

Charitable Organizations Outside Canada that Have Received a Gift from Her Majesty in Right of Canada

Guidance

Reference number

CG-015

Issued

August 10, 2012

This guidance applies as of January 1, 2012, and replaces Policy Commentary CPC-030, *Foreign charities: Requirements for qualified donee status*, and Information Circular IC84-3R6, *Gifts to Certain Charitable Organizations Outside Canada*.

The [List of charitable organizations outside Canada that have received a gift from Her Majesty in right of Canada](#) replaces the *Attachment to IC84-3R6*.

Summary

A charitable organization outside Canada that has received a gift from Her Majesty in right of Canada (that is, the Government of Canada), and meets certain other requirements, may become a [qualified donee](#) for a specified period. This status allows it to be included on the list of qualified donees maintained by the Canada Revenue Agency (CRA), and to be eligible to issue official donation receipts to donors and to receive gifts from registered charities, during that period.

Purpose

1. To provide information for potential donors to certain charitable organizations outside Canada.
2. To clarify how the CRA decides whether a charitable organization outside Canada that has received a gift from the Government of Canada meets the requirements for qualified donee status.

Commentary

A charitable organization outside Canada that has received a gift from the Government of Canada (the federal government or its agents), may become a **qualified donee** under the *Income Tax Act* for 24 months from the date it received the gift. As a qualified donee, the organization can issue official donation receipts for gifts it receives during that period. Corporate donors can use these receipts to claim a tax deduction on their Canadian Corporation Income Tax Return and individual donors can use them to claim a tax credit on their Canadian Income Tax and Benefit Return.

To confirm whether a charitable organization outside Canada is or was a qualified donee as a result of receiving a gift from the Government of Canada, go to [List of charitable organizations outside Canada that have received a gift from Her Majesty in right of Canada](#).

To add a charitable organization outside Canada to the CRA's list of qualified donees, the federal government department or agent that made the gift, or the organization that received the gift, must send the following information to the CRA's [Charities Directorate](#):

- a copy of the organization's governing document;
- a description of the organization's activities;
- a copy of the letter or certificate granting charitable status to the organization, from the relevant authority in the country in which the organization is established;
- a copy of correspondence, agreements, or other documents related to the gift from

- the Canadian Government; and
- proof that the gift was made (for example, a copy of the cheque).

The CRA will then use the following **two-part test** to decide whether the organization outside Canada is a qualified donee:

1. The information given must clearly show that the organization received a gift from the Government of Canada.
2. The organization must meet the Canadian common law definition of [charitable](#), and generally be eligible for registration in Canada, if it were established in Canada.

The CRA will send a letter to the organization outside Canada confirming whether it meets both parts of the test. If it does, its name will be added to the list of qualified donees. If it does not, the CRA will explain its concerns in the letter and the organization may respond to these concerns. If the organization does not address these concerns to the CRA's satisfaction, the CRA's decision that the organization is not a qualified donee will be final. If the organization disagrees with the CRA's decision and wants to take formal recourse, it must file an application for judicial review with the [Federal Court of Canada](#).

To maintain its status as a qualified donee, a charitable organization outside Canada must meet certain requirements under the *Income Tax Act*. It is required to:

- properly issue official donation receipts; and
- keep books and records to support any official donation receipts it issues and provide these to the CRA upon request.

For more information about these requirements, go to [Issuing official donation receipts](#) and [Books and records](#).

The CRA may apply [sanctions](#) that include suspending or revoking the organization's receipting privileges if it is involved in the improper issuance of donation receipts, or does not provide the necessary records when asked.

If the organization receives a notice suspending or revoking its status, it can file an [objection](#) with the CRA's Appeals Branch within 90 days after the day the notice was mailed. The objection must be in writing and give the reason(s) for the objection and all the relevant facts.

References

- *Income Tax Act*, R.S.C. 1985 (5th supp.) c. 1, ss. 110.1(1)(a), 118.1(1), 149.1(1), 149.1(4.3), 168(1), 188.2, 230(2), Regulation 3501(1.1).

Date Modified: 2012-08-10