



Mr. Steven Woodman
Authorized Representative
Peel Children's Aid Foundation
8 Nelson Street West, Suite 204
Brampton, ON L6X 4J2

Your Ré *Votre référence*

Our Ré *Notre référence*

3023231

May 7, 2003

SUBJECT: NOTIFICATION OF REGISTRATION
Peel Children's Aid Foundation

Dear Mr. Woodman:

We are pleased to inform you that, based on the information supplied, and assuming that the activities will be as stated in the application, we have determined that the organization qualifies for tax-exempt status as a registered charity under paragraph 149(1)(f) of the *Income Tax Act* (the *Act*).

REGISTRATION INFORMATION

- the charity's Business Number is 86452 1240RR0001;
- the charity is registered effective April 3rd, 2003;
- the charity is designated as a Public Foundation;
- the charity's fiscal year end has been established as March 31st;
- the charity will have to file its first annual return on or before September 30th, 2004, for the fiscal period ending March 31st, 2004.

The following paragraphs and the documents attached to this letter will further explain the operational requirements the charity must meet, its filing requirements, the issuance of receipts, etc. Please take a few minutes to look over this information, and refer to this letter for any questions relating to the charity's status.

General Information

Enclosed is a copy of a document entitled *Registered Charities and the Income Tax Act* which will assist you in complying with the operational and filing requirements that must

be satisfied in order to maintain the organization's registered charity status. If you have any questions or require further assistance, please do not hesitate to contact our Client Assistance Group, either by phone at (613) 954-0410 or toll-free 1-800-267-2384, or by mail to the Charities Directorate, Canada Customs and Revenue Agency, Ottawa, ON K1A 0L5. Any questions pertaining to the GST may be addressed by telephoning toll-free at 1-800-959-5525.

The Charity's Business Number

The Business Number (BN) system was implemented in April 1997. The BN consists of a nine-digit root, followed by a two-letter, four-digit account identifier. The nine-digit root is the same for each account the organization may have with Canada Customs and Revenue Agency (CCRA). However, the two-letter, four-digit account identifier will be different for each account. The organization's charitable status is acknowledged by the RR0001 - account identifier. Please note that the charity's BN should be written in full, including its charity account identifier, on all receipts it issues.

The Charity's Designation

We have determined that the organization is a **Public Foundation** because it meets the requirements of that definition as set out under subsection 149.1(1) of the *Act*. This designation determines the operational requirements that the charity will have to meet under the *Act*. These requirements are described in the information document referred to above. If you think this designation does not accurately reflect the present structure, source of funding or mode of operation of your organization, please write to us within sixty days of the mailing of this letter, clearly setting out your reasons.

At a later date, if the charity undergoes any of the modifications described in the next section, it may be required to change its designation. You may also wish, for other reasons, to see the organization's designation changed. In both cases, you would have to apply for re-designation by completing form T2095.

Changes in the Charity's Purposes, Activities, Sources of Support or Directors

We have registered the organization based on the information provided with the application. If the organization wishes to formally change its stated purposes or objects, it should obtain our prior approval, because this may affect its status. If the organization wishes to undertake programs and activities that are materially different from those in the information already submitted to us, it should make sure that they are within the scope of the organization's stated purposes. Moreover, if the programs or activities are different from those we reviewed, they may not be charitable. As a precaution, we recommend that you check with us beforehand. If the organization actually undertakes programs that are not charitable, its registration may be revoked.

Furthermore, if the charity's sources of support, character, or method of operation were to change, you are required to advise us immediately, so that we may consider any impact this may have on its registered status. In addition, you are required to advise us if the relationships (by blood, marriage or adoption) among the directors and officials change.

These types of changes might affect the charity's designation and the operational requirements it has to meet under the *Act*.

Issuing Receipts Acknowledging Gifts to the Charity

In order for donors to benefit from the tax incentives associated with gifting to a charity, they must submit an official receipt issued by a registered charity with their income tax return. Official receipts are those issued by a registered charity that meet the requirements set out under Regulation 3501 of the *Income Tax Regulations*. Please refer to page 6 of the document entitled *Registered Charities and the Income Tax Act* in this regard. **Official receipts can only be issued to acknowledge gifts to the charity.** *Interpretation Bulletin IT-110R3* defines a gift as a voluntary transfer of property without valuable consideration. For more information on what constitutes a gift in charity law, please refer to the aforementioned Interpretation Bulletin and the enclosed pamphlet entitled *Tax Advantages of Donating to Charity*.

Filing the Charity's Annual Information Return

Every registered charity must file an information return each year and it must be filed no later than six months after the end of its fiscal period. Beginning with fiscal periods ending in 2003, an information return includes:

- Form T3010A, *Registered Charity Information Return*, and the *Registered Charity Basic Information Sheet*;
- The list of directors/trustee or like officials, with all the required information;
- The list of qualified donees, with all the required information (if applicable); and
- A copy of the registered charity's financial statements.

The information that must be included annually in the return may differ substantially from that available in your current books and records. Here are some items of information you will have to provide on the return:

- a breakdown of gifts including those for which **official tax receipts** were issued and those from other registered charities;
- disbursements, including amounts spent on fund-raising, administrative expenditures, political activities, and those spent specifically on charitable programs; and,
- a breakdown of remuneration to directors, executive officers, to employees engaged in charitable activities and to employees engaged in other activities.

Although the information return forms are forwarded annually to all registered charities for their use and to remind them that the return must be filed, it is the charity's responsibility to ensure that it meets its annual filing requirements, without prior notice by CCRA. It is important, therefore, for the Charities Directorate to always have the current address of the charity. **Failure to file the return within the prescribed six-month period following each fiscal year end could result in the revocation of the organization's registered status (see below).**

Please note that the information return forms are not currently available; we will send you the information return forms shortly under separate cover.

Gifting and Dissolution or Winding-Up of the Charity

A registered charity may gift only to donees described in subsection 149.1(1) of the Act (see page 5 of the pamphlet *Registered Charities and the Income Tax Act*), both during the life- time of the charity and upon its dissolution.

Remuneration of Directors

Subsection 149.1(1) of the *Income Tax Act* states that no part of the income of a registered charity can be payable to, or otherwise available for the personal benefit of any of its proprietors, members, shareholders, trustees, or settlors. This means that directors of registered charities must not receive any income from the charity simply for being named as director. However, the tax legislation does permit the charity to reimburse its directors for any expenses they incur while performing their duties. As well, the charity can make reasonable payments for the time the directors devote to the charity's affairs, either when they are acting as directors or in some other capacity.

Other Possible Requirements Associated with Charitable Status

The organization is now registered for federal income tax purposes. However, depending on which part of Canada it carries on its activities, there may be provincial legislation or municipal by-laws that could govern its operations. These rules may require you to file reports or annual returns, or to apply for licenses in connection with various aspects of its activities, such as fund-raising. If you are unfamiliar with these requirements, you should contact the appropriate provincial and municipal authorities to determine the relevant requirements. Please note that if you intend to issue receipts to residents of Québec for Québec provincial income tax purposes, the charity must also be formally registered with Revenu Québec.

For further information please contact:
Ministère du Revenu du Québec
Direction générale des mandataires

Direction de l'enregistrement
3800, rue de Marly
Sainte-Foy, Québec G1X 4A5
Tel. (418) 659-6299

Charity Audits

Through ongoing audit and review programs, CCRA endeavours to ensure that the requirements for continued registration are met. Further, a number of registered charities are investigated by CCRA each year on the basis of random sampling and a review of the annual returns filed by charities. Where the charity is not complying with the Act, its registration may be revoked.

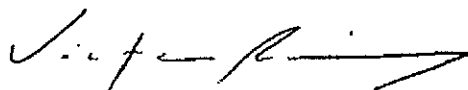
Revocation of Charitable Status

In the event that the charity loses its charitable status, either on a voluntary basis or for cause, it would lose its tax-exempt status as well as its authority to issue official receipts for income tax purposes. Further, it would be subject to a tax equal to the value of any remaining assets not disposed of in a prescribed manner. Please refer to the section entitled *Revocation of a charity's registration* at page 13 of the document entitled *Registered Charities and the Income Tax Act*.

Because this letter could help resolve any questions about the charity's charitable status, you should keep it in your permanent records.

Please visit our website at www.ccr-aadrc.gc.ca/charities which we update frequently.

Yours sincerely,



Victoria Rivers
Charities Officer
for Maureen Kidd,
Director General
Charities Directorate

Attachments
VR/vr