54.40%)
- ■Grants made to non qualified donees (grantees) \$0.00 (0.00%)
- ■Other \$0.00 (0.00%)

Total expenses: \$998,564.00

# Activities & Spending

## Registered Charity

- Must maintain "direction & control" of all resources to ensure they are used for charitable purposes
  - Run their own programs
  - Give to other Registered Charities
    - Grants
- Must disburse 5% of assets each year
  - Spend on programming (or grants)
  - Give to other charities

## **Non-profit Organization**

No spending restrictions or requirements

# Legion Foundation Example



## Own programs



## Other charities



# Summary

## Registered Charity

- Benefits:
  - Charitable tax receipts
  - Increased funding opportunities
  - Enhanced public trust/transparency
- Drawbacks
  - Stringent operational constraints
  - Increased reporting requirements
  - Reputational damage (if revoked)

- Benefits:
  - Operational flexibility
  - Lower reporting requirements
  - Low-cost to maintain
- Drawbacks
  - Limited Access to tax advantages
  - Perception & credibility
  - Funding restrictions



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