



Understanding the Charities Directorate of the CRA

SPEAKER: SHARMILA KHARE,
DIRECTOR GENERAL



Land Acknowledgement



Source: #BeadYourProvince, Kooteen Creations

About CanadaHelps

- CanadaHelps is a charitable organization increasing giving in Canada through technology.
- **For Canadians,** CanadaHelps offers the most comprehensive and flexible range of giving solutions for donating or learning about any charity in Canada.
- **For Canada's 85,000 charities,** CanadaHelps provides affordable fundraising tools and education to help charities increase their impact.
- Since 2000, more than 5 million Canadians have donated over \$3.7 billion to charities using CanadaHelps.





Got A Question?

- Type your questions in at anytime for Q&A Session at the end
- A recording and the slidedeck will be emailed to you following the webinar. You'll be able to watch the recorded video on demand.



About The Presenter

Sharmila Khare
Director General, Charities Directorate

Sharmila has been Director General, Charities Directorate since 2022. Her career highlights include serving as Assistant Departmental Secretary in the Deputy Minister's Office, Advisor to the Executive Director at the World Bank, and Chief of Charities in 2009, where she deepened her focus on the charitable and non-profit sector.



Overview

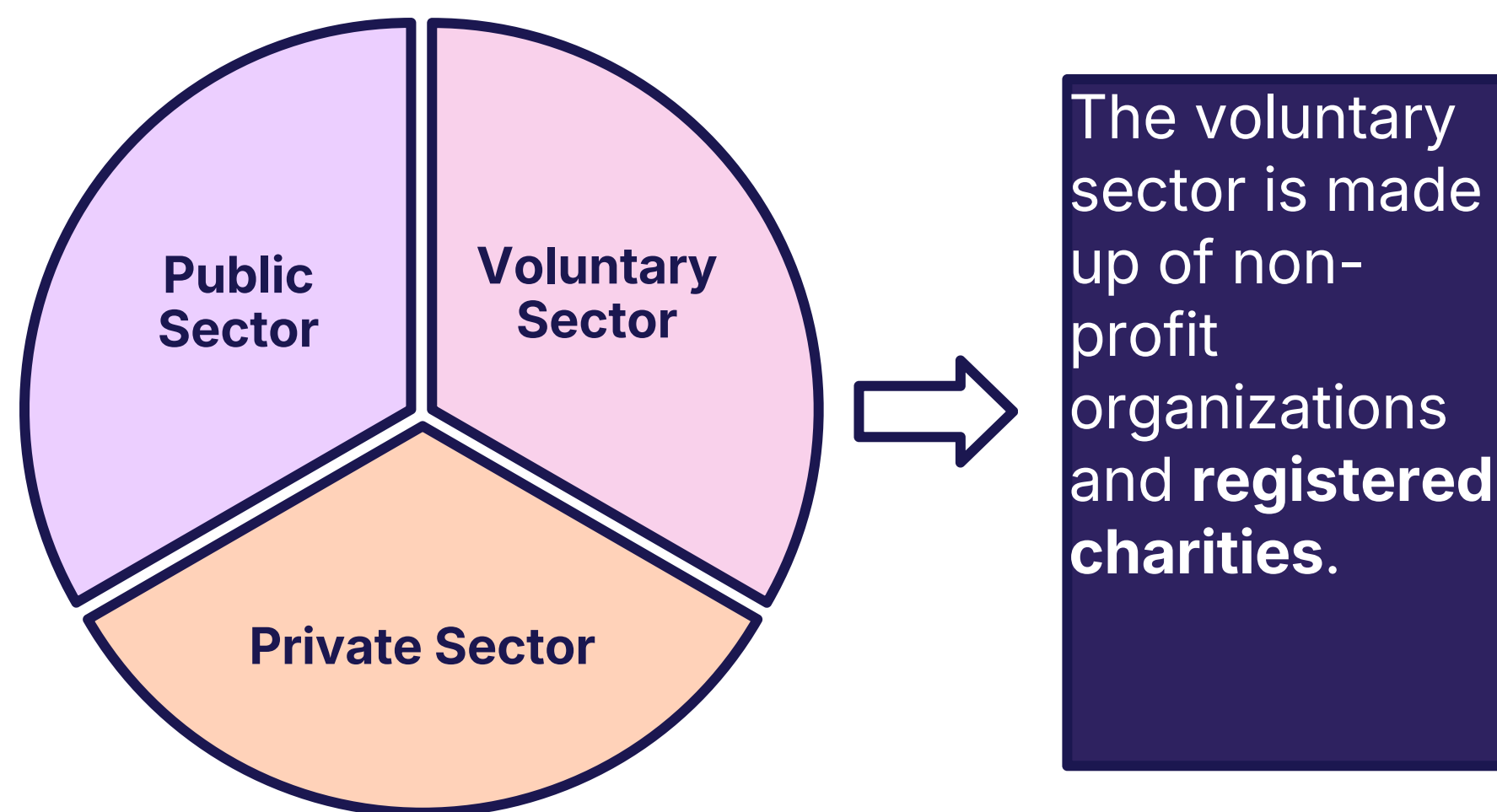
1. The charitable sector in Canada
2. Who we are and what we do: Registration and beyond
3. Trends in non-compliance: How to stay onside
4. The Form T3010 and online filing
5. Where to turn: Resources, outreach and advice

Part 1:

The charitable sector in Canada



The voluntary sector in Canada



The voluntary sector*

- Employs 2.7 million people annually, or 1 in 10 Canadian workers
- Represents 8.2% of Canada's annual GDP, which is approximately \$225 billion

Canadians give \$11+ billion annually to registered charities**

- In 2022, individuals claimed over \$11 billion dollars in donations
- In 2021, businesses donated approximately \$4.2 billion dollars***

* <https://imaginecanada.ca/en/About-the-sector>

** <https://www150.statcan.gc.ca/n1/en/daily-quotidien/240314/dq240314b-eng.pdf?st=6NPW6XCy;>

*** <https://www.canada.ca/content/dam/cra-arc/prog-policy/stats/t2-corp-stats/2016-2021/t2-crp-sttstcs-tbl12-e.pdf>

Registered charities in Canada

There are approximately 85,348* registered charities in Canada:

73,569 charitable organizations

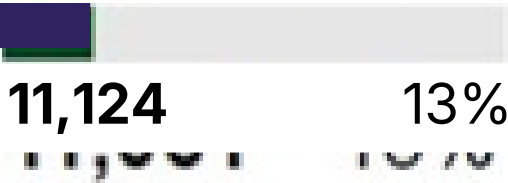
4,680 public foundations

7,099 private foundations

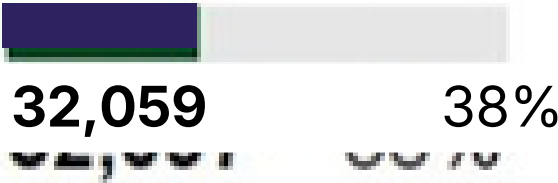
Relief of poverty



Advancement of education



Advancement of religion



Other purposes beneficial to the community



* Data from [Charities Listing](#) on October 27, 2025.

Part 2:

Who we are and what we do:
Registration and Beyond

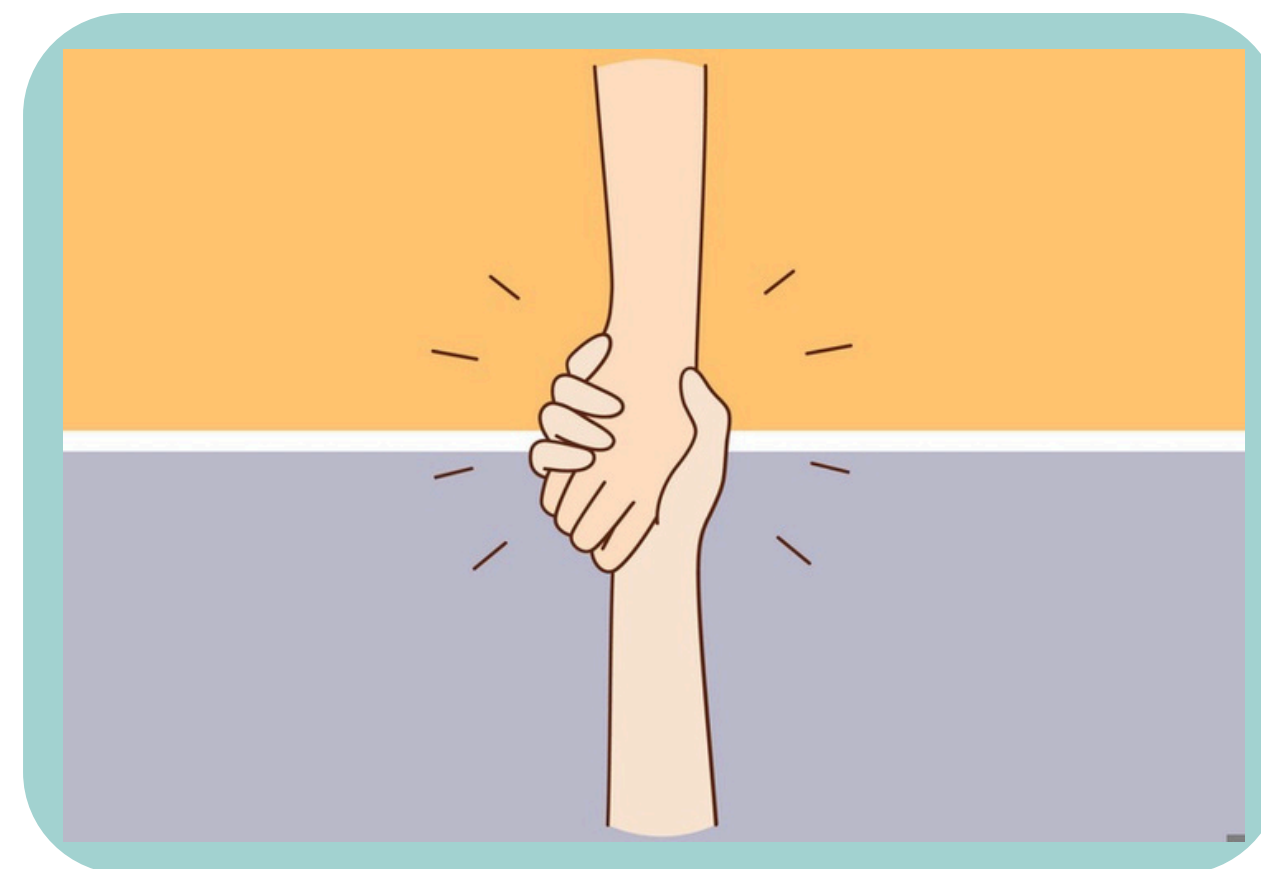


The Charities Directorate

The Charities Directorate is the area of the Canada Revenue Agency (CRA) that administers the sections of the *Income Tax Act* (ITA) related to the regulation of charities.

The Charities Directorate:

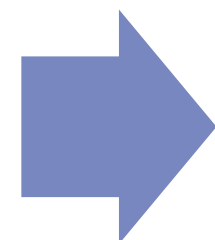
- Registers charities under the ITA
- Educates the public and charities on the requirements for registration
- Protects the sector from terrorist financing abuse
- Monitors the sector for compliance
- Carries out compliance actions



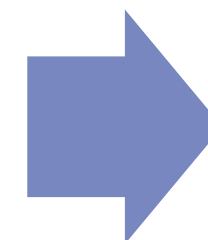
Eligibility requirements for registration

To qualify for registration as a charity, an organization must:

Be resident in Canada



Be established and operated
for charitable purposes



Devote its resources (funds,
personnel, and property) to
charitable activities

Benefits of registration



Issue official donation receipts for gifts



Exempt from paying income tax



Eligible to receive gifts from registered charities



Have some exemptions from goods and services tax/harmonized sales tax (GST/HST)



Registration requirements



Engage only in allowable activities



Keep adequate books and records



Issue complete and accurate donation receipts



Meet the annual spending requirement (disbursement quota or DQ)



File the annual T3010 information return



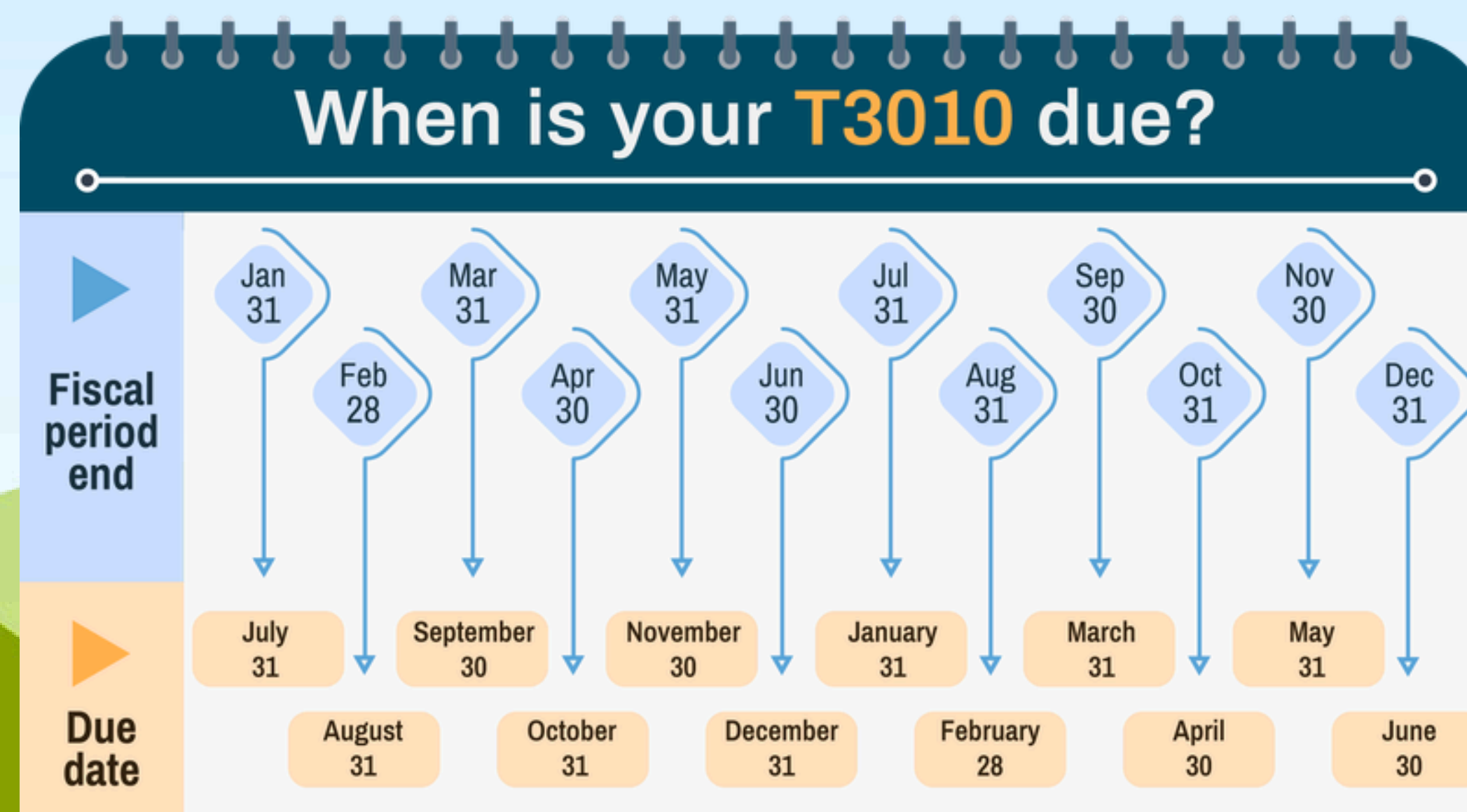
Maintain status as a legal entity



Inform the Charities Directorate of any changes to the mode of operation or legal structure

When to file a Form T3010

Registered charities must file a complete T3010 information return with the CRA no later than six months after the end of each fiscal period.



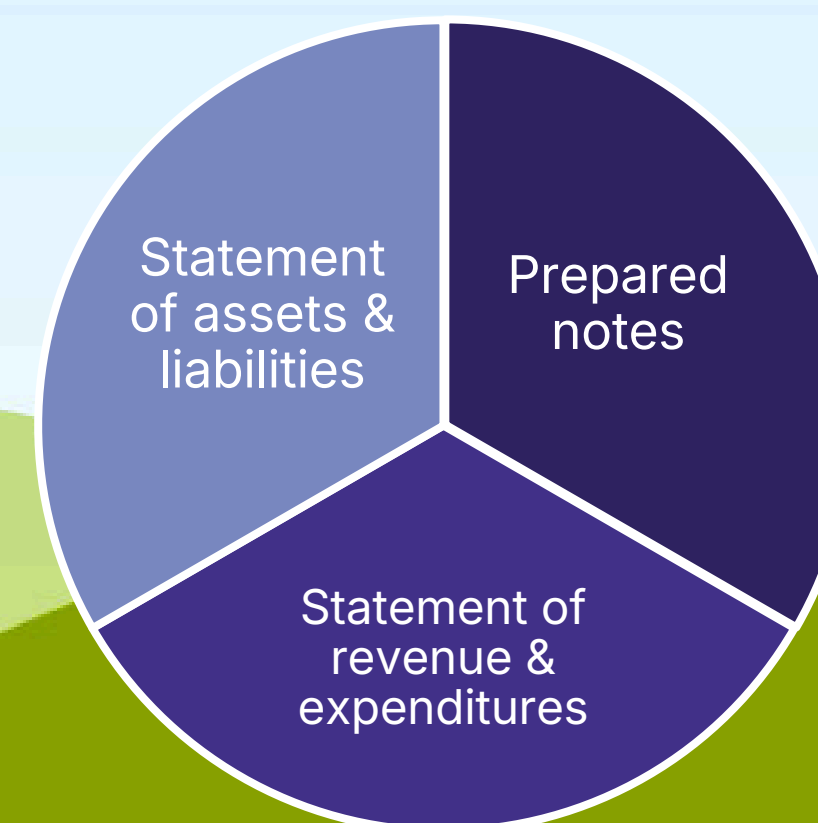
What to file with a return

A **complete** T3010 information return contains the following forms and documents:

- Form T3010, *Registered Charity Information Return*
- Financial statements (even if your charity was inactive)
- Form T1235, *Directors/Trustees and Like Officials Worksheet*
- Form T1236, *Qualified donees worksheet / Amounts provided to other organizations* (if applicable)
- Form T1441, *Qualifying Disbursements: Grants to Non-Qualified Donees* (if applicable)
- Form T2081, *Excess corporate holding worksheet for private foundations* (if applicable)

Tip: Financial statements

- Charities must attach financial statements when filing a T3010 annual information return, even if the charity was not active during the fiscal year or had a zero balance.
- If the financial statements are missing, the return is not considered as complete.
- Financial statements should include at least:



How to file a return

The best way to complete your T3010 information return is online using **My Business Account (MyBA)**.



MyBA:

- Fast
- Easy
- Secure
- Avoids mail delays
- Avoids lost returns
- Reduces filing errors
- Processes returns instantly
- Progress bars and status indicators

Failing to file a return

Charities may have their charitable status revoked for failing to file an annual T3010 return.

If a charity's registration is revoked, it:



can no longer issue official donation receipts



is no longer exempt from paying income tax



must give all remaining assets to an eligible donee or pay a revocation tax equal to the full value of its assets

Part 3:

Trends in non-compliance:
How to stay onside



Common non-compliance issues



Serious non-compliance issues



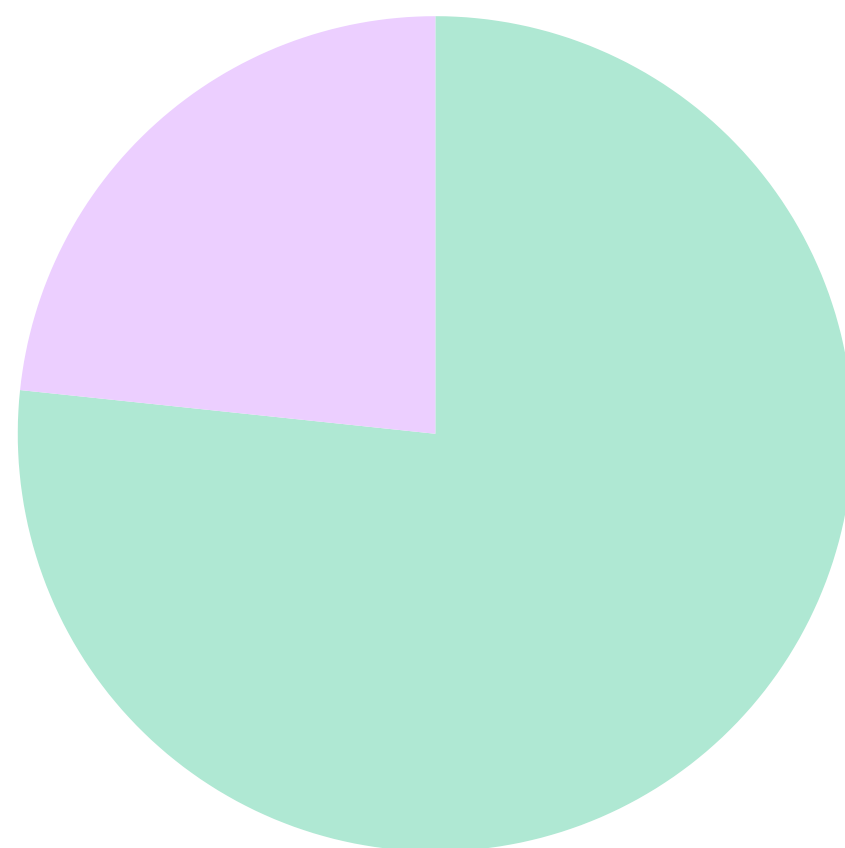
Part 4 :

Increasing online filing



The filing landscape: What the data tells us

● Paper filers ● Online filers



Comparatively:
93% of Canadians file their personal taxes online

The Challenge

- Many charities **still rely on paper forms** despite the advantages of digital options
- 2022 public opinion research commissioned by the Agency found that **paper returns are often driven by habit or custom**

Increasing adoption of online filing

Embracing online filing is a shared opportunity to build a more efficient, sustainable, and transparent sector. By working together to increase adoption, we can unlock benefits for charities, the regulator, and the public – and lay the groundwork for a potential shift to mandatory online filing.

- | | | | |
|-----------------------------|---|----------------------------|---|
| Instant confirmation | ✓ | Flexible navigation | ✓ |
| Next-day visibility | ✓ | Shared access | ✓ |
| Fewer errors | ✓ | Eco-friendly | ✓ |
| Built-in compliance | ✓ | Help from the CRA | ✓ |



Part 5 :

Where to turn: Resources, outreach and advice



My Business Account (MyBA)

My Business Account (MyBA) is a secure online portal that allows charities to do the following tasks:

- Apply for registered charity status and track application progress
- File and amend annual returns
- Update organizational information, including address, directors, representatives, and governing documents
- Upload supporting documents and correspond with the Charities Directorate
- Access payroll and GST/HST accounts, file T4 slips and GST/HST returns, and view account balances and remittance details

To use
MyBA
you need:

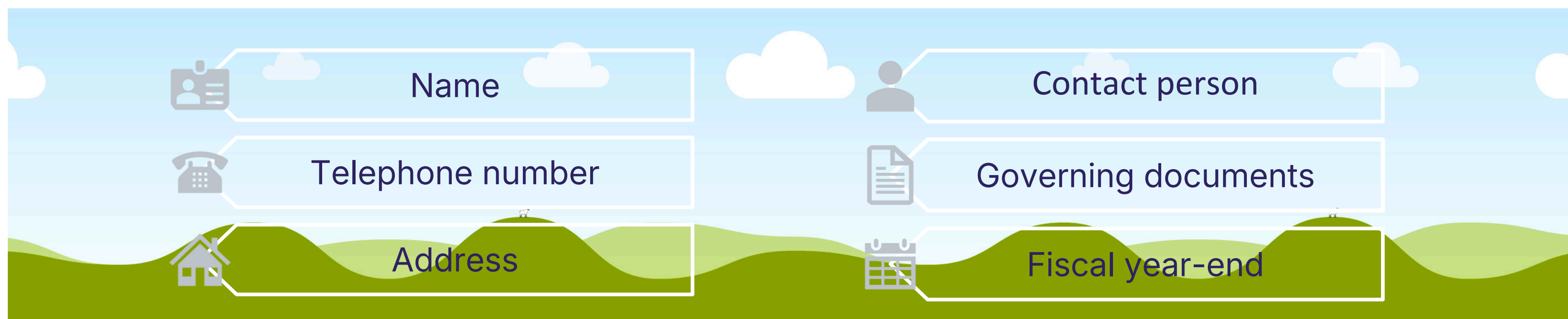
Business number
(BN)

Associated charity
account
(RR)

Go to [Access our online services for charities](#) to find specific steps on how to:

- Get your BN and RR
- Sign in to My BA

Maintaining charity information



Tools and resources

www.canada.ca/charities-giving

- Registering for charitable or other qualified donee status
- Operating a registered charity
- Resources for maintaining charitable registration
- Previous webinars
- Annual Report

Client service representatives

1-800-267-2384

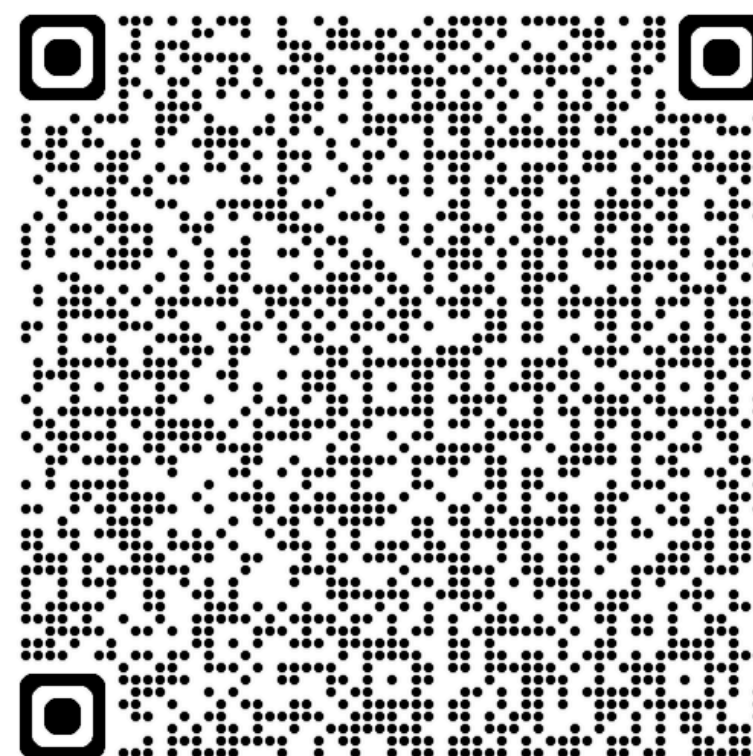
- Provide guidance to charities on changing their legal name, purposes, activities, and more
- Provide interpretation and technical advice



Electronic mailing list

canada.ca/charities-whats-new

- Subscribers receive updates when new information is added to the website, such as:
 - webpages
 - guidance or advice on maintaining registered status
 - general information for the charitable sector



Q&A





Generosity is right here.



@CanadaHelps

charitylife@canadahelps.org