

## CRA RELEASES NEW VERSION OF FORM T3010

*By Terrance S. Carter and Ryan M. Prendergast\**

### A. INTRODUCTION

The Canada Revenue Agency (“CRA”) released version 24 of Form T3010, *Registered Charity Information Return*, (“Form T3010”)<sup>1</sup> on January 8, 2024 (“Version 24”). The CRA had announced the release of this new Version 24 on November 9, 2023, stating that “[i]n 2022, the Government of Canada announced measures to boost charitable spending in our communities and passed legislation changing disbursement quota rules for registered charities.”<sup>2</sup> In this regard, the CRA was referring to Budget 2022, in which the Government of Canada had announced these measures, including that the CRA will “improve the collection of information from charities, including [...] on information related to investments and donor-advised funds held by charities.”<sup>3</sup>

Two distinct versions of Form T3010 are available for download:

- Charities with fiscal periods concluding **on or before December 30, 2023**, are required to file using version 23. (“Version 23”)
- Charities with fiscal periods concluding **on or after December 31, 2023**, must file using version 24. (“Version 24”)

\* Terrance S. Carter, B.A., LL.B., TEP, Trademark Agent, is the managing partner of Carters Professional Corporation and counsel to Fasken on charitable matters. Ryan M. Prendergast, B.A., LL.B., is a partner practicing in the area of charity and not-for-profit law. The authors would like to thank Urshita Grover, H.B.Sc, J.D., associate, for her assistance in preparing this *Bulletin*.

<sup>1</sup> “T3010 Registered Charity Information Return” (last modified January 8, 2024) online: *Government of Canada* <<https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t3010.html>>.

<sup>2</sup> Charities and Giving – What’s New, “A new version of the Form T3010 is coming in January 2024” (November 9, 2023) online: *Government of Canada* <<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/whats-new.html>>.

<sup>3</sup> “Budget 2022” (April 7, 2022), online: *Government of Canada* <<https://www.budget.canada.ca/2022/home-accueil-en.html>> at 196.

It should be noted that Form T3010 was previously updated by the CRA in May 2023 (“Version 23”) to report “grants” made to non-qualified donees, *i.e.*, qualifying disbursements, in response to the introduction of the qualifying disbursements regime in June 2022 as defined below. Also, the new Form T1441, *Qualifying Disbursement: Grants to Non-Qualified Donees* (“Form T1441”)<sup>4</sup> was introduced at the same time requiring detailed information about grants made to non-qualified donees and has also undergone a minor change as described below.<sup>5</sup>

Charities should ensure that they are using the correct version of Form T3010 when preparing their annual information return depending on the end of their applicable fiscal period. Both Version 23 and Version 24 can be found online on the CRA’s T3010 Registered Charity Information Return page.<sup>6</sup> Submission of an outdated form will not be accepted for filing by the CRA, and if the CRA does not receive the correct form, the charity’s registered status may be revoked.

The CRA encourages all charities to file online using My Business Account (“MyBA”)<sup>7</sup> or “Represent a Client.”<sup>8</sup> These platforms automatically present the correct version of the annual information return based on the fiscal period being filed. Information on how to sign up for MyBA can be found on CRA’s “Access our online services for charities” page.<sup>9</sup>

## B. CHANGES MADE TO VERSION 24 COMPARED TO VERSION 23 OF FORM T3010

The following are some of the key changes made to Version 24 when compared to Version 23 of Form T3010.

---

<sup>4</sup> “T1441 Qualifying Disbursements: Grants to Non-Qualified Donees” (last modified January 8, 2024) online: *Government of Canada* <<https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t1441.html>>.

<sup>5</sup> An in-depth analysis of the qualifying disbursements regime and the release of the Final CRA Guidance on the qualifying disbursements regime can be found in our January 2024 *Charity & NFP Law Bulletin No. 524*, “Review and Commentary on the CRA’s Final Guidance on Qualifying Disbursements”, online: *Carters Professional Corporation* <<https://www.carters.ca/pub/bulletin/charity/2024/chylb524.pdf>>.

<sup>6</sup> “T3010 Registered Charity Information Return” (last modified January 8, 2024) online: *Government of Canada* <<https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t3010.html>>.

<sup>7</sup> “My Business Account” (last modified January 8, 2024) online: *Government of Canada* <<https://www.canada.ca/en/revenue-agency/services/e-services/digital-services-businesses/business-account.html>>.

<sup>8</sup> “Represent a Client” (last modified January 8, 2024) online: *Government of Canada* <<https://www.canada.ca/en/revenue-agency/services/e-services/represent-a-client.html>>.

<sup>9</sup> “Access our online services for charities” (last modified November 24, 2023) online: *Government of Canada* <<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/toolbox-directors-officers-volunteers/business-account.html>>.

## 1. Changes in Relation to Requirement of Charities to Report on Disbursement Quota

The CRA defines disbursement quota (“DQ”) as the minimum amount that a registered charity is required to spend each year based on the value of a charity’s property not used directly in its charitable activities or administration. The charity calculates this amount based on its own charitable activities, and qualifying disbursements through gifts to qualified donees or grants to non-qualified donees. As a reminder, the new rules for the DQ came into force on January 1, 2023 as a result of the amendments made to the *Income Tax Act (Canada)* (“ITA”) by Bill C-32, *Fall Economic Statement Implementation Act, 2022* (“Bill C-32”), which received Royal Assent on December 15, 2022.<sup>10</sup>

Version 24 of Form T3010 has a new question C17 in relation to DQ that was not present in Version 23, as follows:

**C17** In the 24 months before the beginning of the fiscal period, did the average value of your charity's property (cash, investments, capital property or other assets) not used directly in its charitable activities or administration:

- (a) exceed \$100,000, if the charity is designated as a charitable organization; or
- (b) exceed \$25,000, if the charity is designated as a public or private foundation?

If **yes**, you must complete Schedule 8 – Disbursement quota

If the charity meets this new threshold question, then the charity is required to complete the new Schedule 8 on DQ calculation and reporting. This new Schedule, although complicated, is helpful for charities as it enables them to calculate the DQ and determine whether or not the charities’ DQ obligations have been met in Step 1, in addition to estimating their DQ requirement for the next fiscal period in Step 2 of the Schedule using the average value of property not used in charitable activities or administration prior to the next fiscal period.

---

<sup>10</sup> See *Income Tax Act (Canada)* (“ITA”), s. 149.1(1) for a definition of “disbursement quota”. See also Canada Revenue Agency, “Disbursement quota calculation” (last modified October 18, 2023) online: *Government of Canada* <<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/annual-spending-requirement-disbursement-quota/disbursement-quota-calculation.html>>; Bill C-32, *An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 3, 2022 and certain provisions of the budget tabled in Parliament on April 7, 2022* (December 15, 2022) online: *Parliament of Canada* <<https://www.parl.ca/DocumentViewer/en/44-1/bill/C-32/royal-assent>>; Terrance S. Carter, Theresa L.M. Man & Jacqueline M. Demczur, *Charity & NFP Law Bulletin No. 517*, “Bill C-32 Will Increase DQ, Affect Trust Reporting, And Make Other Changes To The Income Tax Act” (23 November 2022) online: *Carters Professional Corporation* <<https://www.carters.ca/pub/bulletin/charity/2022/chylb517.pdf>>.

To determine the DQ requirement for the current fiscal year, the following questions are included:

- Average value of property not used in charitable activities or administration; and
- If permission to accumulate property has been granted, then the total amount accumulated less all disbursements made for specified purposes.

Next, the charity's DQ excess or shortfall in the current fiscal year is determined using the following questions:

- Total expenditures on charitable activities;
- Total amount of grants made to non-qualified donees; and
- Total amount of gifts made to qualified donees.

Finally, if a shortfall exists, the charity can use disbursement excesses from the last five fiscal years to help meet its shortfall. However, if no excesses are available, then Schedule 8 explains that the charity can try to spend enough in the following year to create an excess that it can carry back to cover the shortfall in the current fiscal year.

## 2. Changes Relating to Qualifying Disbursements

The qualifying disbursements regime was introduced as a result of amendments made to the ITA when Bill C-19, *Budget Implementation Act, 2022, No. 1* was passed on June 23, 2022.<sup>11</sup>

In Version 24, the definition of “Programs” has been updated to include “qualifying disbursements”,<sup>12</sup> which was not present in Version 23, along with other changes in relation to qualifying disbursements, such as under the Activities outside Canada schedule. The differences are tracked below for reference

---

<sup>11</sup> Bill C-19, *Budget Implementation Act, 2022, No. 1* (Royal Assent 23 June 2022), online: *Parliament of Canada* <<https://www.parl.ca/documentviewer/en/44-1/bill/C-19/royal-assent>>. See Terrance S. Carter & Theresa L.M. Man, *Charity & NFP Law Bulletin No. 511*, “Bill C-19 Budget Implementation Act, 2022, No. 1 Proposes Major Changes To Legislative Framework Governing Charities” (25 May 2022) online: *Carters Professional Corporation* <<https://www.carters.ca/pub/bulletin/charity/2022/chylb511.pdf>>; Terrance S. Carter & Theresa L.M. Man, *Charity & NFP Law Bulletin No. 512*, “Bill C-19 Is Amended To Simplify Funding Of Non-Qualified Donees” (28 June 2022) online: *Carters Professional Corporation* <<https://www.carters.ca/pub/bulletin/charity/2022/chylb513.pdf>>. See also “CRA Releases Final Guidance on Registered Charities Making Grants to Non-Qualified Donees”, *supra* note 5.

<sup>12</sup> See ITA, *supra* note 12, s. 149.1(1) for a definition of “qualifying disbursement”.

(*italics* reflect additions, whereas strikethroughs reflect deletions made in Version 24 when compared to Version 23):

**C2** Describe all **ongoing** and **new** charitable programs ~~the charity carried on~~ during this fiscal period ~~to further its~~ *that furthered the charity's* purpose(s) (as defined in its governing documents). "Programs" includes ~~all of the~~:

(1) charitable activities that the charity carries out on its own through employees ~~or~~, volunteers ~~as well as~~, *or intermediaries, and*

(2) *qualifying disbursements that the charity makes through gifts to* qualified donees ~~and intermediaries or grants to non-qualified donees (grantees).~~

*Charities making qualifying disbursements should describe the types of organizations they support.* The charity may also use this space to describe the contributions of its volunteers in carrying out its activities, for example, number of volunteers and/or hours.

**Do not** include the names of employees or volunteers. ~~Grant-making charities should describe the types of organizations they support.~~

**Do not** describe fundraising activities in this space.

**C3** Did the charity make gifts or transfer funds to qualified donees or other organizations, *excluding grants to non-qualified donees*?

**C4** Did the charity carry on, fund, or provide any resources through employees, volunteers, agents, joint ventures, contractors, or any other individuals, intermediaries, entities, or means (~~other than qualified donees~~ *excluding qualifying disbursements*) for any activity/program/project outside Canada?

Activities outside Canada, Schedule 2

**I** Total expenditures on activities/programs/projects carried on outside Canada, ~~excluding gifts to qualified donees~~ *excluding qualifying disbursements*

It is important to note that Form T1441 has also been updated where the country code needs to be mentioned if activities are carried outside Canada.

### 3. Additional Requirement for Charities to Report on Donor Advised Funds (“DAFs”)

The guide to complete Form T3010, *Completing Form T3010 Registered Charity Information Return* (the “Guide”),<sup>13</sup> has also been updated to complement Version 24. As such, one of the changes in the Guide includes the addition of the new definition of a donor advised fund (“DAF”), which is described as

a fund segregated into donor accounts, owned and controlled by a registered charity. Each account is comprised of contributions made by individual donors. Donors may provide ongoing non-binding suggestions on payouts from DAFs, but it is the charity's sole responsibility to make such decisions.

Version 24 of Form T3010 has a new set of questions in relation to DAFs that were not present in Version 23, as follows:

**C18** Did the charity hold any donor advised funds (DAF) during the fiscal period?

If **yes**, provide the following:

- (a) Total number of accounts held at the end of the fiscal period
- (b) Total value of all accounts held at the end of the fiscal period
- (c) Total value of donations to DAF accounts received during the fiscal period
- (d) Total value of qualifying disbursements from DAFs during the fiscal period

Question C18(d) is of particular interest because the total value of qualifying disbursements from DAFs (*i.e.* “total value of gifts to qualified donees and grants to non-qualified donees made from DAF accounts”) is being asked.

### 4. Elimination of Reporting 10-Year Gifts

The CRA defines a 10-year gift as “a donation made to a registered charity that is subject to a donor’s written trust or direction that the gift be held by the charity for 10 years or more from the date the gift was made.”<sup>14</sup> In Version 24, all references to 10-year gifts (that were present in Version 23) have been removed

---

<sup>13</sup> “Guide” (last modified January 8, 2024) online: *Government of Canada* <<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4033/t4033-completing-registered-charity-information-return.html#toc18>>.

<sup>14</sup> See “10-year gift” (last modified June 1, 2011) online: *Government of Canada* <<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/receiving-gifts/10-year-gift.html>>.

from Schedule D (Financial Information) and Schedule 6 (Detailed Financial Information). As such, charities are no longer required to list the value of 10-year gifts, whether in the form of an asset or revenue.

## 5. Additional Requirement of Foundations to Report on Restricted Funds

The Guide describes restricted funds as:

generally those where a funder (including a donor, grantor, lender, or payer) limits how the funds can be spent. This means the funds are not available for the foundation to use at its sole discretion. For example, a foundation is given government funding to provide relief after a catastrophic earthquake, and can only spend the funds for that relief.

Another difference between the two versions of Form T3010 is that there is a new requirement in Version 24 for foundations to report the “total value of all restricted funds held at the end of the fiscal period.”

Version 24 also specifically requires that out of the total value of restricted funds, the foundation also mention the amount that the foundation is not permitted to spend due to a funder’s written trust or direction, *i.e.* “where a funder requires the foundation to preserve the capital (principal), and the foundation is only permitted to spend the income.”

## 6. Other Changes to Declaration of Detailed Financial Information

Finally, there are some additions to Schedule 6 (Detailed financial information) in Version 24, which were not present in Version 23. These are as follows:

### a) Assets

The value of cash and bank accounts now also need to be declared separately from short-term investments in Version 24. This is in addition to declaring the total value of cash and bank accounts, and short-term investments that was present in Version 23.

Also, the value of land and buildings in Canada “used for charitable programs or administration” and “used for other purposes” need to be declared separately in Version 24. This is in addition to declaring the total value of land and building in Canada that is present in both Version 23 and Version 24.

## b) Revenue

In Version 24, the value of “total interest and investment income from impact investments” needs to be declared separately from “total interest and investment income from persons not at arm’s length.” This is in addition to declaring the total value of these two categories, as present in Version 23.

The Guide refers to impact investments as “investments in companies or projects with the **intention** of having a measurable positive environmental or social impact and generating a positive financial return” (*underline added*). However, it should be noted that this definition of “impact investment” is different from the definition of the synonymous term, “social investment”, under the *Charities Accounting Act* (Ontario) (“CAA”).<sup>15</sup> The Office of the Public Guardian and Trustee (“PGT”) in its *Charities and Social Investments Guidance* (the “PGT Guidance”) explains that “social investment means using a charity’s funds to directly further its purposes and achieve a financial return. Social investments fall on a continuum ranging between charitable expenditures at one end and purely conventional investments at the other.”<sup>16</sup>

Different from the CRA Guide, the CAA, according to the PGT Guidance, does not require that a “positive financial return” be gained because “‘financial return’ is not required to be at market rates and depending on the terms of the investment, may not require a re-payment of the investment capital”<sup>17</sup> (*i.e.* it would be acceptable even if a partial loss of capital occurs, so long as the investment was directly in furthering the charitable purposes of the charity). As such, due to the differences in how the CRA and PGT define “impact investment” and “social investment”, it is important that the directors of a charity do the necessary due diligence to ensure that the charity is complying with the applicable requirements under different regulatory regimes.

## C. CONCLUSION

Charities need to familiarize themselves with the differences between the two versions of Form T3010, *i.e.* Version 23 and Version 24, and ensure that the correct version is filed based on their fiscal year end, or the charity risks revocation of its charitable status by the CRA. The changes made to Version 24 of Form T3010 are significant and come with added complexities for the charitable sector, especially at a

---

<sup>15</sup> *Charities Accounting Act*, RSO 1990, c C. 10, online: *Government of Ontario* <<https://www.ontario.ca/laws/statute/90c10>>, s 10.2-10.4.

<sup>16</sup> *Guidance of the Public Guardian and Trustee, “Charities and Social Investments Guidance”* (9 April 2018), online: *Office of the Public Guardian and Trustee* <[https://www.publications.gov.on.ca/store/20170501121/Free\\_Download\\_Files/300779.pdf](https://www.publications.gov.on.ca/store/20170501121/Free_Download_Files/300779.pdf)>.

<sup>17</sup> *Ibid* at 3.



time when the qualifying disbursements regime has been introduced and the related recent release of the CRA's final Guidance CG-032, *Registered charities making grants to non-qualified donees*, on qualifying disbursements, in addition to the DQ requirements having undergone changes. While charities can refer to the updated Guide to fill in the new version of Form T3010, charities may need to consult with their legal counsel and accounting professional to ensure that their annual information returns are filed in compliance with the CRA's requirements and that the board of directors of the charity review and approve the T3010 before it is filed within 6 months of the fiscal year end of the charity.



**Carters Professional Corporation**

Barristers · Solicitors · Trademark Agents

[www.carters.ca](http://www.carters.ca)   [www.charitylaw.ca](http://www.charitylaw.ca)   [www.antiterrorismlaw.ca](http://www.antiterrorismlaw.ca)

Toronto · Ottawa · Orangeville

**Toll Free: 1-877-942-0001**

---

**DISCLAIMER:** This is a summary of current legal issues provided as an information service by Carters Professional Corporation. It is current only as of the date of the summary and does not reflect subsequent changes in the law. The summary 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.

© 2024 Carters Professional Corporation