



# Fact Sheet: Regulatory Checklist - A Governance Risk Management Mitigant for Canadian Community Foundations

*April 2026*

## ***Why is this checklist so critical?***

One of the key roles of the board of a community foundation relates to their fiduciary responsibility, which is the duty to exercise reasonable care when he or she makes a decision as a steward of the organization. One of their roles as stewards is to reduce risks and protect the foundation's assets, both tangible and intangible while ensuring that there is adherence to the regulatory framework applicable to charities and non-profit organizations. Failure to do so could, among other things, jeopardize the foundation's charitable status or be in contravention of provincial employment and labour standards – both of which run the risk of negatively impacting the foundation's reputation in their community.

The chart included in this document outlines a community foundation's regulatory obligations relating to the following areas:

- CRA requirements as a charity
- federal or provincial non-profit incorporation
- risk management
- governance
- employment

There are also links to acquire more detailed information on many of the obligations. Use this checklist to review your foundation's practices and policies and which ones are current, need updating or need to be created. If there are any areas that are unclear, connect with CFC, your lawyer or accountant.

It is the board's responsibility to ensure that these obligations are met, whether undertaken by themselves (for smaller community foundations), by staff or by their professional advisors (i.e., lawyer, accountant). To ensure ongoing compliance with the current regulatory framework as well as ensuring key individuals in the foundation are aware of their responsibilities, there should



be a process to review this checklist every 3-4 years by the board as well as when a new ED/CEO is engaged.

Content for this 2026 version includes content from earlier publications.

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For all other organizations wishing to quote the material in this guide, references to or simple excerpts from this publication can be made with proper acknowledgement of CFC, the publication's full title and date of publication. Those wanting to adapt or use the material in this publication more substantially must contact CFC at +1.613.236.2664 or [info@communityfoundations.ca](mailto:info@communityfoundations.ca).



| REGULATORY OBLIGATIONS   | YES | NO | NOT SURE | NOT APPLICABLE | FOR MORE INFORMATION  |
|--|-----|----|----------|----------------|---|
| <b>Filing Your T3010 Registered Charity Return</b>   |     |    |          |                |   |
| You have checked that you are a registered charity on CRA's Charities Listing  |     |    |          |                | <a href="#">CRA Charities Listing</a> and search for your foundation's filings. The site will have your information for the previous 5 years.   |
| You know the date of your fiscal year-end and are up to date with your T3010 filing  |     |    |          |                | See previous T3010 or at <a href="#">CRA Charities Listing</a>  |
| You know when to file your T3010 and file it on time   |     |    |          |                | <a href="#">T3010 Overview</a>  |
| You know who is responsible for filing the T3010 in your organization  |     |    |          |                | Include in ED/CEO or Treasurer's job description  |
| You are filing the current T3010 form and are filing online through your CRA account   |     |    |          |                | <a href="#">CRA Charities Listing</a>   |
| CRA has your correct contact information   |     |    |          |                | <a href="#">CRA Charities Listing</a>   |
| <b>Ensuring Your T3010 is Correct and Complete</b>   |     |    |          |                |   |
| You are using the correct form   |     |    |          |                | <a href="#">The Registered Charity Information Return (T3010)</a>   |
| You complete all the required information on the T3010   |     |    |          |                | <a href="#">Completing the Registered Charity Information Return (T3010)</a>  |
| You complete all required documentation when you file your T3010-13, such as financial statements, the Qualified Donee Worksheet, and the Directors worksheet that includes date of birth and home address |     |    |          |                | <a href="#">The Registered Charity Information Return (T3010)</a>   |
| You have had your accountant and/or board members review the T3010 before it was filed   |     |    |          |                | This is not required, but it is good practice to increase the likelihood that the T3010 is accurate. Changes in the 2012 Federal Budget allow CRA to suspend the receipting privileges of a charity if its T3010 filing is incomplete |
| Before filing, you have checked that you have not made some of the most common mistakes with the T3010   |     |    |          |                | <a href="#">Avoiding Common Mistakes When Filing Your T3010 Return</a>  |
| After filing the T3010 you have checked your T3010 online to ensure accuracy   |     |    |          |                | <a href="#">CRA Charities Listing</a>   |
| <b>Donations</b>   |     |    |          |                |   |
| You only provide official donation receipts for 'gifts' when appropriate   |     |    |          |                | <a href="#">CRA Definition - What is a gift?</a>  |
| You only provide receipts for donations to your organization ( <i>you do not act as a conduit or lend your registration to another organization, such as a non-profit or foreign charity</i> )             |     |    |          |                | <a href="#">CRA - Issuing Receipts</a>  |
| You understand the 'split-receipting' rules and ensure that any 'advantage' is subtracted from the amount of the donation to determine the eligible amount of the official donation receipt                |     |    |          |                | <a href="#">CRA - Split Receipting</a>  |
| You have reviewed CRA's sample receipts and compared your own receipts to the sample   |     |    |          |                | <a href="#">CRA - Sample Receipt</a>  |



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| All mandatory information is included on the official tax receipts   |  |  |  |  | <a href="#">CRA - Checklist for Issuing Accurate Donation Receipts</a>   |
| Your foundation locks away your receipt book or uses a secure password on any computer or program that produces official donation receipts   |  |  |  |  | Incorporate this practice in your finance policies and procedures  |
| <p>You are aware that the transactions that generally do not qualify as gifts and therefore no tax receipt is issued? For example:</p> <ul style="list-style-type: none"> <li>• payment of a basic fee for admission to an event or to a program</li> <li>• payment of membership fees that convey the right to attend events, receive literature, receive services, or be eligible for entitlements of any material value that exceeds 80% of the value of the payment</li> <li>• payment for a lottery ticket or other chance to win a prize</li> <li>• purchase of goods or services from a charity</li> <li>• donation for which the fair market value of the advantage or consideration provided to the donor exceeds 80% of the value of the donation</li> <li>• a gift in kind for which the fair market value cannot be determined</li> <li>• donations provided in exchange for advertising/sponsorship</li> <li>• gifts of services (for example donated time, labour)</li> <li>• gifts or promises (for example gift certificates donated by the issuer, hotel accommodation)</li> <li>• pledges</li> <li>• loans of property</li> <li>• use of a timeshare</li> <li>• lease of premises</li> </ul> |  |  |  |  | Incorporate this list into your foundation's Gift Acceptance Policy.   |
| Your foundation has signed agreements in place for all funds   |  |  |  |  | Ensure that this is a policy of the foundation, and you have explored the Factsheet <a href="#">Creating a Fund Agreement</a>  |
| <b>Acting Outside Legal Objects</b>  |  |  |  |  |  |
| You periodically review the legal charitable purposes in your foundation's letters patent, supplementary letters, patent/articles of incorporation, fund agreement, or constitution to ensure all the activities of your charity are within your legal objects.  |  |  |  |  | Set up a schedule to review these documents, triggered either by a change in legislation or by frequency (i.e., every 5 years)<br><a href="#">Charitable purposes</a>  |
| Are the legal purposes exclusively charitable in nature  |  |  |  |  | This would have been confirmed upon the registration foundation. However, if your incorporating documents change the <a href="#">purposes</a> of your foundation, the new purposes <b>MUST</b> be sent to CRA – Charities Directorate. <a href="#">Making Changes to Charitable Purposes - CRA</a> |
| Has the foundation ensured that its charitable activities are being undertaken in accordance with its charitable objects   |  |  |  |  | This would be confirmed upon registration as a charitable foundation. Refer to the link above if you are changing your purposes, as CRA will require you to outline new activities to determine if they are charitable in nature.  |



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| If activities are outside the scope of your objects, you have discontinued those activities or decided to modify your objects   |  |  |  |  | This would need to be addressed if CRA has ruled that the activities which you are undertaking do not fall within your charitable purposes.  |
| If you are modifying your legal objects, for example, by filing a supplementary letters patent, you have first discussed with CRA the changes and secondly provided CRA with a copy of the supplementary letters patent |  |  |  |  | Very important to get CRA's opinion prior to changing your objects. Saves time in the long run.  |
| <b>Qualified Disbursements</b>  |  |  |  |  |  |
| You know what a 'qualified donee' and a qualified disbursement is   |  |  |  |  | <a href="#">CRA - Guidance on Qualified Donees Miller Thomson - CRA releases final guidance on qualifying disbursements</a>  |
| You understand the rules relating to community foundations working with non-qualified donees  |  |  |  |  | <a href="#">Using an intermediary to carry on a charity's activities. Registered charities making grants to non-qualified donee</a>  |
| You have a disbursement or spending policy in place before the funds are distributed  |  |  |  |  | See policy 2.10 Spending and Capital Preservation Policy in <a href="#">Key Governance and Administration Policies Template Guide for Canadian Community Foundations</a>   |
| You have an application process that describes the activities, budget and evaluation process  |  |  |  |  | See policy 4.01 Granting in <a href="#">Key Governance and Administration Policies Template Guide for Canadian Community Foundations Grantmaking Toolkit for the New Decade</a>  |
| You have a grant agreement in place before the funds are distributed  |  |  |  |  | <a href="#">Grantmaking Toolkit for the New Decade</a>   |
| You properly track activities for reporting to donors and CRA   |  |  |  |  | Ensure your foundation has a process to report back to donors of designed and advised funds on distributions from their funds. Ensure your accounting or grants management system has the required information for reporting on grants to CRA (annually on the T3010 Register Charities Information Return (see link above in first section) |
| If you provide grants to organizations or individuals that are not qualified donees you have a "structured agreement" in place  |  |  |  |  | <a href="#">Registered charities making grants to non-qualified donees</a>   |
| <b>Fundraising Costs and Practices</b>  |  |  |  |  |  |
| Your foundation has read and understands the CRA's Guidance Fundraising by Registered Charities (April 2012)  |  |  |  |  | <a href="#">CRA - Fundraising by Registered Charities</a>  |
| You do not engage in any prohibited activities as outlined in the CRA's Guidance Fundraising by Registered Charities  |  |  |  |  | <a href="#">CRA - Fundraising by Registered Charities</a>  |
| You appropriately allocate fundraising expenditures according to CRA's Guidance Fundraising by Registered Charities   |  |  |  |  | <a href="#">CRA - Fundraising by Registered Charities</a>  |
| You follow best practices as outlined in the CRA's Guidance Fundraising by Registered Charities   |  |  |  |  | <a href="#">CRA - Fundraising by Registered Charities</a> (see Best Practices in Appendix)<br><a href="#">Association of Fundraising Professionals Code of Ethical Standards</a><br><a href="#">Imagine Canada - Ethical Fundraiser</a>  |



| Disbursement Quota  |  |  |  |  |   |
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| <p>The disbursement quota is the minimum amount a registered charity is required to spend each year on its own charitable activities and qualifying disbursements through gifts to qualified donees or grants to non-qualified donees. The disbursement quota calculation is based on the value of a charity's property, which is not used for charitable activities or administration.</p> <p>If the average value of a registered charity's property not used directly in charitable activities or administration during the 24 months before the beginning of the fiscal year exceeds \$25,000, the charity's disbursement quota is: 3.5% of the average value of that property up to \$1 million and 5% on the amount that exceeds \$1 million.</p> |  |  |  |  | <a href="#">Factsheet - Understanding your Disbursement Quota</a><br><a href="#">Disbursement quota calculation</a>   |
| <p>You review your Registered Charity Information Return Summary received from the CRA after filing your T3010 to verify your estimated disbursement quota.</p>   |  |  |  |  | <p>Set up this review as part of your annual governance checklist, as well as a responsibility of your accountant and/or Treasurer</p>  |
| Transactions with Directors   |  |  |  |  |   |
| <p>If your charity operates in Ontario, it does not have any transactions with directors or pay any amounts to directors except for reimbursement of reasonable out-of-pocket expenses related to the work of the charity, unless authorized by court order</p>   |  |  |  |  | <a href="#">Duties of Directors, Trustees, Charitable Fiduciaries</a> (See Section 5. Duty to Act Gratuitously)<br><a href="#">Duties of Directors - Incorporated federally</a> (see final paragraph) |
| <p>If your charity operates in Canada, but outside of Ontario, it is careful about any transactions that it enters into with directors to ensure that there is no undue private benefit or conflicts of interest</p>  |  |  |  |  | <a href="#">Government of Canada: Income Tax Act - Private Benefit</a>  |
| Keeping Adequate Books and Records  |  |  |  |  |   |
| <p>Your foundation maintains adequate books and records as defined by CRA</p>   |  |  |  |  | <a href="#">CRA - Keeping Adequate Books and Records</a>  |
| <p>You keep books and records at an address in Canada that is on file with CRA</p>  |  |  |  |  | <a href="#">CRA - Keeping Adequate Books and Records</a>  |
| <p>Your foundation undergoes an annual, independent financial audit or review. The CRA recommends that charities file audited financial statements if their gross income from all sources is more than \$250,000.00. The charity's treasurer should sign any financial statements that have not been professionally prepared.</p>   |  |  |  |  | <a href="#">CRA - Financial Statements</a>  |
| <p>You keep records for the prescribed period of time for each record</p>   |  |  |  |  | <a href="#">CRA - Records Retention - Retention Period</a>  |
| <p>You maintain copies or backups of all key documents at a separate site</p>   |  |  |  |  | <a href="#">CRA - Records Retention</a>   |
| <p>Electronic documents are backed up regularly and stored off-site</p>   |  |  |  |  | <a href="#">CRA - Electronic Records Retention</a>  |



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| You have easy access to governing documents (incorporating documents, constitution, trust document), bylaws, financial statements, copies of official donation receipts, copies of T3010, written agreements, board and staff meeting minutes, annual reports, ledgers, bank statements, expense accounts, inventories, payroll records, promotional materials, and fundraising materials |  |  |  |  | Ensure procedures are in place relating to accessing, backing up and retaining foundation records.   |
| You keep source documents (eg. invoices, vouchers, work orders, delivery slips, purchase orders and bank deposit slips)   |  |  |  |  | Ensure procedures are in place relating to accessing, backing up and retaining foundation records.   |
| <b>Maintaining Legal Status</b>   |  |  |  |  |  |
| If your foundation is a federal corporation, it is in good standing with Industry Canada. If it is provincial, it is in good standing with the appropriate provincial corporate registrar and has filed the necessary corporate returns   |  |  |  |  | <a href="#">CRA - Maintaining the Legal Status as a Charity</a><br><a href="#">CRA - External Resources for Charities</a>  |
| Do you have copies of the letters patent, supplementary letters patent and by-laws for the organization?  |  |  |  |  | Ensure procedures are in place relating to accessing, backing up and retaining foundation records.   |
| Are the objects/purposes of your organization up-to-date and relevant for the current work of your non-profit?  |  |  |  |  | In some cases, it may make sense to update the organization's objects as part of the corporate changes.<br><a href="#">CRA - Change Purposes and Activities</a>  |
| Do you know who your members are, and do you have an updated list?  |  |  |  |  | Refer to your bylaws. Ensure the membership list is current. Add this review to your annual governance checklist.  |
| Do you have a current list of directors and officers?   |  |  |  |  | Add updating the directors and officers list as an annual procedure. Reported annually to CRA and Not for Profit entity  |
| Are you up to date in the corporate filings for your organization?  |  |  |  |  | If not, you may want to do arrears in filings. Most non-profit corporations need to file an annual return, following their annual meeting to ensure that their current directors and officers are on file. |
| Is your foundation involved in political activities within CRA limits?  |  |  |  |  | <a href="#">CRA - Public policy dialogue and development activities by charities</a>   |
| Is your foundation involved in related business activities within CRA guidelines?   |  |  |  |  | <a href="#">CRA - Business Activities for Charitable Organizations and Foundations</a>   |
| Your foundation is aware of recent anti-terrorism and money laundering legislation  |  |  |  |  | <a href="#">CRA - Canadian registered charities carrying on activities outside Canada</a>  |
| <b>Basic Risk Management</b>  |  |  |  |  |  |
| Your foundation is aware of its governance risks, operational risks, financial risks, external risks, and the importance of complying with the law  |  |  |  |  | <a href="#">Risk Management for Community Foundations Sector Source - Risk Management Basics</a>   |
| Your foundation has adequate internal financial controls in place to prevent misuse of charitable assets  |  |  |  |  | See policy 2.09 Financial Operations Policy in <a href="#">Key Governance and Administration Policies Template Guide for Canadian Community Foundations</a>  |



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| Your foundation has asked and analyzed the risk that it faces and has an informal or formal risk management plan which considers what risks will be assumed, what will be eliminated, how to reduce the risk associated with certain activities and transference of risk by insurance or outsourcing |  |  |  |  | <a href="#">Risk Management for Community Foundations Sector Source - Risk Management Basics</a>  |
| Your foundation explores and maintains appropriate insurance   |  |  |  |  | <a href="#">CFC - Directors and Officers Liability Insurance Sector Source - Insurance and Liability for Charities and Nonprofits</a><br><a href="#">CFC- CYBERSECURITY AND PRIVACY</a>   |
| <b>Governance</b>  |  |  |  |  |   |
| Your board of directors is aware of its basic responsibilities   |  |  |  |  | See policy 1.01 Governance and Governance Assessment Policy in <a href="#">Key Governance and Administration Policies Template Guide for Canadian Community Foundations Duties of Directors, Trustees, Charitable Fiduciaries</a><br>CRA - <a href="#">Duties of Directors - Incorporated federally</a> |
| An independent audit committee has been established to review financial statements and the auditors' report  |  |  |  |  |   |
| There is adequate communication of board responsibilities to existing, new and future board members  |  |  |  |  | The Nominating Committee's responsibilities need to include reviewing board members' responsibilities with prospective directors.   |
| The board meets on a regular basis with all directors in regular attendance  |  |  |  |  | Set up a schedule of board meetings for the year, ensuring that, at a minimum, you are in alignment with your bylaws.   |
| Individuals who are authorized to enter into contracts as signing officers on behalf of the foundation are clearly identified in their official capacity instead of as individuals   |  |  |  |  | Ensure bylaws and finance policies reflect this.  |
| Your foundation obtains appropriate professional advice from lawyers, accountants, insurance agents etc. when required   |  |  |  |  | You may want to add this responsibility to the ED/CEO's job description.  |
| Your foundation has key policies and procedures in place   |  |  |  |  | <a href="#">Key Governance and Administration Policies Template Guide for Canadian Community Foundations</a>  |
| <b>Employment</b>  |  |  |  |  |   |
| Your "independent contractors" really are independent contractors and not employees  |  |  |  |  | <a href="#">CRA - Employee or Self-Employed</a>   |
| Your charity is deducting appropriate amounts of CPP, EI, and income tax and remitting them to CRA   |  |  |  |  | <a href="#">CRA - Methods of calculating deductions (CPP, EI, Income Tax)</a> (includes a link to an online payroll calculator)   |
| You have agreements with all employees and independent contractors that cover off at least termination, confidentiality and intellectual property  |  |  |  |  | <a href="#">Human Resources Guide Policy and Procedure Template</a>   |
| Compensation is appropriate  |  |  |  |  | <a href="#">Human Resources Guide Policy and Procedure Template</a>   |
| You have current human resource policies in place  |  |  |  |  | <a href="#">Human Resources Guide Policy and Procedure Template</a>   |

This Community Foundation Regulatory Checklist is for information purposes only. Before



taking any action based on the information contained in this document you should consult with your legal, accounting and financial advisors.

***Resources to check out:***

- [CFC - The Learning Institute](#)
- [CRA - Charities and Giving](#)
- [Imagine Canada - Charity Tax Tools](#)
- [Sector Source - many resources for charities](#)
  
- Legal Websites:
  - [Blumbergs: Canadian Charity Law](#)
  - [Carters - Charity Law](#)
  - [Miller Thomson - Charity Law](#)
  
- [Tech Soup Canada](#) A resource for IT needs for nonprofits. Offers discounted software to charitable organizations.