

PHILANTHROPIC FOUNDATIONS CANADA (PFC)
 2007 PROFESSIONAL DEVELOPMENT PROGRAM
 May 15, 2007

The Year-end Process

By Terrance S. Carter, B.A., LL.B., Trade-mark Agent
 © 2007 Carters Professional Corporation

CARTERS.ca
 OFFICES IN OTTAWA, MISSISSAUGA & ORANGEVILLE
 LOCATIONS ALSO IN TORONTO, LONDON & VANCOUVER
 TOLL FREE: 1-877-942-0001
CARTERS PROFESSIONAL CORPORATION
 BARRISTERS, SOLICITORS & TRADE-MARK AGENTS
 Affiliated with Fasken Martineau DuMoulin LLP www.carters.ca www.charitylaw.ca

OVERVIEW

- Holding an Annual General Meeting (AGM)
- Annual Audit Requirements
- The Annual Information Return – Selected Issues
- Administrative/Fundraising vs. Charitable Expenditures
- Other Year-end Considerations

2

HOLDING AN ANNUAL GENERAL MEETING (AGM)
General Structure of a Typical AGM

- Technically, an annual general meeting (AGM) is the annual meeting of members
- However, an AGM will frequently include a board meeting before and after the members' meeting
- General overview of initial board meeting
 - Approve financial statements/report of auditor
 - Approve annual information return (T3010A)
 - Other issues, such as approval of nominees for election of directors and possibly by-law amendments

3

- **General overview of members' meeting**
 - Approval of financial statements/report of auditor
 - Appointment of auditor
 - Election of directors
 - Other issues, such as by-law amendments
 - **General overview of follow-up board meeting**
 - Appoint officers for upcoming year
 - Appoint committees for upcoming year
- Preliminary Considerations in Preparing for an AGM**
- **Document to be prepared in advance of AGM:**
 - Notice of meetings
 - Agendas for meetings

- Proxies for members
 - Ballots for resolutions
 - Detailed agenda for the chair (chair's script)
 - Scrutineers' reports, if applicable
- **Need to look at statutory authority under applicable incorporating statutes, e.g. the Ontario Corporations Act (OCA) or the Canada Corporations Act (CCA) to determine procedures for holding an AGM, as well as by-laws**
 - **For more details on holding board and members' meetings see "How to Conduct Board and Members' Meetings of Non-Share Capital Corporations" dated February 22, 2007 at www.charitylaw.ca**

- Basic Considerations in Holding Board Meetings**
1. **Who may call board meetings**
 - **Both the CCA and the OCA are silent with regard to who has the right or duty to call board meetings, issue to be governed by the by-laws**
 2. **Place of meetings**
 - **CCA - By-laws may contain provisions concerning the place of directors' meeting**
 - **OCA**
 - Board and executive committee meetings are generally held where the head office of the corporation is located
 - But the by-laws may provide for meetings to be held at any place within or outside of Ontario

3. Notice of meetings

- CCA
 - By-laws must either specify a reasonable amount of time for notice of directors’ meetings or indicate that reasonable notice of meetings will be given
 - Minimum of 14 days recommended by Corporations Canada if sent by mail
 - Notice may be sent by email or by fax
- OCA - Silent, issue is to be governed by the by-laws

7

4. Right to receive notice

- Directors are to receive notice
 - Possibly other individuals (review governing documents) *e.g.*, senior management staff or liaison representatives from an umbrella organization of which the corporation is a member
5. Quorum
- Quorum is necessary in order to transact business at a board meeting
 - CCA - By-law must state the necessary quorum, which must be at least 2 directors

8

- OCA - Unless the letters patent (LP), supplementary letters patent (SLP), or a special resolution provides otherwise, a majority of the board constitutes quorum, and quorum shall not be less than two-fifths of the board
- If insufficient quorum of directors on the board
 - CCA – Silent on what to do
 - OCA – Remaining directors must forthwith call a general meeting of members to fill the vacancies, failing which, any member may call the meeting

9

6. Chair

- Both the OCA and the CCA are silent – issue to be governed by the by-laws

7. Who may attend and participate at board meetings

- Both the OCA and the CCA are silent – issue to be governed by the by-laws
- Directors may attend and participate
- Possibly other individuals (review governing documents) *e.g.*, senior management staff or liaison representatives from an umbrella organization of which the corporation is a member

10

8. Business to be conducted

- Both the OCA and the CCA are silent – issue to be governed by the by-laws
- See earlier slide # 3 for items at AGM board meetings

9. Voting

- OCA – Silent, issue to be governed by the by-laws
- CCA:
 - Voting rights must be equal for all directors
 - Proxy voting is not acceptable
 - By-laws may provide that directors’ decisions are to be made by consensus, and if so, consensus must be defined

11

10. Meetings by electronic procedure

- CCA - By-laws may provide for directors’ meetings to be held by teleconference or other electronic means which permit directors to communicate adequately with each other (by-laws must specify how security issues will be handled and the procedure for establishing issues such as quorum and recording votes)
- OCA - Unless the by-laws otherwise provide, with the consent of all directors participating, a meeting may be held by telephone or other electronic means which permit all persons to communicate with each other simultaneously and instantaneously

12

11. Resolutions or mail ballots in lieu of meetings

- **CCA - Not permissible for directors to sign written resolutions or to have mail ballots in lieu of holding board meetings**
- **OCA - By-laws and resolutions may be signed by all directors in lieu of meetings**

Considerations in Holding Members' Meetings

1. When to call AGMs and who may call meetings

- **Both the CCA and the OCA - An AGM must be held not later than 18 months after incorporation, and subsequently once at least every calendar year and not more than 15 months after the holding of the last preceding AGM**

13

- **CCA – If directors do not call an AGM, a member may apply to the court in the province in which the head office is situated to call an AGM**
- **OCA – If directors do not call an AGM, members may apply to court to call an AGM either because it is impractical to call an AGM or because the member is aggrieved**

2. Place of meetings

- **CCA - Time and place of members' meeting may be stated in the by-laws in general terms**
- **OCA - In general, members' meetings must be held at the place where the head office of the corporation is located, unless:**

14

- **The by-laws contain a provision for the meetings to be held at any location in Ontario, or**
- **The LP or SLP allow for the meetings to be held at one or more places outside of Ontario**

3. Notice of meetings

a) Notice period

- **CCA - A reasonable period of notice of members' meetings is required and a minimum of 14 days is recommended for notices sent by mail**

15

- **OCA:**
 - By-laws cannot provide for fewer than 10 days' notice and shall not provide that notice may be given otherwise than individually
 - However, for corporations with exclusively charitable objects, notice may be given by publication at least once a week for 2 consecutive weeks preceding the meeting in a newspaper circulated in the municipality in which a majority of the members of the corporation reside
- b) **Form of notice**
 - Neither the OCA nor the CCA require notice of members' meetings to be in any particular form or format

16

- c) **Contents of notice**
- Notice of a members' meeting is important because it sets the limit on the business to be transacted at the meeting
 - If notice does not comply with the applicable requirements, the proxies, resolutions or the whole meeting may be invalidated
 - Neither the CCA nor the OCA specifies in detail the type of information to be included in notice of members' meeting
 - However, generally there needs to be notice of date, time, place and nature of all of the business to be transacted at the meeting

17

- d) **Method of giving notice**
- CCA – Notice may be sent by various means, e.g., by mail, email, fax, publication in a newspaper, posting written notice in a place where members congregate, etc.
 - **OCA:**
 - By sending the notice by mail at least 10 days before the meeting, unless the by-law provide otherwise
 - Charitable corporations - by publication at least once a week for 2 consecutive weeks preceding the meeting in a newspaper circulated in the municipality in which a majority of the members of the corporation reside

18

e) Right to receive notice

- Needs to determine whether there are any exceptions where certain members are not entitled to receive notice, *e.g.*: member's membership fees are in arrears, member is not in good standing
- Other individuals may be entitled to receive notice, *e.g.*, senior management staff, liaison representatives of related organizations or founders of the corporation
- OCA - Specifically provides that the auditor is entitled to notice of any members' meetings and to be heard at such meeting

19

4. Quorum

- In order to transact business at a members' meeting, there must be a quorum of members at the meeting
- CCA – By-laws must state what the necessary quorum is, which must be fixed either by a fixed number, a percentage or a determinable formula, with a minimum of 2 members present
- OCA – Silent, issue to be governed by the by-laws
- If the by-law is silent on the issue of quorum, at common law, it is the majority of the members entitled to attend and vote at the meeting

20

5. Chair

- CCA – Silent, issue to be governed by the by-laws
- OCA:
 - Unless the by-laws state otherwise, the president is to chair a meeting, and in his or her absence, the vice president
 - If there is no president or vice president, or if they are both absent after 15 minutes the appointed time for the meeting, the members present must choose a person to be the chair

21

6. Who may attend and participate at members' meetings

- Both the CCA and OCA are silent – issue to be governed by the by-laws, except that the OCA specifically provides that the auditor is entitled to attend and participate at members' meetings
- Other individuals may be entitled to attend and participate at members' meetings, *e.g.*, senior management staff, liaison representatives of related organizations or founders of the corporation

22

7. Business to be conducted

- Matters commonly transacted at an AGM:
 - A presentation of the financial statements by the directors and a report of the auditors
 - Authorizing the signing of the balance sheet by the directors
 - Appointing an auditor and fixing the auditor's remuneration
 - Electing directors and confirming ex officio directors
 - Confirming past acts of directors and officers
 - Other matters, such as by-law amendments

23

- CCA:
 - Does not set out a list of items that must be transacted at AGMs, except that members must appoint an auditor at AGMs
 - Does not permit waiver of audit
- OCA:
 - Information that must be laid before AGMs - financial statements, report of the auditor, and such further information respecting the financial position as required by the LP, SLP or the by-laws

8. Voting and proxies

- CCA:
 - By-laws may specify the voting rights of members

24

- By-law may allow proxy voting – if so, they must specify the relevant details such as notice and form
- By-laws may provide that members’ decisions be made by consensus unless the CCA provides otherwise – if so, by-laws must define the word “consensus” and the describe the process to be taken in the event that consensus is not reached
- OCA:
 - Each member of each class of members has one vote, unless the LP, SLP or by-laws provide otherwise

25

- All decisions to be determined by the majority of the votes cast
- The presiding chair has a second or casting vote in case of equality of votes
- Every member is entitled vote by proxy

9. Meetings by electronic procedure

- CCA – By-laws may provide for members to hold meetings by teleconference or other electronic means as long as the members are able to adequately communicate with each other

26

- OCA is silent –unclear whether this would mean that the issue may be governed by the corporation’s by-laws or whether holding members’ meetings electronically is not permissible

10. Resolutions or mail ballots in lieu of meetings

- CCA:
 - By-laws may permit the use of written resolutions or mail ballots, including email ballots, as long as the CCA does not specify that the matter must be dealt with at a meeting, such as the appointment of the auditor, adoption of a borrowing by-law

27

- Where the use of written resolutions and/or mail ballots is permissible, the by-laws should clarify what would constitute the equivalent of a quorum and special provisions with respect to voting
- **OCA :**
 - Resolutions may be signed by all members, in lieu of meetings
 - While it is permissible for directors to sign a written resolution to adopt a by-law, members are not permitted to do so

28

ANNUAL AUDIT REQUIREMENTS

1. Appointment of Auditor

- Although financial statements need to be included with the annual information return under the *Income Tax Act* (ITA), there is no requirement for an audited financial statement
- However, under both the CCA and the OCA, a corporation is required to have an auditor appointed by the members at each annual meeting
- Therefore, a corporation is required to prepare annual financial statements for examination by an auditor

29

2. Who qualifies to be an auditor

- **CCA:**
 - The auditor must be independent of the charity and therefore cannot be a director, officer or employee of the charity or any of its affiliates, unless all the members have consented
 - However, there is nothing in the CCA requiring specific professional qualifications, such as a CA or a CGA
- **OCA:**
 - Similarly provides that the auditor must be independent of the charity but does not require specific professional qualifications

30

3. Examination and access rights

- **Both the CCA and the OCA:**
 - The auditor appointed by the registered charity must undertake such examination that will enable him or her to provide a report to the members of the charity
 - The auditor is entitled to have access, at all times, to all:
 - Records
 - Documents
 - Books
 - Accounts
 - Vouchers

31

- The auditor may require the directors and officers of the registered charity to provide any information and explanation necessary to enable the auditor to report to the members of the charity
- The auditor has a right to notice of any meeting and to be heard on matters relating to his or her duties

4. Auditor’s Reporting Obligations

- **Both the CCA and the OCA – The auditor must make such statements considered necessary in his or her report where:**
 - The financial statement of the corporation is not in agreement with the accounting records

32

- The financial statement of the corporation does not comply with the requirements of the CCA or the OCA, as applicable
- The auditor has not received all the information and explanations that he or she has required
- It appears from the auditor’s examination that proper accounting records have not been kept

- **Both the CCA and the OCA – The auditor is required to report to the members at the AGM and state whether the financial statements fairly present the financial position of the charity and the results of its operations during the past year in accordance with GAAP**

33

- OCA – Specifically provides that if the financial statement contains:
 - A statement of source and application of funds, or
 - A statement of changes in net assets,
 the auditor’s report must state whether the statement fairly presents the information provided
- 5. Exemption from annual audit
 - CCA – Does not permit waiver of audit

34

- OCA:
 - Under Bill 152, the *Corporations Act* (Ontario) was amended so that all non-share capital corporations, including charitable corporations, with an annual income of less than \$100,000 will no longer require an audit
 - Bill 152 received Royal Assent on December 20, 2006
 - The amendment is expected to be in place on August 1, 2007

35

THE ANNUAL INFORMATION RETURN – SELECTED ISSUES

1. General Comments

- The *Income Tax Act* (ITA) requires every registered charity to file an annual information return each year
- The return must be filed no later than 6 months after the end of the registered charity’s fiscal period
- e.g., if the charity’s year end fiscal period is March 31st, the annual information return is due by September 30th

36

- The annual information return includes the following documents:
 - *Registered Charity Information Return* (Form T3010A)
 - *Registered Charity Basic Information sheet* (Form TF725)
 - The list of directors/trustees or like officials (Form T1235)
 - The list of qualified donees, with all the required information, if applicable (Form T1236), and
 - A copy of the registered charity’s own financial statements
- See the CRA guide on *Completing the Registered Charity Information Return* (Form T4033) for more details

37

- The ITA provides for both an “information return” and a “public information return”
- For simplicity, the two distinct concepts of the information return and the public information return have been combined into a single return, the T3010A. As such, the T3010A return has a dual purpose, namely, to provide information to the public and to ensure compliance
- Filing an annual information return will not necessarily result in CRA reviewing its contents until an audit is undertaken

38

- 2. Information Available to the Public**
- Most of the annual information return, and all of the financial statements filed with it, are made available to the public
 - Public portions of the return are available at www.cra.gc.ca/charities
 - Confidential information includes the information provided in parts of Section B dealing with personal information about directors/trustees and like officers, as well as the physical location of the charity and the location of its books and records

39

- Private Foundations should be aware of the proposed new reporting requirements as a result of the March 19, 2007 Federal Budget
 - If a private foundation’s holdings of one or more classes of shares of a company (both public and private) exceeds 2% of all outstanding shares of that particular class, the private foundation will be required to report to CRA the amount of shares held at the end of the year of all classes in the corporation by the foundation, as well as by non-arm’s length persons

40

- The private foundation will also be required to report to CRA any “material transactions” during the year by the foundation or non-arm’s length persons for any period during which the foundation was outside the safe harbour in respect of the corporation
- A material transaction involves the acquisition or disposition of more than \$100,000 worth of shares of a particular class or more than 0.5% of all outstanding shares of that class

41

– Proposed disclosure of additional information by private foundations

Types of Information	Made available to
Name of corporations (if any) in respect of which a foundation is beyond the safe harbour	Public via Internet
Total percentage holdings of the foundation for those corporations	Public via Internet
Aggregated holdings of all non-arm’s length parties for those corporations ¹	Public via Internet
Names of non-arm’s length persons with holdings ¹	CRA only

¹amounts reported are subject to *de minimis* provisions

42

- Confidential information is generally only made available to authorized representatives of the charity, but can also be released by the CRA in specific circumstances:

- The ITA enables the CRA to share some confidential information with other government departments and agencies, e.g., new anti-terrorism legislation (Bill C-25) allows the CRA to disclose to the FINTRAC, the RCMP and the CSIS information about charities suspected of being involved in terrorist financing activities

43

- The CRA may also be required to release confidential information in connection with certain legal proceedings

3. Failure to File Information Return

- A charity that does not file its return can lose its charitable status and no longer be able to issue tax receipts for donations.
- Such charity would also be liable to pay a revocation tax equal to the full value of any remaining assets.
- Registered charities that are revoked for failure to file are liable for a \$500 penalty

44

- If a charity's registration is revoked, CRA policy #CSP-R19 states that it can apply for re-registration by submitting a completed *Application to Register a Charity Under the Income Tax Act* (Form T2050)

- The charity must also pay a \$500 penalty and file all missing information returns

4. Completing Form TF725 – Registered Charity Basic Information

a) General comments

- The *Registered Charity Basic Information* sheet (Form TF725) is used to verify and/or update the accuracy of the information held in the CRA records about the registered charity

45

- The person who signs Form T3010A is also certifying that the information on Form TF725 is correct, complete and up to date
- Information which cannot be revised directly on the basic information sheet includes:
 - The name of the registered charity
 - The registered charity’s designation, registration date, and BN/registration number
 - The fiscal period end date of the registered charity
- In the above cases, an authorized representative of the registered charity can only change the information by sending a letter, signed by an authorized representative of the charity, to the CRA with supporting documentation separate from the information return

46

- Information which can be revised directly on the basic information sheet includes:
 - The address of the registered charity
 - The registered charity’s contact information (e.g. telephone number, fax number, email and website address)
 - The names that the registered charity is known by other than its registered name
 - The registered charity’s primary program areas

47

- b) The name of the registered charity
- The name indicated on the basic information sheet reflects the name held in the CRA’s records for the registered charity
- If any changes have been made to this name, the registered charity must provide the CRA an official copy of the amendment that reflects the changes to the charity’s governing documents, e.g.:
 - Letters patent
 - Certificate of incorporation
 - Trust documents
 - By-laws

48

c) **Designation**

- The CRA designates all registered charities as either:
 - A charitable organization
 - A public foundation
 - A private foundation
- The registered charity must complete and send *Registered Charities: Application for Re-Designation* (Form T2095) if it wishes to request a change in designation
- As a result of the March 19, 2007 Federal Budget imposing self dealing rules, private foundations may need to consider re-designation to either a public foundation or a charitable organization

49

d) **Program areas**

- The basic information form contains a section listing the primary areas in which the registered charity carries on programs
- It is based on the information the charity provided when it applied for registration or on a previous annual information return
- If the registered charity's program areas have changed or if the percentage of emphasis has changed, the charity is expected to correct the information
- However, the program area chosen must relate to the actual charitable objects of the charity, not simply to its reported past activities

50

5. **Completing Form T3010A – Registered Charity Information Return**

a) **Changes to its governing documents (Section A1)**

- If there has been any changes to the registered charity's governing documents, an official copy of the amended governing documents must be sent to the CRA
- If charitable objects have changed, approval from CRA must be obtained

b) **Directors/trustees and like officials (Section B1)**

- The registered charity must attach a list providing the following information of each director/trustee and like official:

51

- Last name, first name, and initial
 - Full home address
 - Position in the charity
 - Whether or not they were a director/trustee at the end of the fiscal period
 - Telephone number
 - If they are at arm's length from all other members of the governing board
 - Date of birth
- c) How the registered charity carried out its charitable purposes during the fiscal period (Section C2)
- The registered charity must describe any ongoing programs and new programs that are carried on

52

- The term "program" refers to all the charitable work the charity performs on its own, as well as gifts made to qualified donees
 - Grant-making registered charities should describe the types of organizations they support
 - The charitable program must fall within the CRA approved charitable objects of the charity
- d) Did the charity carry on programs, directly or indirectly, outside Canada? (Section C4)
- Registered charities are entitled to carry out their own charitable programs outside Canada provided that it is done in accordance with one of the following

53

- Using employees or volunteers situated in other countries
 - Retaining an agent or contractor under an agency agreement, contract, joint-venture, or similar arrangement provided that the charity exercises control and direction over the programs
 - Making gifts to other qualified donees
- e) Issues involving charity revenue and expenditures
- Eligible amount of tax-receipted gift
 - Amounts received from other registered charities
 - Recording specified gifts
 - Enduring property (receipt and expenditure)
 - Tracking other gifts and revenue

54

- Expenditures on charitable programs
 - Calculating the Capital Gains Pool and Capital Gains Reduction on *Capital Gains and Disbursement Quota Worksheet* (Form T1259)
- f) Certification (Section H)
- The information return must be signed by an authorized director/trustee or like official of the registered charity
 - The person who signs the return is responsible for obtaining the best knowledge possible about the information reported on the return
 - Certification applies to all components of the registered charity's information return listed earlier
 - Board approval is recommended in order to authorize the individual to sign the certification and to verify the information

55

- ADMINISTRATIVE/FUNDRAISING vs. CHARITABLE EXPENDITURES**
1. General Comments
- The disbursement quota (DQ) is a prescribed amount that a registered charity is required under the ITA to disburse each year in order to maintain its charitable registration, i.e. the 80/20 DQ and the 3.5% DQ
 - CRA calculates a registered charity's disbursement quota based on the information in the charity's return, which is then provided to the charity in a *Registered Charity Information Return Summary*, Form T1242

56

- CRA takes the position that only those monies disbursed (i) to qualified donees or (ii) directly on charitable activities will qualify in the calculation
2. Charitable Expenditures
- Many charities, particularly those which carry on a wide range of activities, may have difficulty in determining what expenses they have that are charitable and therefore qualify in the calculation of the DQ
 - The CRA takes the position that no amounts spent on fundraising, overall management or general administration of the organization can count toward meeting the DQ

57

- There is no clear guidance on this matter in the ITA, and the commentary in the CRA guide on *Completing the Registered Charity Information Return (Form T4033)* offers limited assistance
- One must examine the purpose behind the expenditure rather than simply how it is classified on the financial statements
 - e.g. Is a salary expense for a charitable program or for administration?
 - A car allowance can generally be reported as an expenditure for charitable activities
 - However, any expenses related to use of the car for personal reasons would not be considered as such

58

- Certain items may be apportioned between expenditure for charitable activities and expenditures for management and administration depending on their purpose or function, e.g. :
 - Salaries and expenses of managers and their support staff
 - Office lease and equipment expenditures
 - Advertising and promotion
- If a charity owns a building which is used for charitable purposes and programs, expenditures on mortgage payments, maintenance, utilities, municipal taxes, insurance, etc. would be considered expenditures for charitable activities

59

- On the other hand, if the building was used for investment purposes, the same expenses would be considered expenditures on management and administration
- If the building is used for both charitable and investment purposes, the expenses should be apportioned accordingly
- Other examples of expenditures that the CRA may view as non-charitable include the cost of:
 - Holding meetings of the board of directors
 - Preparing and distributing annual reports
 - Holding committee and staff meetings on administrative issues
 - Providing accounting, auditing, personnel, and other administrative services

60

- Providing legal services on the organization's behalf, subject to certain exceptions
 - Purchasing supplies and equipment, and paying occupancy costs for administrative services
3. Fundraising Expenditures
- The CRA is reviewing issues involving fundraising and is expected to issue a policy on fundraising within the next year
 - Some issues for CRA to consider include:
 - Are all fundraising costs non charitable?
 - Should internal fundraising salaries be treated differently from third party fundraising contracts?
 - Could third party fundraising contracts constitute an undue benefit or private benevolence?

61

- OTHER YEAR-END CONSIDERATIONS**
1. Corporate Filing
- CCA:
 - Once incorporated, a not-for-profit corporation must file an *Annual Summary* (Form 3) to Corporations Canada, along with a \$30 filing fee, to record name and address of directors
 - The annual form must be filed between March 31st and June 1st of each year, containing information regarding the corporation as of March 31st in the same year
 - A registered charity that fails to file and/or pay the filing fee for two consecutive years risks facing dissolution as a corporation

62

- OCA:
 - Under the *Corporations Information Act*, not-for-profit corporations incorporated in Ontario must file an *Initial Return/Notice of Change* (Form 1) to report any change to the following corporate information:
 - Registered or head office address
 - Mailing address
 - Language of preference
 - Director/officer information (e.g. address for service, date elected/appointed, date ceased to hold office, officer title, etc.)

63

- Form 1, *Initial Return*, must be filed within 60 days after the date of incorporation, amalgamation or continuation in Ontario
- After filing a Form 1, *Initial Return*, not-for-profit corporations are required to file a Form 1, *Notice of Change* for any change in the information previously filed within 15 days after any change takes place, e.g., when a corporation changes its address or any information concerning its directors or officers

64

2. Investment Policies

- In accordance with the prudent investor standard under the *Trustee Act* of Ontario (or other provinces) it is recommended to review the appropriateness of the investment policy of a charity each year

3. Transfer of Monies Outside of Canada

- It is recommended to review the appropriateness of agreements with third party organizations that receive transfers of monies outside of Canada, such as, agency agreements, joint venture agreements and contracts for services
- It is also recommended to review the need for, or the review of, an anti-terrorism policy statement
 - See www.antiterrorismlaw.ca for more details

65

DISCLAIMER

This handout is provided as an information service by Carters Professional Corporation. It is current only as of the date of the handout and does not reflect subsequent changes in the law. This handout is distributed with the understanding that it does not constitute legal advice or establish a solicitor/client relationship by way of any information contained herein. The contents are intended for general information purposes only and under no circumstances can be relied upon for legal decision-making. Readers are advised to consult with a qualified lawyer and obtain a written opinion concerning the specifics of their particular situation.

© 2007 Carters Professional Corporation

CARTERS™.ca

CARTERS PROFESSIONAL CORPORATION
BARRISTERS, SOLICITORS & TRADE-MARK AGENTS
Affiliated with Fesken Martineau DuMoulin LLP

Offices in Ottawa, Mississauga & Orangeville
Locations also in Toronto, London & Vancouver
Toll Free: 1-877-942-0001
www.carters.ca
www.charitylaw.ca
