

Canada Revenue Agency (CRA) filing requirements for Non-Profit Organizations (NPO's)

T2 Corporate Income Tax Return

“All corporations – including non-profit organizations, ... - have to file a T2 return for every tax year, even if there is no tax payable. The only exception to this rule is a corporation that was a registered charity throughout the year.” (From page 7 of the T2 Corporation – Income Tax Guide 2010).

The T2 return must be filed no later than 6 months from the organization's fiscal year end. As there is no taxes payable, generally there are no late filing penalties that can apply. Continued late filing may be addressed by CRA through application of administrative penalties.

T3 Trust Return

If the main purpose of the organization is to provide services such as dining, recreational, or sporting facilities to its members, an inter-vivos trust is deemed to exist with a December 31st year end. NPO's may then have to file a T3 Trust Return and pay tax on rental income (income from property) and taxable capital gains from the disposition of any property not used in providing those services.

The T3 return must be filed no later than 90 days (March 31st) after the trust's tax yearend (December 31st) and any taxes owing should be paid. Penalties for late filing and interest on outstanding balances will apply.

T1044 Non-Profit Organization Information Return

NPO's may have to file a form T1044 if the organization meets the definition of an NPO and if one of the following conditions applies:

- NPO received or was entitled to receive taxable dividends, interest, rentals, or royalties in the tax year totaling more than \$10,000;
- Total assets were more than \$200,000 at the end of the immediately previous tax year; or
- Had to file Form T1044 for a previous fiscal year.

An NPO must file the form no later than 6 months from the end of its fiscal yearend. Late filing penalties will be applied by CRA from a minimum of \$100 to a maximum of \$2,500 per filing.

T3010-1 Registered Charity Information Return

All registered charities must file a T3010 Registered Charity Information Return each year. As there have been changes to the form over the last few years, be aware of which form is appropriate to complete based on your fiscal yearend. If you have used the incorrect form, it will be returned without processing. This could result in a late filing of the correct return if you are nearing the deadline.

A charity has 6 months from the end of its fiscal year end to file the form. Should a charity fail to file the form on time, it could lose its charity registration number and status.

If a charity's registration is revoked, it:

- Is no longer exempt from tax, unless another exemption applies;
- Cannot issue official donation receipts; and
- Must transfer its property to an eligible donee or be subject to a revocation tax equivalent to the full value of its remaining assets (under Part V of the Income Tax Act).

Other possible filing requirements

A not-for-profit organization or registered charity may have other federal or provincial/territorial filing requirements if the organization was created by incorporation, letters patent, memorandum of association, or other incorporating document.

For example, in British Columbia an NPO incorporated under the Society Act must file a Form 11 Annual Report to the Registrar of Companies. This simple form identifies the name and address of the NPO and each elected director and must be signed by an authorized director. This form is to be filed with payment and within 30 days of the annual general meeting in which the directors have been elected. There are currently no late-filing penalties for this form.

We will make every effort to ensure this document is current and accurate. However, due to the pace of changes in the tax and accounting industries we cannot guarantee the continued relevance of the information provided. The information and resources provided are not a substitute for professional advice and may not be appropriate for your situation.

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