

Make sure your charity of choice has charitable status before making a donation

Jamie Golombek: That status is important if you want to be able to claim credits, worth up to 50 per cent of your donation, on your tax return



December is the busiest fundraising month of the year for many charities. *Getty Images*



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December 6, 2019

1:18 PM EST

Filed under [Personal Finance](#)

December is the busiest fundraising month of the year for many charities, as donors scramble to make year-end donations in time to get a donation receipt for 2019, the deadline being midnight on Dec. 31. In last week's column, I shared a [variety of tax strategies for donating to charity](#). This week, let's take a deeper dive into the charities themselves and what it takes to be a registered charity, in light of a recent decision of the Federal Court of Appeal concerning the Canada Revenue Agency's refusal to register a self-designated "church" as a charity.

Registered charity status is important if you want to be able to claim charitable donation credits, worth up to 50 per cent of your donation, on your tax return. As of this week, there are 85,868 registered charities in Canada and the best way to check whether the organization you wish to support is validly registered is to go online to the CRA's "List of charities," where [you can search for the name of the organization](#) to verify that it's properly registered. The information in the list is updated by the CRA each business day and will indicate whether a Canadian charity is registered, revoked, annulled, penalized, or suspended. You can also view a charity's contact information, general activities, and financial information, including the public portions of a charity's annual information return.

Not every non-profit organization, however, is a registered charity that can issue donation receipts. To apply for registered status, the non-profit organization must be established for a charitable purpose, which typically falls into one of four categories: the relief of poverty, the advancement of education, the advancement of religion, and certain other purposes that benefit the community.

If the CRA denies an organization charitable registration status, it has the right to appeal that decision to the Federal Court of Appeal. And that's what happened in the recent case, decided last week, involving the "Church of Atheism of Central Canada." The Church is a non-profit corporation whose purpose "is to preach

Atheism through charitable activities, in the City of Ottawa, the provinces of Ontario and Quebec, and whichever province shall from time to time be designated as part of Central Canada.”

The Church applied to be a registered charity however the CRA denied its application. The Church appealed, asking the appellate court to determine whether the CRA’s decision to refuse to register the organization as a charity was reasonable. It also argued that the CRA’s refusal to register the organization as a charity violated the Canadian Charter of Rights and Freedoms.

The issue before the court was whether the Church is “a charitable organization that operates exclusively for charitable purposes, the resources of which are devoted entirely to charitable activities.” The charitable categories relevant to the Church were either the advancement of religion and certain other purposes beneficial to the community.

The Church argued that the advancement of atheism ought to fit into the charitable classification of “advancement of religion.” To date, the courts have not previously recognized atheism as a religion, so the CRA had to consider the three fundamental characteristics common to previously recognized religions fulfilling charitable purposes.

The three fundamental characteristics of religion are: that followers have a faith in a higher power such as God, entity, or Supreme Being, that those followers worship this higher power and that the religion consists of a particular and comprehensive system of faith and worship.

The CRA had concluded that atheism does not meet any of the three elements established by the courts to be “fundamental to religion.” It found that “the worship of energy does not meet the first element that the adherents to a

religious belief system have faith in a higher unseen power such as a God, Supreme Being, or entity.” It further found that the second characteristic that a religion’s followers worship this Supreme Being “could not exist without a belief in a Supreme Being.”

The appellate court, however, didn’t feel that having faith in a higher Supreme Being or entity and reverence of said Supreme Being was necessarily required when considering the meaning of “religion,” citing the example of Buddhism, a recognized religion that does not believe in a Supreme Being or any entity at all.

What the court had trouble with was the third characteristic, concluding that the Church was unable to demonstrate that its belief system was based on a particular and comprehensive system of doctrine and observances.

The Church tried to argue that its doctrine of “mainstream science” fulfills the third element, saying that its “Ten Commandments of Energy are sacred texts because they were created by a wise human being who consists of pure, invisible Energy and has acknowledged Energy’s existence.” Both the CRA and the court, however, concluded that this “provides no detailed information as to the particular and comprehensive system of faith and worship.”

In denying the Church’s appeal, the court reminded all of us that “the registration of an organization as a charity ... is a privilege, not a right ... (that) functions as an indirect tax subsidy to encourage the work of registered charities.”

As to the Charter argument, while prior jurisprudence has confirmed that the Charter does indeed protect the rights of atheists, the CRA’s refusal to register the Church as a charitable organization “does not interfere in a manner that is more than trivial or insubstantial with the (Church’s) members ability to practise their atheistic beliefs.”

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