



GUIDE TO FILING THE INFORMATION RETURN FOR REGISTERED CHARITIES AND OTHER DONEES

TP-985.22.G-V (2025-10)

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1. General information

This guide contains information that will help you complete the *Information Return for Registered Charities and Other Donees* (form [TP-985.22-V](#)) for a taxation year ending in **2025**.

This version of the guide is valid until fiscal or administrative changes make an update necessary.

1.1. Contents

The information in the guide does not constitute a legal interpretation of the provisions of the *Taxation Act* or any other legislation. For more information, [contact us](#).

If the guide provides additional information that applies only to one specific type of organization, the information is set off in a box.

1.2 Definitions

Listed below are terms frequently used in this guide and their definition.

Activities

Activities that an organization carries on in accordance with the objectives described in its governing documents. They include:

- Charitable activities
- Cultural and artistic activities
- Communications activities
- Activities to promote Québec sovereignty or Canadian unity

Charitable activities include public policy dialogue and development activities that are carried on for charitable purposes.

Amount of an advantage

The total value, at the time of the gift, of any good or service, compensation, use or other benefit that the donor (or a non-arm's length person to the donor) is entitled to obtain, immediately or in the future, absolutely or conditionally, as consideration for or in recognition of the gift.

Transfer of property recognized as a gift despite receipt of an advantage

If the amount of the advantage does not exceed 80% of the value of the transferred property, the transfer of the property is recognized as a gift. In exceptional circumstances, where the amount of the advantage exceeds this percentage, the transfer may still be recognized as a gift, provided the donor can reasonably demonstrate the intention of making a gift.

Arm's length

The term "arm's length" describes a relationship in which persons act independently of each other or are not related.

Related persons do **not** deal at arm's length. They include:

- individuals related by blood, marriage (including civil union and de facto union) or adoption;
- an organization and:
 - the person who controls it,
 - a person who is a member of a related group that controls the organization, or
 - a person related to one of the persons mentioned above.

Associated charity

A registered charity designated by the Canada Revenue Agency (CRA) as a charity associated with one or more registered charities.

Documents to enclose with the information return

Further to an application for designation filed with the CRA for this type of charity, you must enclose a copy of the application and a copy of the CRA's decision with the information return filed for the year in which the designation was made.

Charitable foundation (public or private)

A charity, other than a charitable organization, that is a corporation or a trust and that meets both the following requirements:

- It is established and operated exclusively for charitable purposes that include making qualifying disbursements.
- As a rule, it does not pay any portion of its income to its proprietors, members, shareholders, trustees or settlors, or otherwise make its income available to any of those persons for their benefit.

Important

A charitable foundation is not considered to be established and operated exclusively for charitable purposes if it devotes part of its resources to direct or indirect support of, or opposition to, any political party or candidate for public office.

Charitable organization

A charity that may or may not be incorporated, that meets the following conditions:

- It is established and operated exclusively for charitable purposes.
- It devotes **all** its resources to charitable activities that it carries on itself or to making qualifying disbursements (see the definition of activities and the note below).
- As a rule, it does not pay **any portion** of its income to its proprietors, members, shareholders, trustees or settlors, or otherwise make its income available to any of those persons for their benefit (see the definition of income).
- **More than 50%** of its directors, officers, trustees or like officials deal at arm's length
 - with each other;
 - with each of the other directors, officers, trustees or like officials of the organization;
 - with a person that contributed amounts representing more than 50% of the organization's capital, or with each of the members of a non-arm's length group of persons that contributed such amounts.
- If **more than 50%** of the capital was contributed by one person, **the organization is not controlled**, in any way whatsoever, by that person or by members of a non-arm's length group of persons one of whom

does not deal at arm's length with that person.

Note

- The expression “for charitable purposes” includes making qualifying disbursements.
- A charitable organization is not considered to be established and operated exclusively for charitable purposes if it devotes part of its resources to direct or indirect support of, or opposition to, any political party or candidate for public office.
- A charitable organization is deemed to devote its resources to its charitable activities if uses the resources to carry on a related business.
- In this definition, the terms “person” and “group of persons” do not include:
 - the Government of Canada;
 - the Québec government or a provincial government;
 - a municipality;
 - a charity registered as a charitable organization or a public foundation; or
 - a club, society or association that is exempt from income tax.

Culpable conduct

An act or a failure to act that:

- is tantamount to intentional conduct;
- shows indifference towards compliance with laws such as the *Taxation Act*;
- shows a wilful, reckless or wanton disregard of the laws.

Designated gift

A gift or portion of a gift that a **registered charity makes** to another non-arm's length registered charity in a taxation year and **reports** as a designated gift on line 38.1 of its information return for that year.

The donor charity cannot consider a designated gift as an expense incurred to satisfy its disbursement quota (and cannot include this type of gift on line 111 of Schedule A of its information return). The donee charity does not have to spend an amount equal to a designated gift in the year following the year the gift was received (line 130 of Schedule A of the donee's information return).

Director

A member of an organization's board of directors (such as the president, treasurer or secretary), a trustee or any other like official.

Disbursement quota

The minimum amount that an organization must spend in a taxation year to meet its objectives.

Calculating the disbursement quota

The disbursement quota is calculated as follows:

- the lesser of the following amounts:

- 3.5% of the average value of property (other than property accumulated with our authorization) the organization owned at any time in the 24 months preceding the beginning of the taxation year concerned, but did not use for its activities or for administrative purposes,
- \$1,000,000;
- **plus**
 - 5% of the amount by which the average value of property (other than property accumulated with our authorization) the organization owned at any time in the 24 months preceding the beginning of the taxation year concerned, but did not use for its activities or for administrative purposes, **exceeds** \$1,000,000.

For more information, see Disbursement quota.

Eligible amount of a gift

The value of property given or, if an advantage is obtained in recognition of the gift, the value of the property given minus the amount of the advantage.

The usufruct or right of use that the donor reserves when making a gift of bare ownership of cultural property or a work of art is not considered an advantage. However, the value of the gift is reduced in proportion to the duration of the usufruct or right of use.

False statement

A statement that is misleading because of an omission from it.

Gift

A transfer of property (in cash or in kind) made by a donor with the genuine intention of making a gift. Property so transferred.

Note

If a donor (or a non-arm's length person to the donor) receives such an advantage in recognition of the gift, the amount of the advantage must not exceed 80% of the value of the gift, unless the donor demonstrates that there was a firm intention to make a gift.

- Gifts do not include the following:
 - payments made to an organization to rent its property;
 - services provided to the organization (except where a volunteer gives back to the organization an amount reimbursed by the organization for certain expenses incurred by the volunteer while providing services to the organization; such an amount is considered a gift);
 - pledges (pledges become gifts only when honoured).

Gift in kind

A gift of property, other than money. A gift in kind may be:

- merchandise
- a work of art

- furniture
- equipment
- land
- a building

Governing documents

Documents that officially constitute an organization and govern its activities. These include:

- letters patent
- a certificate or instrument of incorporation
- articles of association
- a constitution
- a trust deed
- by-laws

Grantee organization

A person, club, society, association, organization or prescribed entity, but not a qualified donee.

Income

For a charity, the amount by which the total of the amounts received by an organization in a taxation year **exceeds** the total expenditures incurred to obtain the amounts. The amounts received include gifts, other than:

- designated gifts;
- gifts of capital received by way of bequest or inheritance;
- gifts received subject to a stipulation that the property in question (or substituted property) must be held for at least 10 years;
- gifts received by a religious order, or by the body that administers the property of a religious order, if the gifts are made by a member of the religious order who has taken a vow of perpetual poverty;
- gifts received from another charity, where they are reported by the donor as designated gifts, or do not constitute income of the donor; or
- gifts for which the charity did not and will not issue official receipts (for example, gifts from anonymous or tax-exempt donors, or amounts from collection boxes).

For other organizations, the amount by which the organization's total revenue exceeds the total expenditures incurred to obtain the revenue, assuming the organization did not realize a capital gain or sustain a capital loss to be reported on line 22 of the return.

Individual

A person other than a corporation.

Ineligible individual

At a particular time, an individual who, as applicable:

- has been convicted of a relevant criminal offence, unless it is a conviction for which:
 - a pardon has been granted and has neither been revoked nor ceased to have effect, or
 - a record suspension has been ordered or a pardon has been granted or issued under the *Criminal Records Act* and that record suspension or pardon has neither been revoked nor ceased to have effect;
- has been convicted of a relevant offence in the five-year period preceding the particular time;
- was a director, trustee, officer or like official of an organization, or an individual who controlled or managed, directly or indirectly, in any manner whatever, an organization, during a period in which the organization engaged in conduct that can reasonably be considered to have constituted a serious breach of the requirements for registration and for which its registration was revoked in the five-year period preceding the particular time;
- was a promoter of a tax shelter in which an organization participated where the organization's registration was revoked in the five-year period preceding the particular time because of its participation in or relationship with the tax shelter;
- was a listed terrorist entity or a member of such an entity; or
- was a director, trustee, officer or like official of a listed terrorist entity, or an individual who controlled or managed, directly or indirectly, in any manner whatever, a listed terrorist entity during a period in which that entity supported or engaged in terrorist activities, including a period prior to the date on which the entity became a listed terrorist entity.

Listed terrorist entity

A person, partnership, group or fund, or an organization or association not endowed with juridical personality that is at the particular time a listed entity within the meaning of subsection 1 of section 83.01 of the *Criminal Code*.

Monetary donation

A gift of money made by cheque, credit card, money order, or wire or electronic funds transfer.

Non-qualifying security

Any security (share, bond, etc.) that is not listed on a designated stock exchange and whose issuer and owner are not dealing at arm's length with each other.

Officer

A senior manager in charge of managing an organization's daily activities.

Private foundation

A charitable foundation that is not a public foundation.

Public foundation

A charitable foundation that meets the following requirements:

- **More than 50%** of the directors, officers, trustees or like officials deal at arm's length:
 - with each other;
 - with each of the other directors, officers, trustees or like officials; or

- with a person that contributed amounts representing more than 50% of the organization's capital or with each of the members of a non-arm's length group of persons that contributed such amounts.
- **If more than 50%** of the capital was contributed by one person, **the foundation is not controlled**, in any way whatsoever, by that person or by members of a non-arm's-length group of persons one of whom deals at non-arm's length with that person.

Important

In this definition, a reference to a "person" or a "group of persons" does not include the following:

- the Government of Canada;
- the Québec government or another provincial government;
- a municipality;
- a charity registered as a charitable organization or a public foundation; or
- a club, society or association that is exempt from income tax.

Public policy dialogue and development activities

Activities that a charity carries on to participate in the process of developing public policy or to facilitate public participation in that process.

The public policy dialogue and development activities that a charity carries on to support its stated goals are considered to be carried out exclusively to achieve those goals. A charity can therefore devote all its resources to such activities.

Public work of art

A permanent work of art, often large in size or of an environmental nature, installed in a space accessible to the public for the purposes of commemoration, embellishment or integration into the architecture or environment of public buildings and sites.

Qualified donee

At a given time, where the donor is a registered charity, a qualified donee may be:

- one of the following entities whose registration as a qualified donee has not been revoked by the Canada Revenue Agency (CRA):
 - a tax-exempt housing corporation resident in Canada that is constituted exclusively for the purpose of providing low-cost housing to senior citizens,
 - a municipality in Canada,
 - a municipal or public body performing a function of government in Canada,
 - a foreign university whose student body ordinarily includes Canadians,
 - a foreign charitable organization to which the Government of Canada made a gift;
- another registered charity;
- a registered Canadian amateur athletic association;
- a registered Québec amateur athletic association;
- a registered journalism organization;
- a recognized political education organization;
- a registered museum;

- a registered cultural or communications organization;
- the Organisation internationale de la Francophonie or any of its subsidiary bodies;
- the United Nations or one of its agencies;
- a foreign charitable organization to which the Québec government made a gift during the 36-month period beginning 24 months before **the given time**;
- the Government of Canada, the Québec government or another provincial government

Where the donor is a registered cultural or communications organization, a qualified donee may be:

- a public authority or institution designated under the *Cultural Property Export and Import Act*;
- a certified archival centre;
- a registered museum;
- a registered national arts service organization (RNASO) whose registration has not been revoked by the CRA;
- another registered cultural or communications organization constituted for purposes similar to those of the donor;
- a municipality in Canada whose registration as a qualified donee has not been revoked by the CRA;
- a municipal or public body performing a function of government in Canada whose registration as a qualified donee has not been revoked by the CRA;
- the Government of Canada, the Québec government or another provincial government.

Where the donor is a registered museum, a qualified donee may be:

- a public authority or institution designated under the *Cultural Property Export and Import Act*;
- a certified archival centre;
- an RNASO whose registration has not been revoked by the CRA;
- a registered cultural or communications organization;
- another registered museum constituted for purposes similar to those of the donor;
- a municipality in Canada whose registration as a qualified donee has not been revoked by the CRA;
- a municipal or public body performing a function of government in Canada whose registration as a qualified donee has not been revoked by the CRA;
- the Government of Canada, the Québec government or another provincial government.

Where the donor is a recognized political education organization, a qualified donee may be another recognized political education organization constituted for purposes similar to those for which the donor was constituted.

Qualified property (also referred to as “ecological gifts”)

Property that meets the following two conditions:

- It is:
 - land in Québec or bordering on Québec, or
 - a real servitude or a personal servitude lasting at least 100 years and encumbering all or a portion of land in Québec or bordering on Québec;
- It has an undeniable ecological value in the opinion of the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs.

Note

- If the qualified property is a **personal servitude**, the gift must have been made after March 21, 2017.
- A gift of qualified property entitles the donor to a tax benefit if the gift is made to a qualified donee.
- For the purposes of a gift of qualified property, a qualified donee is a registered charity (except a private foundation, if the gift is made after March 21, 2017) one of whose primary missions is the conservation of Québec's or Canada's ecological heritage.

Qualifying disbursements

Disbursements made by a charity, by way of gifts or by otherwise making resources available to:

- a qualified donee, except if the disbursements are made by a charitable organization by way of gifts and they total more than 50% of the charitable organization's income for its taxation year (the limit does not apply to disbursements made by a charitable organization to associated charities);
- a grantee organization, if the charity meets **all** the following conditions:
 - the charity makes the disbursements for a charitable purpose (other than for the purpose of qualifying disbursements),
 - the charity ensures the disbursements are used exclusively for charitable activities in support of charitable purpose,
 - the charity keeps documents that demonstrate the purpose for which the disbursements are made and that they are used exclusively for charitable activities in support of a charitable purpose.

Recognized educational institution

A registered charity whose mission is to provide educational services and which is:

- an educational institution established under Québec law, other than such an establishment that is a mandatory of the State;
- a general and vocational college (CEGEP);
- an educational institution at the university level referred to in paragraphs 1 to 11 of section 1 of the *Act respecting educational institutions at the university level*; or
- a private educational institution accredited for the purposes of subsidies under the *Act respecting private education*.

Recognized political education organization

A non-profit organization that we have recognized, on the recommendation of the Minister responsible for Democratic Institutions and Electoral Reform, as having as its mission the promotion of Québec sovereignty or Canadian unity through educational means.

Registered charity

A charity whose registration we have approved. The charity may be registered as a charitable organization, a public foundation or a private foundation.

Note

- Even if a charity is already registered in one of the above categories, its designation may be changed on its own request or at our discretion. For example, a registered charity can apply to be designated as a public foundation rather than a private foundation.

- In the information return and this guide, a registered national arts service organization (RNASO) is considered to be a charity registered as a charitable organization.
- A charity is automatically deemed to be registered in Québec on the day it is registered as such by the CRA. However, we reserve the right to refuse, cancel or revoke a registration or modify a designation.

Registered cultural or communications organization

A non-profit organization that we have registered as a cultural or communications organization on the recommendation of the Ministère de la Culture et des Communications.

Registered museum

An organization that is not already registered as a charity or cultural or communications organization, that obtained the status of a recognized or accredited museum from the Ministère de la Culture et des Communications, and that we then registered.

Registered national arts service organization (RNASO)

A registered national arts service organization (RNASO) is an organization that is registered with the Canada Revenue Agency (CRA). It is deemed to be likewise registered with Revenu Québec and is entitled to the same tax benefits and must fulfil the same obligations as a charity that is a charitable organization, including the obligation to file an information return that includes Schedule A.

Important

In the return and the guide, references to an “organization,” “charity” or “charitable organization” also apply to an RNASO, unless otherwise indicated. Likewise, “charitable activities” include the activities described in the constituting act of an RNASO.

Related business

A business whose activities are related and subordinate to the purposes of a charity.

Related business also refers to a business that is not related to the purposes of a charity where substantially all the persons employed by the charity to carry on the business are not remunerated for that employment.

Relevant criminal offence

A criminal offence under a law of Canada, or an offence that would be a criminal offence if it were committed in Canada, that relates to:

- financial dishonesty, including tax evasion, theft or fraud; or
- the operation of a charity, a Canadian amateur athletic association or a Québec amateur athletic association.

Relevant offence

An offence, other than a relevant criminal offence, under a law of Québec, another province or Canada, or an offence that would be such an offence if it were committed in Canada, that relates to:

- financial dishonesty, including an offence under the legislation concerning fundraising for charitable purposes, consumer protection or securities; or
- the operation of a charity, a Canadian amateur athletic association or a Québec amateur athletic association.

Taxation year

The fiscal period of an organization, that is, the period at the end of which the organization closes its books and draws up its annual financial statements.

A taxation year must not exceed 12 months or, in the case of a corporation, 53 weeks.

2. Main change

2.1. Elimination of the tax credit for cultural patronage

The tax credit for cultural patronage was eliminated on March 26, 2025.

However, an individual who has made a pledge can still claim this tax credit for a gift of cultural patronage made after **March 25, 2025**, under the usual terms, if they filed an application to register the pledge with the Minister of Culture and Communications by the **same date**.

For more information, see [Large cultural donation and cultural patronage](#).

3. Donees' obligations

Donees who issue official receipts can receive tax benefits. To receive a tax benefit, they have certain obligations, such as the obligation to file an information return.

3.1. Filing the information return

The *Information Return for Registered Charities and Other Donees* (form [TP-985.22-V](#)) must be completed and filed each year by every organization that carries on its activities in Québec as:

- a registered charity;
- a registered national arts service organization (RNASO);
- a registered museum;
- a registered cultural or communications organization; or
- a recognized political education organization.

Details regarding the expressions used in this guide

In this guide, if appropriate, we use the expressions:

- “charity,” “museum,” “cultural or communications organization,” “political education organization” or “organization” to designate the above-mentioned organizations;
- “other organizations with the same tax status” to designate all organizations similar to the organization for which you are filing the information return. For example, if you are filing for:
 - a registered charity, this expression means another registered charity,
 - a registered museum, this expression means another registered museum.

3.1.1. Completing the information return

The information return is generally completed on paper using the *Information Return for Registered Charities and Other Donees* (form [TP-985.22-V](#)).

You also have the option of using computer software or completing the fillable PDF version of the form.

You **cannot** file the information return online.

Software

Software users

If you use software acquired from a software developer, you must ensure that the developer has an approval number for the software from Revenu Québec for the year covered by the return. For more information, see the document *Information for Software Users: Partnerships, Registered Charities and Other Donees* ([IN-415.A-V](#)).

Software developers

If you develop software and use it to complete the information return, you must comply with the requirements set out in the guide *Requirements for Computer-Generated Forms: Partnerships, Registered Charities and Other Donees* ([IN-415-V](#)) to obtain an approval number from Revenu Québec.

Fillable PDF

You can download a fillable PDF version of form [TP-985.22-V](#) that you can complete onscreen and print out.

3.1.2. Filing the information return

Mail the completed return to the following address within **six months** after the end of the taxation year:

Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

3.2. Disbursement quota

Organizations are required to spend a minimum amount **each taxation year** to meet their objectives (as stipulated in their governing documents).

As a rule, this amount (referred to as the disbursement quota) is based on the value of property that an organization held during the 24-month period preceding the year in question that was not used directly for activities related to the organization's objectives or for administrative purposes, if that value exceeds:

- \$25,000 (for a charitable foundation);
- \$100,000 (for other organizations).

If an organization (other than a charity) receives a gift of property in a taxation year from another non-arm's length organization with the same tax status, it must spend an amount equal to the fair market value (FMV) of the property on activities related to its objectives or on gifts made to arm's length qualified donees. The amount must be spent before the end of the subsequent taxation year.

If a charity receives a gift of property in a taxation year from another non-arm's length charity, it must spend an amount equal to the FMV of the property received on its charitable activities or on gifts made by way of qualifying disbursements to arm's length grantee organizations or qualified donees. The amount must be spent before the end of the subsequent taxation year. This requirement does not apply to a designated gift.

The charity must meet this requirement **and** the disbursement quota requirement.

Furthermore, an organization must not make any transaction (including a gift to another organization with the same tax status) that, in all likelihood, is intended to avoid or unduly delay the spending of amounts related to its objectives.

Organizations that fail to comply with these obligations are liable to sanctions.

To calculate an organization's disbursement quota for the taxation year, complete Schedule A of the return (in the case of a charity) or Schedule B (in all other cases).

3.3. Fundraising activities

Registered charities often rely on charitable donations to carry on their charitable activities, and fundraising activities may be necessary to solicit these donations.

If an organization conducts fundraising activities or has a third party (such as a fundraiser) conduct fundraising activities on its behalf, it must specify all the fundraising methods it used during the taxation year in its information return.

3.3.1. Types of fundraising activities

The following is a non-exhaustive list of the types of fundraising activities generally organized by charities:

- subscription campaigns
- mail campaigns
- planned giving programs
- sales of lottery tickets
- auctions
- fundraising dinners
- galas or concerts
- sporting events
- collection boxes
- advertising
- flyers
- radio and television spots
- door-to-door solicitation
- online sales

3.4. Keeping and retaining registers

Every organization must keep adequate registers and supporting documents (including duplicates of official receipts issued to donors) and retain them for audit purposes.

The registers and documents must contain all the information required to enable us to determine whether there are grounds for imposing sanctions on the organization (such as suspending its authority to issue official receipts or revoking its registration).

3.4.1. Retention period

Registers and supporting documents must be kept for six years following the taxation year they concern. Any organization that receives tax relief, in particular in relation to its disbursement quota, must also keep supporting documents concerning the tax relief for six years.

3.5. Issuing official receipts

Only receipts issued for income tax purposes allow donors to claim a deduction or credit on their income tax return. These are “official receipts.”

3.5.1. Required information on official receipts

The following information must be clearly written on official receipts issued by an organization:

- the words “OFFICIAL RECEIPT;”
- the registration number (that is, the Business Number assigned by the Canada Revenue Agency [CRA]), in the case of a charity);
- the organization's name and address;
- the sequence number of the receipt;
- the place and date of issue;
- the date the gift was received;
- a brief description of the property (for a gift in kind) and, if applicable, the name and address of the appraiser;
- the donor's name and address;
- the value of the gift, that is, the amount given or, for a gift in kind, the fair market value (FMV) of the property at the time of the gift (see the note below about the value of a gift that is an option to purchase property);
- a description and the amount of any advantage received in consideration for the gift; and
- the eligible amount of the gift.

Each official receipt must bear the signature of the person authorized by the organization to acknowledge receipt of donations.

Details on receipts

- A receipt for a gift received from another organization must bear the words “NOT AN OFFICIAL RECEIPT.” The same words must appear on receipts issued to donors who are not claiming tax benefits for their gifts.
- If a charity is registered by the CRA, it is automatically deemed to be registered by Revenu Québec on the same date. Official receipts issued by the charity on that date are therefore considered valid, unless Revenu Québec has denied, cancelled or revoked its registration.
- An official receipt can be issued only when a pledge is honoured.
- In the case of a pledge registered with the Ministère de la Culture et des Communications for purposes of the tax credit for cultural patronage, a receipt must be issued to the donor for all the gifts made during a calendar year to fulfill the pledge.

- If an organization receives an option to purchase property as a gift, the value of the gift corresponds to one of the following amounts:
 - if the organization exercises the option by purchasing the property, the amount by which the FMV of the property at the time the option is exercised exceeds the total of the amounts paid to the donor to obtain the option and to purchase the property, as long as that amount does not exceed 80% of the FMV of the property at that time,
 - if the organization disposes of the purchase option, the amount by which the lesser of the FMV of the property at that time and the FMV of any consideration (other than a non-qualifying security) that the organization receives for the disposition of the option exceeds the amount paid to the donor to obtain the option.

3.5.2. Details regarding certain types of receipts

Receipts for works of art

An organization can issue an official receipt **when it receives** a gift of a work of art as part of its primary mission. It can also issue an official receipt if it is a registered museum. Otherwise, an organization can issue an official receipt only **when it disposes of** the work of art, provided it is disposed of by December 31 of the fifth calendar year following the year in which the gift was received.

The official receipt must include the required information listed in [Required information on official receipts](#) as well as:

- the date on which the work of art was disposed of;
- the amount deemed to be the consideration received for the work of art; and
- the FMV of the work of art at the time it was disposed of.

The value of the gift is equal to the lesser of the amounts referred to in the last two points above.

For gifts of public works of art, see [Value of a gift of a public work of art or a building for cultural purposes](#).

Receipts for non-qualifying securities

As a rule, an organization can, within five years after receiving a gift of a non-qualifying security, issue an official receipt as of the moment:

- it disposes of the security for consideration that is not another non-qualifying security; or
- the security ceases to be a non-qualifying security.

A donor who makes a monetary gift or a gift in kind to an organization is deemed to have made a gift of a non-qualifying security if, as part of a series of transactions:

- a particular person holds a non-qualifying security of the donor;
- the organization acquires, directly or indirectly, a non-qualifying security of the donor or of the particular person.

In this case, the tax consequences of the gift for the donor are the following:

- For the year of the gift, the deemed value of the gift for the purposes of calculating the tax credit for donations and gifts, or the deduction for donations and gifts (in the case of corporations), is reduced and corresponds to the actual value of the gift minus the value of the non-qualifying security acquired by the organization.

- For the taxation year that includes the year in which the organization disposes of the non-qualifying security, and provided that the disposition occurs within five years of the gift, the organization is deemed to have made a gift of a non-qualifying security for a value equal to the lesser of any consideration (other than a non-qualifying security) received by the donee for the disposition and the acquisition cost of the security for the organization.

Note

All organizations must take these rules into account when preparing official receipts.

Receipts for returned property

If an organization returns property (or property that is considered compensation for or a substitute for the property) to a donor after an official receipt has been issued for the gift of property, the organization must issue a new official receipt if the FMV of the returned property exceeds \$50. The organization must also send us the new receipt within 90 days after returning the property and give a copy to the donor.

We may issue a notice of reassessment with respect to the donor's income tax return to correct the amount granted as a tax credit for donations and gifts, or as a deduction for donations and gifts (in the case of corporations).

Value of a gift of bare ownership of cultural property or of a work of art

If a donor makes a gift of bare ownership of cultural property or a work of art to an organization, the organization must calculate the value of the gift on the basis of the duration of the usufruct or the right of use.

If the duration of the usufruct or right of use is based on the life expectancy of the donor, the value of the gift is equal to the FMV of the property multiplied by one of the following rates:

- 25%, for a donor 24 or under
- 31%, for a donor 25 to 29
- 38%, for a donor 30 to 34
- 44%, for a donor 35 to 39
- 50%, for a donor 40 to 44
- 56%, for a donor 45 to 49
- 62%, for a donor 50 to 54
- 68%, for a donor 55 to 59
- 73%, for a donor 60 to 64
- 78%, for a donor 65 to 69
- 83%, for a donor 70 to 74
- 87%, for a donor 75 to 79
- 91%, for a donor 80 or over

If the usufruct or right of use is for a fixed period, regardless of the donor's life expectancy, the value of the gift is equal to the FMV of the property multiplied by one of the following rates:

- 87%, if the period is 10 years or less
- 74%, if the period is from 11 to 20 years
- 61%, if the period is 21 years or more

Note

The above rules also apply to gifts of public works of art. They do not apply to gifts of buildings for cultural purposes (see [Value of a gift of a public work of art or a building for cultural purposes](#)).

Gift from a trust

If a person (the donor) transfers property to a trust and it is evident that an organization will eventually hold full ownership of the property, we consider that the organization received a capital interest in the trust from the donor. This means the organization can issue an official receipt in the donor's name.

The organization must meet the requirement mentioned in [Receipts for non-qualifying securities](#) if it is a private foundation that is considered to have received, after March 18, 2007, a gift of a capital interest in a trust in the circumstances mentioned in the preceding paragraph, further to a transfer of non-qualifying securities by a donor that is a person affiliated with the trust.

Value of a gift

In general, the value of a gift of an interest in a trust is equal to the FMV of the property at the time of the gift. However, other parameters must be taken into account to assess the value of the gift, for example:

- the value of the advantage granted to the donor or a non-arm's length person to the donor in consideration for the gift (see the definition of amount of an advantage) if the organization granted an advantage;
- the duration of the usufruct or right of use, if the gift is bare ownership of cultural property or a work of art.

Value of a gift of a public work of art or a building for cultural purposes

When a donor makes a gift of a public work of art or a building for cultural purposes, the donor must submit a written request to the Ministère de la Culture et des Communications to determine the FMV of the work of art or building, unless the proposed gift is cultural property. The Ministère will then send the organization a copy of the certificate indicating the FMV, unless the donee has filed a contestation with the Court of Québec concerning the FMV.

The FMV of the gift as certified by the Ministère de la Culture et des Communications or determined by a court will be deemed equal, for the organization, to the FMV of the work of art or building at the time the gift was made. If the gift is bare ownership of a public work of art, the organization must calculate the value of the gift based on the duration of the usufruct or the right of use (see [Value of a gift of bare ownership of cultural property or of a work of art](#)).

Note

Where a registered charity that is a recognized educational institution receives a gift of a **public work of art**, it can issue an official receipt to a donor when it receives the gift, even if it has not disposed of the work of art before December 31 of the fifth calendar year following the year in which the gift was received.

Increase of the eligible amount of a gift

The eligible amount of a gift of a public work of art **can be increased by 50%** if the donor has a **certificate** issued by the Minister of Culture and Communications confirming that the work of art will be installed in a place accessible to students and that its conservation can be ensured.

The eligible amount for a gift of a **building for cultural purposes** located in Québec that can house artist studios or cultural organizations can be increased by 25% if the gift is made to one of the following donees:

- a Québec municipality;
- a municipal or public body performing a function of government in Québec;
- a registered charity operating in Québec for the benefit of the community (such as the Société d'habitation et de développement de Montréal);
- a registered charity operating in the arts or culture sector in Québec;
- a registered cultural or communications organization;
- a registered museum.

To receive this increase, the donor must have a certificate issued by the Ministère de la Culture et des Communications confirming the building's FMV based not only on the value of the building itself, but also on that of the land on which it is located. The donor must also have a qualification certificate for the building issued by the Ministère, unless it can house cultural organizations, the gift is donated to a registered charity operating in the arts or culture sector in Québec, a registered cultural or communications organization or a registered museum, and the donor acquired it to carry out some or all its activities in the building.

Large cultural donation and cultural patronage

The conditions for a gift that is a large cultural donation and a gift that is cultural patronage are different.

Large cultural donation

A gift is considered to be a **large cultural donation** if it meets **all** the following conditions:

- It is a monetary donation, the eligible amount of which is at least \$5,000 but no more than \$25,000.
- It was made by an individual (other than a trust) after July 3, 2013.
- It was made to one of the following organizations:
 - a registered charity operating in Québec in the arts or culture sector,
 - a registered cultural or communications organization;
 - a registered museum.

A large cultural donation entitles the donor to a tax credit of 25% of the eligible amount of the gift (to a maximum of \$25,000).

Details on the 25% increase in the eligible amount

The 25% increase in the eligible amount applies only to a **single large cultural donation** made by an individual after July 3, 2013.

Cultural patronage

A gift is considered **cultural patronage** if it meets **all** the following conditions:

- It is a monetary donation of at least \$250,000.
- It was made by an individual (other than a trust) after July 3, 2013, but before March 26, 2025 (see [Pledge](#) below).
- It was made to one of the following organizations:
 - a registered charity operating in Québec in the arts or culture sector,
 - a registered cultural or communications organization;

- a registered museum.

Cultural patronage entitles the donor to a tax credit of 30% of the eligible amount of the gift.

Pledge

A donation pursuant to a **pledge** registered with the Ministère de la Culture et des Communications can also be considered **cultural patronage**. Under such a pledge, the individual undertakes to pay at least \$250,000 to the same organization over a maximum period of ten years (the eligible amount of the donation for each year must be at least \$25,000).

Even though the tax credit for cultural patronage was eliminated on March 26, 2025, individuals who applied to the Minister of Culture and Communications to register a pledge by **March 25, 2025**, can still claim this tax credit for a gift of cultural patronage made after **March 25, 2025**, under this pledge.

Value of a gift of certified cultural property

When gifting cultural property to an institution or public authority under the *Cultural Property Export and Import Act* (or in the case of an agreement establishing the irrevocable disposition of cultural property to such an organization), the institution or public authority must, on behalf of the donor, submit a certification application to the Canadian Cultural Property Export Review Board. The certification process is intended to encourage the transfer of cultural property to Canadian institutions that make them available to the public and to set the FMV of the property donated.

Cultural property (in particular paintings, sculptures and books) that is of exceptional interest according to the certificate issued by the Review Board is referred to as “certified cultural property.”

Note

Any capital gains resulting from a gift of cultural property are exempt from tax.

Reduction of the fair market value (FMV) of a gift

An organization must revise the value of a gift of property **within five years after a donor makes the gift** to it in the following situations:

- The organization holds a non-qualifying security received from the same donor in the five years prior to the gift. In this case, the value of the gift must therefore be reduced by the FMV of the consideration paid by the organization to acquire the non-qualifying security.
- The organization allows the same donor (or a non-arm's length person or partnership to the donor) to use one of its properties, under an agreement entered into in the five years prior to the gift, provided the gift was not used in the organization's charitable activities. In this case, the value of the gift is reduced by the FMV of the property in question.

Where the value of a gift has been revised, the old official receipt must be replaced by a new one and the revised value of the gift, along with the other required information, must be entered on the new receipt.

Gift of a non-qualifying security that is a share

For a gift of a non-qualifying security that is a share, these rules apply only if:

- the organization is not a private foundation; and

- the donor deals at arm's length with the organization or with each director, officer and like official of the organization.

3.5.3. Replacement or cancellation of official receipts

If an official receipt has to be replaced, the new receipt must have a note to the effect that it “REPLACES RECEIPT NO.” (followed by the sequence number of the original receipt).

Invalid receipts must be marked “CANCELLED” and kept with their duplicates. We consider a receipt to be invalid if the information it contains is illegible, inaccurate or in any way ambiguous.

See [Receipts for returned property](#) for more information on receipts for returned property.

4. Relief measures

Organizations can receive tax relief under certain conditions.

Supporting documents for relief measures

Any organization that benefits from the relief measures described in any of sections 4.1 to 4.4 must keep supporting documents concerning the tax relief for six years following the taxation year they concern.

4.1. Accumulated property

Until December 31, 2022, an organization that needed to accumulate property for a specific purpose (for example, to carry out a major project) could ask us for authorization to do so to have the value of the property accumulated excluded from the disbursement quota calculation (line 100 of Schedule A or line 200 of Schedule B, as applicable).

An organization that has our authorization to accumulate property has to complete lines 70 to 75 of the information return for each taxation year in which property is accumulated.

Important

You cannot make a request for authorization to accumulate property after December 31, 2022.

4.2. Disbursement quota reduction

An organization that is unable to meet its disbursement quota for a given taxation year can ask us for a disbursement quota reduction by completing and submitting form [TP-985.2.2.A-V, Determination of an Amount Deemed to Reduce the Disbursement Quota](#).

By filing form TP-985.2.2.A-V, an organization can avoid having its registration revoked simply because it is unable to meet its disbursement quota for the year.

In addition, if the organization is a museum, cultural or communications organization or political education organization, it will not be required to pay a special tax for a disbursement shortfall or, at the very least, the amount of the special tax will be reduced (see [Special tax for a disbursement shortfall](#)).

Once we have determined the reduced amount of the disbursement quota, the organization must enter it on line 109b of Schedule A or line 209b of Schedule B, as applicable.

We reserve the right to refuse a request for a disbursement quota reduction.

4.3. Investments in a limited partnership made by a registered charity

A registered charity that holds or acquires an interest in a limited partnership is usually considered to be carrying on a business, which can lead to the revocation of its registration, unless it is a related business.

However, such a charity is not considered to be carrying on a business simply because it holds or acquires an interest as a member in a limited partnership if it meets all the following conditions:

- Its responsibility as a member is limited by the law governing the partnership agreement.
- The interest held by the charity and all non-arm's length bodies to the charity does not exceed 20% of all members' interests in the limited partnership.
- It deals at arm's length with the general partners in the limited partnership.

Important

This measure applies to all registered charities, except charitable organizations and public foundations that carry on a related business, and concerns investments in limited partnerships made or acquired after April 20, 2015.

A registered charity that holds or acquires an interest in a limited partnership but that does not meet the above conditions is considered to have a direct interest in the limited partnership and, consequently, to be carrying on a business.

It is therefore important that all registered charities specify in their annual information return (line 9) whether they hold a direct or indirect interest in a limited partnership as well as their percentage interest.

Situations where a registered charity is not considered to be holding a direct interest in a limited partnership

A registered charity in one of the following situations is not considered to be holding a direct interest in a limited partnership:

- It holds an interest in a mutual fund trust, investment corporation or unit trust that holds an interest in a limited partnership.
- It has reached an official or unofficial agreement with other parties that does not give it an interest in a limited partnership (for example, a joint venture agreement or a partnership agreement).

5. Sanctions and special taxes

This part presents the circumstances under which we impose sanctions on organizations that have not fulfilled their obligations, or under which we require payment of a special tax. In certain cases, we may impose an intermediate sanction consisting in the suspension of the authority to issue official receipts. In other cases, the organization's registration may be revoked.

Any organization can file a notice of objection if its authority to issue official receipts is suspended or its registration is revoked. For more information, [contact us](#).

5.1. Suspension of the authority to issue official receipts

An organization may have its authority to issue official receipts temporarily suspended in the following situations:

- It has not complied with requirements with regard to keeping and retaining registers.
- It has accepted a gift on behalf of another organization whose authority to issue official receipts has been suspended.
- It has failed to provide the required information in its information return.
- It is managed or controlled by an ineligible individual, or any of its directors, officers, trustees or like officials is an ineligible individual.
- It devotes part of its resources to direct or indirect support of, or opposition to, any political party or candidate for public office.
- It is a charity and makes a false statement, in circumstances amounting to culpable conduct, in order to maintain its registration.

We notify an organization of our decision to temporarily suspend its authority to issue official receipts by registered mail. This sanction applies for one year as of the eighth day following the sending of the notice. The organization must then inform all potential donors that, further to the decision, gifts made during that period will not give entitlement to any tax benefit (deduction or credit).

5.2. Revocation of registration

The circumstances under which we may revoke an organization's registration include the following:

- The organization requests the revocation.
- The organization fails to file an information return (form [TP-985.22-V](#)) for a taxation year, or files the return after the filing date provided for in the *Taxation Act* (that is, six months after the end of its taxation year).
- One of the main purposes for which the organization has made a transaction (including a gift to another organization) is to avoid or unduly delay expenditures for its activities.
- It is reasonable to conclude that the organization has accepted a gift from another organization in a concerted action to unduly delay expenditures for the latter's activities.
- An official receipt issued by the organization contains false information or does not comply with the provisions of the *Taxation Act* or the *Regulation respecting the Taxation Act* (see [Required information on official receipts](#)).
- The organization does not keep registers and supporting documents, or does not keep them in an adequate manner (see [Keeping and retaining registers](#)).
- The organization has become a listed terrorist entity.

Revocation of a charity's registration

A charity's registration can be revoked under the following circumstances:

- In a given taxation year, the charity does not incur expenditures for its charitable activities or does not make gifts by way of qualifying disbursements, for an amount at least equal to the disbursement quota determined for the year.
- In a given taxation year, the charity receives a gift of property from another non-arm's length registered charity, and it does not spend, before the end of the subsequent taxation year and in addition to the charity's disbursement quota for the two taxation years, an amount equal to the fair market value (FMV) of the property received on its charitable activities or on gifts made by way of

qualifying disbursements to arm's length grantee organizations or qualified donees. This requirement does not apply to a gift that is a designated gift.

- The charity has made disbursements that are not in keeping with its activities, or it has made disbursements that are not qualified disbursements.
- The charity accepted a gift made expressly or implicitly on the condition that the charity itself make a gift to another person, club, society, association or organization that is not a qualified donee.
- The charity is a charitable organization or a public foundation and it carries on a business that is not a related business.
- The charity is a public foundation that has acquired control of a corporation (see instructions for lines 77 and 77.1 of the return).
- The charity is a public or private foundation that has incurred debt other than debt relating to current administrative expenses, the purchase and sale of securities or the administration of charitable activities.
- The charity made a false statement, in circumstances amounting to culpable conduct, in order to obtain or maintain its registration.

Revocation of the registration of a museum, a cultural or communications organization or a political education organization

A registration of a museum, a cultural or communications organization or a political education organization can be revoked under the following circumstances:

- In a given taxation year, the organization does not incur expenditures for programs related to its objectives or does not make gifts to qualified donees, for an amount at least equal to the disbursement quota determined for the year.
- In a given taxation year, the organization receives a gift of property from another non-arm's length organization that has the same tax status, and it does not spend, before the end of the subsequent taxation year and in addition to its disbursement quota for the two taxation years, an amount equal to the FMV of the property received on activities related to its objectives or on gifts made to arm's length qualified donees.
- The organization has made a gift that is not in keeping with its activities in favour of a donee that is not a qualified donee at the time of the gift.

5.3. Special tax for a disbursement shortfall

As a rule, an organization that is a museum, a cultural or communications organization or a political education organization may have to pay a special tax if it has not spent an amount equal to the disbursement quota for the taxation year (line 221 of Schedule B).

This special tax is equal to the additional amount (called the "net shortfall") that the organization should have spent in order to fulfill the obligation. The tax must be paid within six months after the end of the taxation year.

If the organization had a disbursement excess during any of the previous five years, it can use all or a portion of the disbursement excess to offset a disbursement shortfall for the taxation year (line 219 of Schedule B).

An organization can request to reduce its disbursement quota for the year (line 209b of Schedule B). This way the organization will avoid paying the special tax or, at the very least, the special tax will be reduced.

6. Instructions for completing the information return

The instructions below will help you complete the information return and its schedules.

6.1. Amended return

If you are completing an amended return, check the appropriate box.

6.2. Identification

Organization's registration number

Enter the organization's registration number:

- For a registered charity, enter the Business Number (BN) that the Canada Revenue Agency (CRA) assigned.
- For a registered museum, a registered cultural or communications organization or a recognized political education organization, enter the registration number that we assigned.

Line 5

Enter the end date of the taxation year covered by the information return.

This date must be the same as the one entered on form T3010, *Registered Charity Information Return*, submitted to the CRA. Enter the date in the box "End date of taxation year" on the schedule (A or B) that you must enclose with the return.

Line 7

If this is the organization's final return, check Yes and enclose with the return a letter signed by one of the organization's directors (or by a person authorized to sign on their behalf) requesting that the organization's registration be revoked. In the letter, you must also specify the reasons for the request, if you have not already done so.

Line 8

If you are completing the information return for a charity, check the box for the category it was registered or designated under.

If you are completing the return for a registered national arts service organization, check box 8.1.

Line 9

If the organization is a charity and it is a partner with a direct interest in a limited partnership, check Yes when you get to the third question. For more information, see [Investments in a limited partnership made by a registered charity](#).

Line 10

Check the box for the accounting method (accrual or cash) you used to determine the financial information in Part 2 of form TP-985.22-V.

6.3. Financial information

You must enclose a copy of the organization's financial statements with the information return. These include a statement of revenue and expenditures, a statement of assets and liabilities, and a breakdown of revenue by source.

In Part 2 of the return:

- Enter the revenue earned and the expenditures incurred during the taxation year (take pledges into account only if they have been honoured in the year), if the organization uses the **accrual method of accounting**.
- Enter the revenue actually earned and the expenditures actually paid, if the organization uses the **cash method of accounting**.

6.3.1. Gifts and other revenue

In section 2.1 of the return, enter the gifts received and the revenue earned by the organization during the year.

Gifts or revenue in a foreign currency must be converted to Canadian dollars using the exchange rate in effect at the time the gift or revenue was received.

Lines 12 and 12.1

On line 12, enter the total eligible amount of gifts for which the organization issued official receipts during its taxation year, including the total amount of gifts received from another organization not having the same tax status (for example, a registered museum that received a gift from a registered charity). Amounts of gifts received from an organization with the same tax status should be entered on line 13.

You must include the eligible amounts of the following:

- monetary gifts;
- gifts in kind (furniture, immovable property, investment securities, works of art, etc.);
- gifts received by way of inheritance or bequest;
- ten-year gifts;
- gifts derived from life insurance policies (along with any premiums that continue to be paid by the donor), registered retirement savings plans or registered retirement income funds;
- gifts in the form of annuity contracts.

Note

- An organization can issue an official receipt when it receives the gift of a work of art as part of its primary mission. It can also issue an official receipt if it is a museum. Otherwise, an organization can issue an official receipt only at the time it disposes of the work of art if the work of art is disposed of before December 31 of the fifth calendar year following the year in which the gift was made. If this restriction prevents the organization from issuing an official receipt under the *Taxation Act*, but it has issued an official receipt in accordance with the federal *Income Tax Act*, the gift must nevertheless be included in the amount on line 12. If the work of art is disposed of within the five-year period and an official receipt is issued under the *Taxation Act*, the gift should not be included again on line 12.
- If the only advantage for the donor is to receive annuities for a certain period, the organization can issue an official receipt for the year of the gift. The eligible amount of the gift is the amount by which the amount the donor pays to the organization exceeds the price that the donor would pay

for an annuity to finance the guaranteed payments expected from the organization, if the donor purchased the annuity from an arm's length person.

On line 12.1, enter the total amount of tuition fees included in the amount on line 12.

Lines 13 and 13.1

On line 13, enter the total amount of gifts received from other organizations with the same tax status (for example, a registered charity that receives a gift from another registered charity), whether or not those other organizations are associated with the organization.

In the case of a charity, enter on line 13.1 the total amount of gifts that the donor charities reported as designated gifts.

Line 14

Enter the total amount of gifts for which the organization did not and will not issue official receipts (for example, gifts from tax-exempt organizations and entities, anonymous donors or collection boxes).

Do not include gifts received from other organizations (line 13), or grants or payments received from the federal government, a provincial government, or a municipal or regional administration (line 15).

Lines 15 to 15.3

On line 15, enter the **gross amount** of grants, contributions and other payments received from the federal government, a provincial government, or a municipal or regional administration. Include revenue from the supply of property and services to government and administrative entities.

Provide a breakdown of the gross amount on lines 15.1, 15.2 and 15.3.

Line 16

Enter the total amount of revenue from all sources outside Canada for which the organization did not issue official receipts.

Line 17

Enter the total amount of **gross investment income** (such as interest and dividends). This income must be reported even if the organization received no corresponding RL slips or information slips.

Income in a foreign currency must be converted to Canadian dollars, using the exchange rate in effect at the time the income was received.

Line 18

Enter the total amount of **gross rental income** (rental of land or buildings), regardless of whether or not the rental is related to the organization's objectives.

Line 19

Enter the total amount of membership fees or dues (for which the organization did not issue official receipts), other than those reported as gifts on line 12.

Line 20

Enter the total amount of **gross revenue** from fundraising activities (for which the organization did not issue official receipts), including activities carried out by the organization itself (subscription campaigns, sales of lottery tickets, auctions, fundraising dinners, golf tournaments, etc.) and activities carried out by hired fundraisers. Do not include revenue reported as gifts on lines 12, 13 and 14.

Line 21

Enter the total amount of **gross revenue** from the regular sale of goods and services such as:

- academic, religious or other instruction;
- childcare services;
- courses or seminars; and
- magazine subscriptions.

Do not include revenue reported elsewhere, for example, on line 12.1 (gifts received as tuition fees), line 15 (revenue from government sources) or line 20 (revenue from fundraising activities).

Line 22

Capital gains and losses result from the disposition of property (land, buildings, securities, works of art, etc.) other than a sale made in the course of carrying on a business.

Generally, a capital gain or loss is determined by subtracting the total of the following amounts from the proceeds of disposition of the property:

- the adjusted cost base of the property, that is, the acquisition cost of the property, plus expenses incurred for its acquisition (surveying and appraisal costs, brokerage and legal fees), delivery and installation costs and, if applicable, GST and QST, as well as the cost of additions (capital expenditures related to improvements or additions to the property), and
- the expenses incurred for the disposition of the property (repair, improvement, clearing, surveying, appraisal and advertising costs; brokerage, direct seller and legal fees; commissions and transfer taxes; etc.) insofar as these expenses are incurred for the disposition of the property.

If the result is positive, the organization has realized a capital gain. If the result is negative, the organization has sustained a capital loss.

Add all capital gains and losses, and enter the net amount on line 22. If the net amount is negative, enter a minus sign (–) before the amount.

Line 23

Enter the total amount of all other revenue that was not entered on previous lines. Examples include the amount of a grant that is not considered to be a gift or is not from a government source, or rental income earned on property other than buildings or land. If applicable, you must also enter the GST and QST rebates and refunds received by the organization if the amounts were included in its expenses.

6.3.2. Expenditures

Enter the expenditures incurred for the various programs managed by the organization.

Lines 25 to 37.5

Enter the total amount of each type of expenditure on the appropriate lines:

- On line 25, enter expenditures incurred for advertising and promoting the organization, its programs and fundraising activities, including related costs for entertainment and meals.

- On line 26, enter expenditures incurred for travel and vehicle use.
- On line 27, enter interest and other carrying charges.
- On line 28, enter office expenditures and supplies, including stationery, communications costs (mail, telephone, Internet) and expenditures related to meetings.
- On line 29, enter expenditures related to the occupation of premises, including office rent, the cost of heating, electricity and lighting, the cost of maintenance and repairs, taxes and mortgage payments.
- On line 30, enter fees for professionals and consultants, such as accountants, lawyers and fundraisers.
- On line 31, enter expenditures for training personnel and volunteers, including costs related to courses, seminars and conferences.
- On line 32, enter remuneration paid to the organization's staff (wages, salaries, benefits and fees).
- On line 33, enter the cost of supplies and property purchased by the organization.
- On line 34, enter the FMV of gifts used in activities related to the organization's objectives.
- On line 35, enter research grants, bursaries and scholarships paid as part of the organization's objectives.
- On line 36, enter expenditures that you cannot include on the preceding lines (premiums for a life insurance policy received as a gift, if the organization was both owner and beneficiary of the policy; permits and membership dues; amortization of capital property used in activities related to the organization's objectives; etc.).

On lines 37.1 to 37.3 and line 37.5, enter the portion of the above expenditures that pertains to:

- activities related to the organization's objectives (line 37.1);
- management and general administration (line 37.2);
- fundraising activities (line 37.3);
- other activities (line 37.5).

The total of lines 37.1 to 37.3 and line 37.5 must be equal to the amount on line 37.

Expenses incurred to debate an issue directly related to the organization's objectives must be included in the amount on line 37.1.

Lines 38 and 38.1

On line 38, enter the total amount of gifts made to qualified donees. To calculate the total, complete Schedule C and add up all the amounts entered on the "Total amount of gifts" lines.

If the organization is a registered charity, enter on line 38.1 the amount of gifts to other registered charities that the organization is reporting as designated gifts. This is the total of the amounts entered on the "Amount of designated gifts" lines. Otherwise, enter 0.

Charitable organization

A charitable organization must not pay more than 50% of its annual income to qualified donees, unless the qualified donees are associated charities.

Line 38a

If the organization is a registered charity, enter the total disbursements made as qualifying disbursements to grantee organizations on line 38a.

Conditions for qualifying disbursements

A disbursement made to a grantee organization is considered a qualifying disbursement if it is **made by a charity** that meets **all** the following conditions:

- The charity makes the disbursement for a charitable purpose (other than for the purpose of a qualifying disbursement).
- The charity ensures the disbursement is used exclusively for charitable activities in support of a charitable purpose.
- The charity keeps documents that demonstrate the purpose for which the disbursements are made and that they are used exclusively for charitable activities in support of a charitable purpose.

6.3.3. Assets

Determine the value of assets as at the end date of the taxation year.

The value of the organization's property may be based on its acquisition cost. If you use another method, enclose an explanatory note. For gifts in kind, give the FMV at the time the gifts were made. This is the value that must be given on the official receipts issued by the organization.

Line 40

Enter the total amount of the organization's liquid assets. Include amounts in bank accounts or held by representatives of the organization and any other property that can be quickly converted into cash (short-term deposits, promissory notes, etc.).

Line 41

Enter the total amount receivable from founders, officers, directors, members, shareholders and trustees, and from non-arm's length organizations to such persons. Include loans made to these persons or organizations and amounts owing on goods or services sold to them.

Line 42

Enter the total of the other amounts receivable. Include amounts payable on goods and services sold by the organization to persons and organizations other than those covered on line 41 or on property rented to such persons and organizations, and debts that have been outstanding for one year or less (including the current portion of long-term investments).

Line 43

Enter the value of all the organization's long-term investments (investments issued for a term of more than one year). These may include investment certificates, shares, bonds, loans, mortgage debt and other securities, as well as the redemption value of life insurance policies.

Do not include amounts receivable that are included on lines 41 and 42. Do not include the value of capital property, which must be included on line 45.

Line 44

Enter the value of inventory used in meeting the organization's objectives.

Inventory includes property intended for sale, property being produced, and property used by the organization in supplying services.

Line 45

Enter the value of capital property, including immovable property (land and buildings), vehicles, equipment and furniture.

Line 46

Enter the value of all assets other than those mentioned on the previous lines (investments with non-arm's length persons to the organization, accumulated amortization of capital property used to carry out activities related to the organization's objectives [total amortization expenses used to compensate for the value of an asset or group of assets during its ownership], etc.).

6.3.4. Liabilities

Determine the value of liabilities as at the end date of the taxation year.

Line 50

Enter the total amount owing for:

- salaries and wages, goods purchased and services received;
- contributions, gifts, grants, scholarships, awards, etc., that were pledged by the organization but have not yet been paid out;
- short-term debts; and
- the current portion of long-term debts.

Line 51

Enter the total amount owing to founders, officers, directors, members, shareholders and trustees, or to non-arm's length organizations to these persons. Include repayable loans and mortgage debt, as well as amounts owing to these persons or organizations for goods or services purchased.

Line 52

Enter the total amount owing to persons or organizations, other than those included on line 51, for goods or services purchased or for the portion of a government subsidy that the organization must repay.

Line 53

Enter the amount of all other liabilities, including long-term debts such as loans, mortgage debt or notes.

6.4. Remuneration

To complete Part 3 of the information return, you must determine the amount of all remuneration paid in the year to the organization's employees, directors and officers. Include the value of any benefits (such as housing, transportation, and low-interest or interest-free loans) granted to these persons.

A reimbursement of the expenditures incurred by the above persons in performing their duties, or incurred by volunteers, does not constitute remuneration.

Line 55

Enter the average number of employees remunerated per day during the year. If the number of employees increases during certain periods, enter instead the average number of employees per day during these periods.

If all the organization's activities are carried out by volunteers (that is, by non-remunerated personnel), enter 0.

Lines 55.1 to 55.4

If the organization paid remuneration, indicate how many of the ten highest-paid positions fall into each of the four remuneration brackets on lines 55.1 through 55.4. Indicate the number of positions in the appropriate box(es).

Line 56

If the organization did not remunerate any of its directors, check No. A reimbursement of the expenses incurred by a director in carrying out their duties does not constitute remuneration.

If you checked Yes, attach a separate sheet with the additional information requested on the return.

Line 57

Check the appropriate box to indicate whether the organization transferred a portion of its income or assets to the persons or organizations listed.

6.5. Political activities

Line 58

Check Yes if the organization is a charity that carried on public policy dialogue and development activities during the taxation year.

If it did, enclose a note describing the public policy dialogue and development activities and explaining how they are related to the organization's charitable purposes. You must also explain why the activities do not constitute support for, or opposition to, a political party or candidate for public office.

6.6. Other information

You must answer the questions and, if applicable, provide the required information about the organization's operations and a summary regarding the value of accumulated property.

Line 60

If changes were made to the governing documents during the year (for example, a change was made to the organization's name, its objectives or the rules governing its activities), check Yes and enclose a copy of the official document attesting to the changes.

By "copy of the official document attesting to the changes," we mean a photocopy of the documents describing any changes to the governing documents and containing:

- proof that the changes have been approved by the competent provincial or federal authority, where the organization is incorporated and must therefore have the changes approved; or
- the effective date of the changes and the signature of at least three current directors of the organization, in all other cases.

Line 61

A gift is a transfer of property made by a donor with the genuine intention of making a gift. Consequently, if the organization earns regular revenue from the sale of goods and services (line 21) or regular income from the rental of its property (lines 18 and 23), the payments it receives are not gifts, and the organization must not issue official receipts for them.

Receipts issued by the organization for the payments (non-official receipts) must be produced separately from official receipts issued for gifts.

Lines 62 and 62.1

If the organization issued official receipts for gifts in kind, enter the total eligible amount on line 62.1.

You must also specify the type of gifts in kind received by checking the appropriate box(es). Gifts in kind include qualified property, works of art, non-qualifying securities, purchase options, buildings for cultural purposes and other types of property (for example, certified cultural property).

For more information about these types of property, see [Issuing official receipts](#).

Lines 63 to 63.1

If the organization issued new official receipts for property that it returned to the donors after having issued them official receipts for the gift of the property, you must indicate the total amount of gifts of property returned (see [Receipts for returned property](#)) on line 63.1.

Line 64

If the organization is a charity and it accepted a gift made expressly or implicitly on the condition that it itself make a gift to a person, club, society, association or organization that is not a qualified donee, check Yes and enclose an explanatory note.

If the charity issued an official receipt for the gift, check Yes.

Line 65

If the organization conducted fundraising activities (or had a third party conduct fundraising activities on its behalf), it must indicate all the fundraising methods it used during the taxation year by checking the appropriate box(es). For more information on fundraising activities, see [Fundraising activities](#).

Line 66

If, during the calendar year in which the taxation year ended, the organization paid salaries or wages, or granted scholarships, bursaries, fellowships or certain awards to individuals, it must file RL-1 slips respecting these amounts by the last day of February of the next calendar year.

In this case, check the box(es) corresponding to the amounts (remuneration paid or bursaries or scholarships awarded to individuals) for which RL-1 slips were filed.

Line 67

Enter the address of the location where the organization's books and registers can be consulted.

Line 68

Enter the contact information of the person who completed the information return or the corporation they represent, as the case may be. This person may be the person authorized to sign on behalf of the organization or a mandatary of the organization who does not have signing authority.

Lines 70 to 75

Enter the value of the property accumulated with our authorization during the taxation year (including the income earned during that year from all property accumulated with our authorization) on line 71 to keep track of the accumulated property.

If all or a portion of the property accumulated during or before the taxation year is **used for the intended purposes within the authorized period** and during the year, enter the value of the property used on line 73 of the return.

Carry this amount (if applicable) to line 101 of Schedule A or to line 201 of Schedule B, as per the instructions in the note immediately following line 75 of the return.

Lines 76 and 76.1

If the organization is a registered charity and, at the end of the taxation year, it was associated with another registered charity, enter the name and registration number of the other charity on line 76.1 (see the definition of associated charity).

Lines 77 and 77.1

If the organization is a public foundation and it acquired control of a corporation with voting rights during the taxation year, check Yes on line 77 and enter the name and identification number of the corporation on line 77.1.

A foundation is considered to be controlling a corporation if it owns, alone or jointly with non-arm's length persons, more than 50% of the shares with voting rights of the corporation's capital stock. However, a foundation is not considered to have acquired control of such a corporation during a given fiscal year if it purchased or otherwise acquired, for consideration, a maximum of 5% of the shares in any class (with or without voting rights) of the corporation's capital stock.

A public foundation that acquires control of a corporation may have its registration revoked (see [Revocation of registration](#)).

Line 78

If the organization is a public or private foundation that has incurred debt other than debt relating to current administrative expenses, the purchase and sale of securities or the administration of charitable activities, check Yes. In this case, its registration may be revoked (see [Revocation of registration](#)).

Line 79

If the organization is a private foundation covered by the provisions concerning the excess corporate holdings regime, check Yes.

Enclose a copy of the *Excess Corporate Holdings Worksheet for Private Foundations* (T2081) that was submitted to the Canada Revenue Agency with your return.

Line 80

Where the organization is a registered cultural or communications organization and a taxpayer received a benefit, by virtue of being a member of the organization, related to a workshop, seminar, training program or development program in which the taxpayer (or another person) participated, indicate that fact on line 80. The taxpayer must include the value of the advantage in calculating their income.

6.7. Schedules A and B – Disbursement quota for the taxation year

Use Schedule A or B to compare the organization's disbursement quota with the amounts disbursed to meet its objectives. Charities must complete Schedule A. Schedule B must be completed by museums, cultural or communications organizations and political education organizations.

6.7.1. Disbursement quota

Complete Part 1 to calculate the disbursement quota.

Value of property for purposes of calculating the disbursement quota

On **line 100 of Schedule A** or on **line 200 of Schedule B**, as applicable, enter the average value of the movable and immovable property that the organization owned at any time in the 24 months preceding the beginning of the taxation year but did not use directly for activities related to its objectives or for administrative purposes.

This property includes the following:

- liquid assets (amounts in a bank account or held by an official of the organization and any other property, such as short-term deposits and promissory notes, that can be quickly converted into cash);
- land; and
- buildings.

It does not include property accumulated with our authorization (line 75 of the return).

Do not take into account property that an organization received as a gift (other than a designated gift in the case of a charity) from another non-arm's length organization with the same tax status. Instead, enter the fair market value (FMV) of such property on line 130 or 230.

To calculate the average value of the property, you must first divide the 24 months preceding the beginning of the taxation year into several consecutive and equal periods (a minimum of two periods and a maximum of eight). The number of periods is usually chosen when the organization files its information return for its first taxation year. The number of periods cannot be changed without our authorization.

The organization must determine the value of the property it held at the end of each period but did not use directly for activities related to its objectives or for administrative purposes. Consequently, if the organization chooses to calculate the average value of the property based on:

- two periods, it must determine the value of the property held at the end of each of the two twelve-month periods that preceded the beginning of the taxation year;
- four periods, it must determine the value of the property held at the end of each of the four six-month periods that preceded the beginning of the taxation year.

Example of how the value of property is calculated for the purpose of calculating the disbursement quota

An organization completes its information return for the taxation year ending on December 31, 2025.

It has chosen to use four periods to calculate the value of the property it holds but did not use directly for activities related to its objectives or for administrative purposes.

During the 24 months preceding the beginning of that taxation year, the organization held an immovable and shares. The following table shows the value of the property as determined at the end of each of the four periods.

Table 1 – Value of property for the purpose of calculating the disbursement quota

End date of the period	Value of the immovable	Value of the shares	Combined value
June 30, 2023	\$500,000	\$0 ¹	\$500,000
December 31, 2023	\$500,000	\$0 ¹	\$500,000

End date of the period	Value of the immovable	Value of the shares	Combined value
June 30, 2024	\$510,000	\$0 ¹	\$510,000
December 31, 2024	\$510,000	\$0 ¹	\$510,000

1. The organization received our authorization to accumulate property valued at \$120,000 as of October 1, 2022, to carry out a specific project. The value of the shares has remained \$90,000 since that date. The amount of \$90,000, which has been removed from the table, must be entered on line 70 of the return because we already deemed it to be accumulated property for 2022.

For the **2025** taxation year, the average value of the property held during the preceding 24 months is calculated as follows:

$$(\$500,000 + \$500,000 + \$510,000 + \$510,000) \div 4 = \$505,000.$$

Enter \$505,000 on line 100 of Schedule A or on line 200 of Schedule B, as applicable.

For the subsequent taxation year (2026), Table 2 shows the value of the immovable and of the shares as determined at the end of each of the four periods.

Table 2 – Value of property for purposes of calculating the disbursement quota

End date of the period	Value of the immovable	Value of the shares	Combined value
June 30, 2024	\$510,000	\$0 ¹	\$510,000
December 31, 2024	\$510,000	\$0 ¹	\$510,000
June 30, 2025	\$520,000	\$0 ²	\$520,000
December 31, 2025	\$520,000	\$0 ²	\$520,000

1. The organization received our authorization to accumulate property valued at \$120,000 as of October 1, 2022, to carry out a specific project. The value of the shares has remained \$90,000 since that date. The amount of \$90,000, which has been removed from the table, must be entered on line 70 of the return because we already deemed it to be accumulated property for 2022.
2. The value of the organization's shares increased to \$120,000 during this period. The increase of \$30,000 (\$120,000 – \$90,000) has been removed from the table and must be entered on line 71 of the return.

For **2026**, the average value of the property held during the preceding 24 months will be calculated as follows:

$$(\$510,000 + \$510,000 + \$520,000 + \$520,000) \div 4 = \$515,000.$$

Value of property at the end of each period

As a rule, the value of property at the end of each period is:

- the property's FMV at that date, in the case of immovable property or shares of a corporation that are not listed on a designated stock exchange;
- the property's closing rate or the average of the bid price and the ask price in the case of shares of a corporation listed on a designated stock exchange.

6.7.2. Disbursement excess or shortfall

Complete Part 2 to determine whether there is a disbursement excess or a disbursement shortfall in respect of the organization's disbursement quota.

A disbursement excess exists if the amount spent by the organization to meet its objectives exceeds the disbursement quota. In this case, all or part of the expenditures may be used to offset a disbursement shortfall (if any) for the previous taxation year. The balance (net excess) may be carried forward and used to offset a disbursement shortfall in the next five years.

A disbursement shortfall exists if the amount spent by the organization to meet its objectives is less than its disbursement quota. In this case, any net excess from the previous five taxation years may be used to offset the shortfall. If there remains a net disbursement shortfall after using the net excess, the organization must offset it in the next taxation year to avoid having its registration revoked.

Museum, cultural or communications organization or political education organization

If there is a net shortfall on line 220 of Schedule B, a special tax equal to the shortfall must be paid.

The payment must be enclosed with the organization's or institution's return and submitted to us within six months after the end of the taxation year.

Amounts spent by the organization on its charitable activities or activities related to its objectives

On **line 110 of Schedule A** or **line 210 of Schedule B**, as applicable, enter the amount from line 37.1 of the information return.

Charity

A charity may have received a gift of property (other than a designated gift) from another non-arm's length registered charity in the taxation year preceding the year covered by the information return. If it did, it must spend an amount up to the FMV of the property received (amount on line 130 of Schedule A) to ensure it complies with the requirement to incur expenses for its charitable activities or make gifts by way of qualifying disbursements to arm's length grantee organizations or qualified donees. The amount must be spent before the end of the taxation year covered by the return.

The charity must meet this requirement in addition to the disbursement quota requirement. Consequently, if the amount on line 37.1 of the information return includes an amount that the charity spent during the year to meet the requirement mentioned in the preceding paragraph, you must subtract that amount from the amount on line 37.1 before entering the result on line 110.

Museum, cultural or communications organization or political education organization

An organization may have received a gift of property in the taxation year preceding the year covered by the information return from another non-arm's length organization that has the same tax status. If it did, it must spend an amount up to the FMV of the property received (line 230 of Schedule B) to ensure it complies with the requirement to incur expenses for activities related to its objectives or make gifts to arm's length qualified donees. The amount must be spent before the end of the taxation year covered by the return.

The organization must meet this requirement **in addition to** the disbursement quota requirement. Consequently, if the amount on line 37.1 of the information return includes an amount the organization spent during the year to meet the requirement mentioned in the preceding paragraph, you must subtract that amount from the amount on line 37.1 before entering the result on line 210.

Gifts made to qualified donees that are not designated gifts

If you complete Schedule A, enter on line 111 the result obtained by subtracting the amount on line 38.1 from the amount on line 38.

If you complete Schedule B, enter on line 211 the amount from line 38.

Charity

A charity may have received a gift of property (other than a designated gift) from another non-arm's length registered charity in the taxation year preceding the year covered by the information return. If it did, it must spend an amount up to the FMV of the property received (amount on line 130 of Schedule A) to ensure it complies with the requirement to incur expenses for its charitable activities or make gifts by way of qualifying disbursements to arm's length grantee organizations or qualified donees. The amount must be spent before the end of the taxation year covered by the return.

The charity must meet this requirement in addition to the disbursement quota requirement. Consequently, if the amount on line 38 of the information return includes a gift that the charity made in the year to an arm's length donee and the gift was made to meet the requirement mentioned in the preceding paragraph, you must subtract the amount of this gift from the amount on line 38 before entering the result on line 111.

Museum, cultural or communications organization or political education organization

An organization may have received a gift of property in the taxation year preceding the year covered by the information return from another non-arm's length organization that has the same tax status. If it did, it must spend an amount up to the FMV of the property received (line 230 of Schedule B) to ensure it complies with the requirement to incur expenses for activities related to its objectives or make gifts to arm's length qualified donees. The amount must be spent before the end of the taxation year covered by the return.

The organization must meet this requirement in addition to the disbursement quota requirement. Consequently, if the amount on line 38 of the information return includes a gift that the organization made in the year to an arm's length donee and the gift was made to meet the requirement mentioned in the preceding paragraph, you must subtract that amount from the amount on line 38 before entering the result on line 211.

Qualifying disbursements made to grantee organizations (Schedule A)

If you complete Schedule A, enter the amount from line 38a of the information return on line 111a.

Charity

A charity may have received a gift of property (other than a designated gift) from another non-arm's length registered charity in the taxation year preceding the year covered by the information return. If it did, it must spend an amount up to the FMV of the property received (amount on line 130 of Schedule A) to ensure it complies with the requirement to incur expenses for its charitable activities or make gifts by way of qualifying disbursements to arm's length grantee organizations or qualified donees. The amount must be spent before the end of the year covered by the return.

The charity must meet this requirement in addition to the disbursement quota requirement. Consequently, if the amount on line 38a of the information return includes a qualifying disbursement that the charity made in the year to an arm's length grantee organization and the disbursement was made to meet the requirement mentioned in the preceding paragraph, you must subtract the amount of the qualifying disbursement from the amount on line 38a before entering the result on line 111a.

6.8. Schedule C – Summary of gifts made to qualified donees

If the organization made gifts to qualified donees, complete Schedule C to establish a list of qualified donees to which the organization donated gifts and to indicate the amounts donated.

List all the qualified donees that received gifts from the organization during the taxation year. Enter the name of each qualified donee only once. Do not enter the names of persons who received a benefit, such as students who received a scholarship, from the organization.

Line marked “Name of qualified donee”

Enter the full name of the qualified donee that received a gift from the organization.

Line marked “Registration number”

Enter the donee's registration number, if applicable. This number is:

- the Business Number assigned by the Canada Revenue Agency, in the case of a registered charity; or
- the registration number assigned by Revenu Québec, in the case of a registered museum or cultural or communications organization.

Box marked “Associated charity”

Check the box if the qualified donee is a charity associated with the organization (if the organization is also a registered charity).

Line marked “Address”

Enter the donee's full address, including the postal code. If the address is outside Canada, provide the country.

Line marked “Total amount of gifts”

Enter the total amount of all gifts made to the donee by the organization, including designated gifts and gifts in kind, if applicable, in Canadian dollars.

Add all the amounts on this line for each donee and enter the result on line 38 of the return.

Line marked “Amount of designated gifts”

Enter the amount of all the designated gifts that the organization donated to the donee, in Canadian dollars.

Add all the amounts on this line for each donee and enter the result on line 38.1 of the return.

Line marked "Amount of gifts in kind"

Enter the total eligible amount of all gifts in kind that the organization made to the donee. This amount must correspond to the fair market value, in Canadian dollars, of the donated property.

Line marked "Type of gifts in kind"

Specify the type of gifts in kind the organization donated (for example, qualified property or work of art).

6.9. Schedule D – Directors and other officers

Use Schedule D to provide a list of all the organization's directors and other officers. A director is an elected or appointed member of the organization's board of directors whose position is listed in the governing documents (for example, the president, treasurer or secretary). Directors can be trustees or like officials. In the case of a religious organization, enter information about the priest, minister or other religious leader, even if they are not a director.

For each director and other officer, enter the position held in the organization as well as the start and end dates of their term. If the person held the position at the end of the year for which the return is being filed, do not enter an end date.

You must also state whether the person is dealing at arm's length with the organization's other directors and officers. If not, specify the nature of the relationship.