

**Learn.
Lead.
Legacy.**

The logo for the Endow Manitoba Community Foundation Conference. It features the text "Endow Manitoba" in a large, bold, green font. To the right of this text is a stylized map of Manitoba composed of small, colorful circles in shades of blue, green, and yellow. Below the map, the words "Learn. Lead. Legacy." are written in a smaller, green font. The entire logo is enclosed within a circular border with the text "COMMUNITY FOUNDATION CONFERENCE" at the top and "APRIL 24 • 26, 2026" at the bottom.

**Endow
Manitoba**

Learn.
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COMMUNITY FOUNDATION CONFERENCE

APRIL 24 • 26, 2026



Understanding and Unpacking T3010

Financial Stream

Saturday, April 25, 2025, 2:30-3:45 pm, Magellan



Your Facilitator

Tracey Vavrek

Director, Network Engagement
Community Foundations of
Canada





Strengthen your understanding of what the T3010 is really asking, what not to miss, and how your reporting decisions today affect your foundation's future.





The T3010 is where:

- your story is brought together
- your compliance,
- and your future, all meet

It is a form that supports you to determine:

- CRA and Income Tax Act compliance
- Public transparency and accountability
- Trust within your foundation
- Guides financial planning

Consequences:

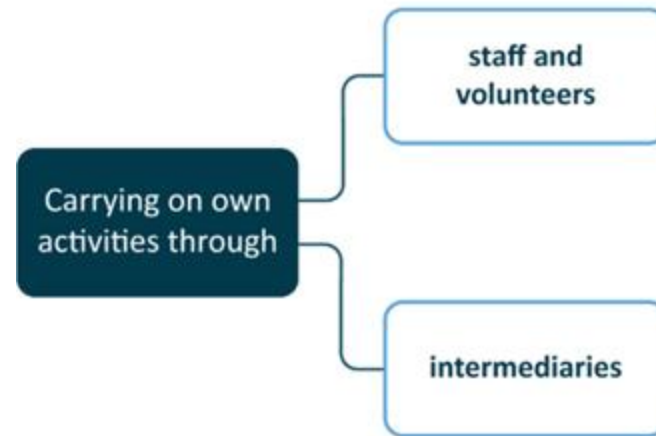
- Loss of public trust
- Loss of charitable status and reinstatement penalties





T3010 - Reporting on Operations

- CRA reporting is based on your financial statements, but must be adjusted to CRA rules (not always the same)
- Must reconcile totals
- Endowment (not a tax term) Assets
 - Usually reported on **line 4140**
 - Long Term Investments
- Expenses:
 - **Line 5000** - Charitable programs
 - **Line 5010** - Administration
 - **Line 5020** - Fundraising
- Monitor:
 - Misclassifying fundraising as charitable
 - Consistent and reasonable allocations - Inconsistent (CRA red flag)





Qualified Donee

Reporting via form T1236 must reconcile to **Line 5050**

- Record any assets transfer **ownership** to another registered charity, and align with your charitable purpose (Note: this includes endowed, flow through, contracting intermediaries)
- Common errors:
 - Wrong BN, not actually qualified donees, and totals don't match financials

Non Qualified Disbursements

New Reporting via form T1441 - **qualifying disbursements** (grants) to non-qualified donees (NQD) exceeding \$5,000 in a year.

- A single grant or combined grants to the same grantee exceed \$5,000 in the taxation year.
- Full name of the grantee, the specific charitable purpose of the grant, the amount, and if outside Canada, the country where activities are carried on.
- Must have documentation proving the funds were used for charitable purposes, such as written reports and records, particularly for higher-risk grants.

Donor Advised Funds (DAF)

New Reporting (2024)

What is a DAF?

- A fund held by the foundation, made up of donor contributions (endowed or flow through)
- Even though donors advise, the foundation **owns, controls, and is fully responsible** for DAF reporting and compliance. (mindful of the Anti-Directive Giving Law)

If you have DAFs, you must report on T3010:

- **Line 5861:** Total number of DAF accounts
- **Line 5862:** Total value of all DAF accounts
- **Line 5863:** Total donations received into DAFs
- **Line 5864:** Total grants made from DAFs

CRA is watching whether DAFs are flow-through vehicles or holding tanks.



Changes to the Disbursement Quota (DQ)

New (2023)

The DQ is the minimum amount that a registered charity is required to spend **each year on its own charitable activities** or on **qualifying disbursements** through gifts to qualified donees or grants to non-qualified donees (grantees).

- For property equal to or less than \$1 million, the DQ rate remains at 3.5%. On the portion of property exceeding \$1 million, the DQ rate increases to 5%.

Property may include:

- Investments
- Cash in bank accounts
- Inventory
- Real Estate held for investment purpose or future use
- Other assets not currently used in foundation's operations.

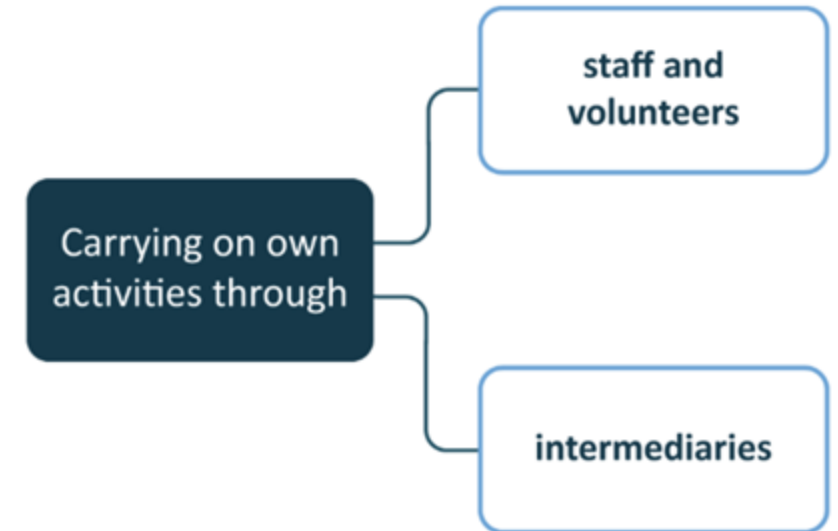
DQ calculations excludes expenditures for management, administration and fundraising. **Your asset growth today increases your granting tomorrow.**

Changes to the Disbursement Quota (DQ)

New (2023)

Line 5000 - Charitable programs, along with approved charitable purpose

- Running the foundation's day-to-day programs that focus on beneficiaries or potential beneficiaries, (granting, Vital Signs, etc.) not current or future donors
- Occupancy costs (such as rent, mortgage payments, utilities, repairs, and insurance) for buildings used to carry on charitable activities
- Most salaries related to day-to-day programs - except fundraising
- Education and training for staff and volunteers, except fundraising
- Advocacy activities and intermediary agreements

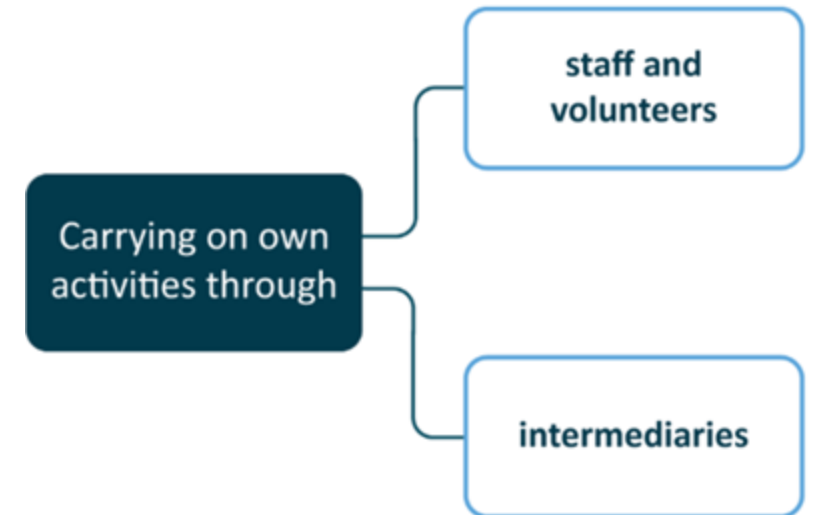


Report Intermediary Activities

Line 5000

- Foundation's can work with non-qualified donees as intermediaries for activities within the foundation's own charitable purpose.
- Foundation can do this if it maintains **ongoing direction and control** of the activity that the non-qualified donee performs on its behalf.
 - how the activity will be carried on
 - the overall goals of the activity
 - the area or region where the activity will be carried on
 - who will benefit from the activity
 - what goods and services the charity's money will buy
 - when the activity will begin and end

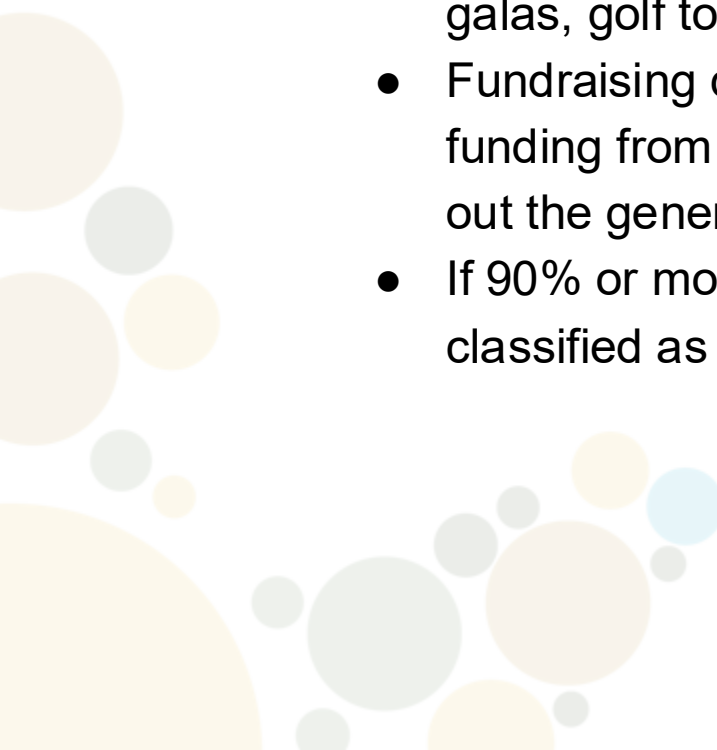
Foundation's must maintain sufficient records of steps taken to direct and control the use of its resources to allow the CRA to verify that all of the charity's resources have been used for its own activities.





Changes to the Disbursement Quota (DQ)

New (2023)

- **Line 5020 - Fundraising Expenses**
 - **Line 4630 Report Fundraising Revenue**
 - Fundraising is any solicitation (direct or indirect, ie: mail, internet campaigns, print, events, includes staff time, materials, and marketing for events like galas, golf tournaments, donor stewardship and recognition)
 - Fundraising does not include seeking grants, gifts, contributions, or other funding from other charities or governments, or recruiting volunteers to carry out the general operations of the charity or related business activities.
 - If 90% or more of an activity is not for fundraising, costs may not need to be classified as fundraising expenditures.
- 



Changes to the Disbursement Quota (DQ)

New (2023)

- **Line 5010 - Management and Administration**
 - CRA is working on draft guidance about administration and management on what it expects
 - Expenses that **support**, but do **not directly deliver**, the charity's programs as management and administration
 - Tend to relate to board of directors meeting expenses, bookkeeping, audits, HR, supplies & equipment, applying for grants, occupancy costs for buildings used for administration, training and education for board
 - Training for frontline staff/volunteers is often classified as a direct charitable activity, training for the board (governance) is usually seen as overhead.
 - CRA requires that all administrative expenditures be reasonable, necessary, and for the benefit of the charity.
 - Expected to keep overhead costs (management, administration, and fundraising) at a reasonable level, often cited in sector guidance as 35% or less of total expenditures, though there is no strict legal percentage.

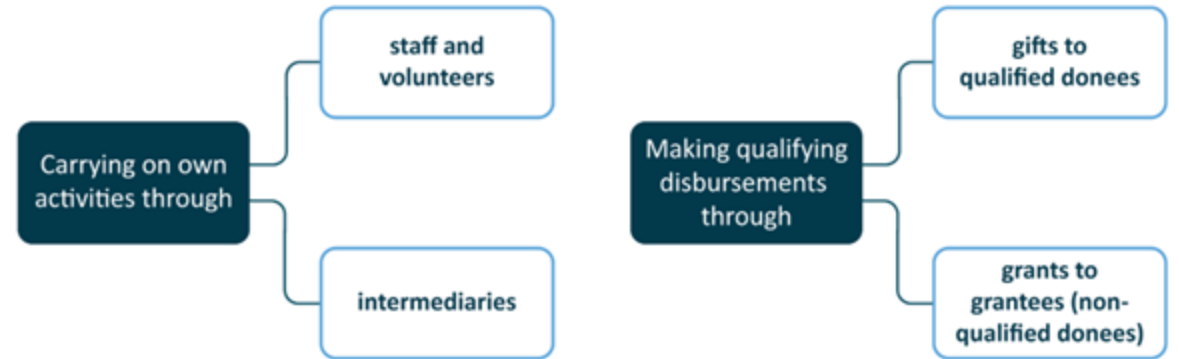
Calculating the Disbursement Quota (DQ)

New (2023) Schedule 8

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 charities disbursement quota is:

- 3.5% of the average value of that property up to \$1 million
- 5% on the amount that exceeds \$1 million

If your CF owns the funds, you report them and include in DQ. Custody does not change reporting responsibility.



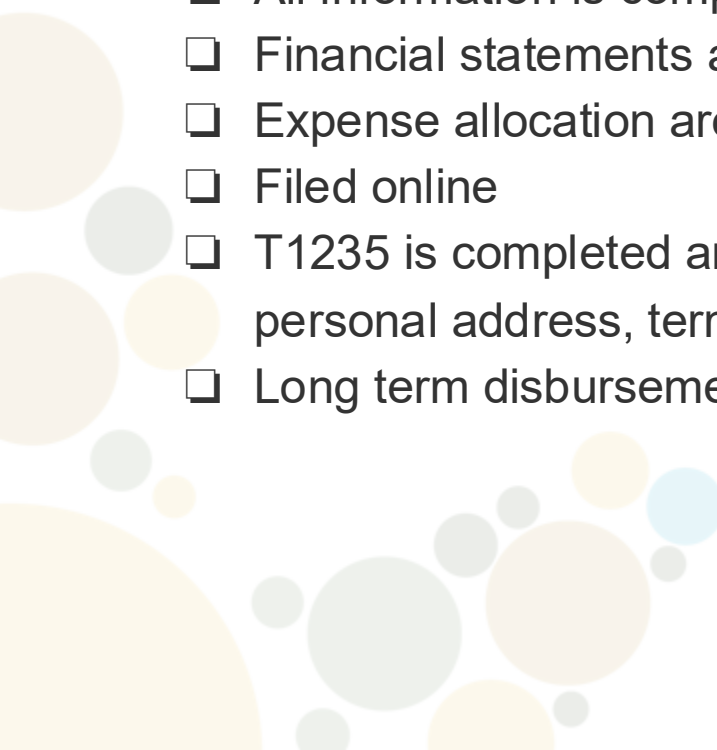


Best Practices for Calculating the DQ

- Allocate charitable activity expenses, fundraising expenses and administration expenses per CRA's guidelines.
 - Split where needed
- Allocations should be consistent and reasonable
- Track the foundation's disbursement quota: 5 year rolling,
 - Most foundations have surplus, why?
 - Activity and qualified disbursements are included, not based on endowment or fund balance
- Calculate estimated DQ required for following year
- Map out and plan for future needs and monitor for shortfalls Calculate estimate DQ required for following year



Know what “good looks like” for staying in good standing with CRA

- Use the current T3010 form
 - T3010 filed within 6 months of year-end and is complete and accurate
 - All fields and numbers add up and that lines that are suppose to have the same number match
 - All information is completed
 - Financial statements are included
 - Expense allocation are consistent
 - Filed online
 - T1235 is completed and includes: Directors’ birthdate, positions, phone number and personal address, term start and end dates and whether they are at arms length
 - Long term disbursement forecasting and strategy
- 

Discussion question

What would CRA think?

2026 year-end:

- Foundation reports \$8M in total assets (\$1M growth over 2 years, including DAFs)
- Disbursed \$200,000 annually on **grants and charitable activities combined**
 - Treasurer reports - new DAF Donors aren't ready to grant yet
- 2025 year-end, \$7M in total assets, and disbursed \$380,000

Review:

- Is there a compliance risk?
- What issue could CRA likely to focus on?
- What would you recommend the foundation do?

Instructions: Designate someone to report back. 10 minutes of table discussion



Resources

- [CRA Charities](#) and [Completing Form T3010 Registered Charity Information Return](#)
- [CFC Resource Library](#)
- [Opt-in](#) for our network newsletter, **Community Connect**
- **Join us for webinars and events**
 - <https://communityfoundations.ca/upcoming-events/>
- **Mark your calendars, join us **June 1-3, 2027** in [Winnipeg](#) for the CFC Conference!**



Shared reflections

What's one key takeaway or "AHA" that you want to remember?

What are you curious about now?

Individual Reflection

What tools & ideas can you take back to your community foundation board?



Thank you

Endow Manitoba a program of The Winnipeg Foundation



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