



Revenue Canada
Taxation

Revenu Canada
Impôt

Head Office

Bureau principal

Galiano Conservancy Association
c/o Director
R. R. #1
Porlier Pass Road
Galiano Island, British Columbia
VON 1P0

Your file Votre référence

Our file Notre référence

85701
Tel. (613) 954-2545

Attention: Risa Smith

April 26, 1990

NOTIFICATION OF REGISTRATION
Galiano Conservancy Association

We are pleased to advise that, based on the information supplied, and assuming that your activities will be as stated in your application, we have determined that you qualify for tax-exempt status as a registered charity under paragraph 149(1)(f) of the Income Tax Act.

We have further determined that you are a charitable organization because you meet the requirements of paragraph 149.1(1)(b) of the Act. This designation has some bearing on the operational requirements which your charity will have to meet under the Act. If you do not agree with this designation, please let us know, giving your reasons.

The effective date of your registration is July 1, 1989, and the official registration number assigned to you is **0857011-52**. Please use this number in all correspondence to this office. Note that the number has been simplified to a new 9-digit format.

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April 26, 1990

Enclosed are copies of Information Circular 80-10R, a pamphlet entitled "Registered Charities: Questions and Answers" and Interpretation Bulletin IT-110R2 which will assist you in complying with the operational and filing requirements that you must satisfy in order to maintain your registered charity status.

Gifts made to your charity may be claimed by both corporate and individual donors. In the case of individuals, the amount of the gift should be applied as a credit, pursuant to the definition of "total charitable gifts" in paragraph 118.1(1)(a) of the Income Tax Act (a copy of which is attached for your convenience); in the case of a corporate donor, the gift should be deducted, pursuant to subparagraph 110.1(1)(a)(i) of the Income Tax Act (copy attached). Official receipts issued to acknowledge gifts must conform to the requirements set out in Regulation 3501 of the Income Tax Regulations. Please refer to Appendix F of the enclosed Information Circular 80-10R in this regard.

Your charity is now registered for federal income-tax purposes. However, depending in which part of Canada you are located, there may be provincial legislation or municipal by-laws which pertain to your charity's operation. These rules may require you to file reports or annual returns, or to apply for licenses in connection with various aspects of your activities, such as fund-raising. If you are unfamiliar with these requirements, you should contact the appropriate provincial and municipal authorities to determine your obligations in this regard. Please note that if you intend to issue receipts to residents of Quebec for Quebec provincial income-tax purposes, your charity must also be formally registered with Revenu Québec. The enclosed information sheet indicates the procedure to obtain such registration.

If your sources of support, or your purposes, character, or method of operation change, please advise us immediately so that we may consider its effect on your registered status. Also, please advise if the relationships (by blood, marriage or adoption) among your directors and officials change.

Every year each registered charity must file a "Registered Charity Information Return And Public Information Return" (form T3010), the related schedules, and a financial statement within six months following its fiscal year end. As you have indicated that your fiscal year end is June 30, your first return should be filed on or before December 30, 1990, for the fiscal period ended June 30, 1990. (Enclosed are copies of the return for your use. We suggest you familiarize

yourself immediately with its contents in order to know what type of information you will have to report.) Failure to file an information return within this period could result in the revocation of your organization's registered status. The consequence of this revocation is the loss of the charity's tax-exempt status as well as its authority to issue official receipts for income tax purposes, and the levying of a tax equal to the value of its assets held on the last day that it was a registered charity. Although the Return form is forwarded to all registered charities for their use and to remind them that a return is required, it is your responsibility to ensure that the charity's annual filing requirements are met, without prior notice by the Department.

Since the Galiano Conservancy Association will be undertaking various research projects, we would briefly advise that research activities may be viewed as charitable only when the research is undertaken to serve a charitable purpose, and when dissemination of the results to the public can be assured. As well, a registered charity may engage in research activities only where the research is conducted by one or more of the following methods.

- (a) The research is conducted by the charity itself under its direct auspices and control (i.e. by **employees** of the charity);
- (b) The research is conducted by way of gifts to another registered charity or another "qualified donee", and this other organization carries on the actual research activities; or
- (c) The research is conducted through a contractual agreement with a third party which is not, itself, a "qualified donee". In this case the agreement must substantiate that the research is performed on the charity's behalf. (N.B. in this instance, all rights to the research must revert to the charity.) (A list of "qualified donees" is enclosed.)
- (d) The research is conducted under a partnership, syndicate, or joint venture with another organization(s) or person(s) whereby the Association is a partner (in a partnership) or a member (of the syndicate or joint venture). The charity must be an active member or partner, having input into administrative and policy decisions at least in ratio to the degree of its participation in terms of financial, material, and human resource input. In such a relationship, there should be an agreement or contract between the parties involved. This agreement should show that the Association has a degree of administrative and decision-making authority at

April 26, 1990

least to the extent of its percentage of participation in the project and that the Association can render itself accountable for resources expended by it through such an arrangement. When the results of such research are published, reference/credit to the Association should be made.

Should the Association be undertaking any activity which would require an agency, partnership, joint venture, or other type of agreement, please forward a draft copy of the agreement for our review (prior to its execution) so that we may determine whether the requirements of the Income Tax Act will be met.

In addition, for your convenience and information, we are forwarding a copy of Information Circular 87-1 Registered Charities - Ancillary and Incidental Political Activities. Please refer in particular to the paragraphs numbered 9 to 12 on page 3.

Because this letter could help resolve any questions about your charitable status, you should keep it in your permanent records.

Alice Hull Maru

Alice Hull Maru
for Director
Charities Division
Revenue Canada, Taxation