



BCMB Guide to completing T3010

Introduction:

This document is only indicating those areas where specific BCMB or where specific church information is needed. Please check the CRA guide for general information on how to complete the T3010B Information return

<http://www.cra-arc.gc.ca/E/pbg/tf/t3010/>

This form is to be completed, signed and submitted together with a financial statement from the corresponding year end **BEFORE** the end of 6 months after the fiscal year end.

Note: as you read through this, you may discover that you have answered some questions incorrectly in the past. If this is the case, just add a note to that effect so that CCRA does not wonder what has changed in your organization.

To clarify some questions:

Section A: Identification

A3 - answer **YES**

Name: The British Columbia Conference of The Mennonite Brethren Churches
B/N Registration # 13215 4675 RR0098

A4 - answer **YES**, same as above

A7 - answer **NO**

Section B: Directors/trustees

B1 - this refers to the number of people in your governing Board or Eldership and not to the number of positions. If one of your “directors” resigns part way through the year, you would list that person, as well as the replacement person, and for the replacement you would indicate how many months they served in the fiscal year being reported.

B2: - “not at arm’s length” refers to being related to each other by blood, marriage or adoption. CCRA will be checking to see if too many people on your Boards are related to one another because then you could be classified as a private foundation.

B3 - You do not need to declare months of service for a “director” that was serving at the start of your year through to the end of the year. The months of service column is only for those serving a partial year. You can add a separate paper with this listing, marking it *Exhibit 1* and show *Exhibit 1* on the form to cross reference.

Show a list of employees or staff on this form, under a category of **STAFF**, even though they are on the Boards as *ex-officio members* – without voting authority.

Section C: General Information

C1 - it is important to carefully articulate all your programs here. If you need more space, then indicate *Exhibit 2* and explain fully.



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C2 - 021 is **YES**

C2 - 022 is **C** in most cases

C3 - 023 **can be Yes** if you send funds to para-church and mission agencies that work in other countries. Identify the countries accordingly.

C5 - does not have to add up to 100% because you will only identify the **top four** areas of ministry.

Section D: Financial Information

YES: Attach your own Financial Statement even if they are not prepared by an accountant

ASSETS:

Line 054 - Other investments refer to the cash surrender value or the book value

Line 055 - Fixed assets and inventory should be the amount of the insurance value.

Line 056 - Other fixed assets are referring to other rental properties own that are not used for the direct purposes of the charity.

Line 057 - Other assets are things like restricted funds – reserved funds not part of the cash on hand

LIABILITIES:

Line 061 - Contributions, gifts are funds committed and not used

Line 064 - Other liabilities are unused government grants, mortgage payments

STATEMENT OF RECEIPTS AND DISBURSEMENTS:

Line 099 - Cash is the usual answer

Line 100 is all cash and gifts in kind that have been received

AMOUNTS RECEIVED FROM OTHER SOURCES:

Line 109 - Membership fees are tax receipt able if the person does not received any benefit in return, such as reduced rental rates, free concert when other have to pay etc. Those fees are reported in **Line 100** as *tax – receipted gifts*. If you collect a membership fee because of the benefits someone receives from it and no receipt is issued, then you show it on **Line 109**.

Line 110 - Rental income would mean from your buildings or parking lot.

Line 111 - Receipts from government means contracts for services on behalf of the government. Will probably be 0.

Line 112 - Other fees and earned income – this is not for GST rebate. GST rebates do not show anywhere on this return.

Line 116 - Other income could be from leasing equipment etc.

DISBURSEMENTS THIS FISCAL YEAR:

Line 120 - includes programs, building costs, mortgage payments, salaries

Line 122 - management and general administration are things like audit fees, legal fee, meeting costs

Line 123 - those cost related directly to fundraising – not offerings. Will be used more for parachurch organizations that hold fundraiser banquets and concerts

Line 124 - political advocacy should be 0

Line 125 - Other disbursements would be things like premiums on Life Insurance policies.

Line 126 - list other undisbursed amounts being held.



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Section E: Further Information

E2 – most of these answers are **NO** because the bulk of your income is from offerings. The only one that may apply is rental and maybe parking.

Membership entitling user to facilities should be **NO**

E4 - again this is **NOT** referring to offering taken in a service. This is specifically for **fundraisers**. Youth workdays/Sunday lunches are not considered fund-raisers for these purposes because they are part of the ministry programs. Tickets for concerts are not fund-raisers because you are defraying some costs.

E7 - Referring to fund-raising again. Usually answer **NO** here.

E8 - The answer will be **NO**, because this is the function of the Canadian Conference Stewardship Division (whose services you may have used, but it's not your program)

Section F: Remuneration and Benefits

F1 - Refers to the number of positions. i.e. 2 part-time secretaries = 1 position.

Seasonal charities (like camps) should report the average number of positions at peak times of operation.

F2 - These are senior executive positions only and not clerical. They are people that have authority to hire/fire and establish policies.

The answer can be **NO** when those are the functions of church Boards and not the pastor.

If **YES** – then report only the top five salaries of the senior executive positions, not including pension benefits and reimbursements for expenses incurred.

F3 - this should be **NO** – All directors/trustees should be volunteers. This is why on B3 you listed the paid staff as staff and not as directors.

F4 - should be **NO** to all questions.

Section G: Political Activities

G1 - Should be **NO** to all questions

G3 - Should be **NO** – your membership to Canadian Council of Christian Charities which works with understanding legislation is *not* what is meant here.

Section H: Gifts to Qualified Donees

H1 - you will usually have some outside gifts to report here.

- ✓ List your contributions in descending amount order, largest to smallest. The amounts will also usually be in the gifts (not specified) if it is given to the organization to be used at their discretion, such as your Canadian and BC Conference remittances.
- ✓ Can included non-cash items listed at fair market value.
- ✓ Para-church organizations are considered gifts (not specified), but be careful here that the name of an individual was not used. Support of missionaries is the function of para-church agencies and you are supporting the ministries, not the person.
- ✓ A specified gift is only used if there is an agreement between two registered charities where the transfer does not affect the disbursement quota.



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- ✓ It is important to get the BN # from the charity you send funds to, even if it does not show on their receipt/acknowledgement. You can get the information from the CCRA- charities division web site by going to <http://www.cra-arc.gc.ca/charities/> and then search for the charity by name.
- ✓ You can attach this list as a separate document, *Exhibit 3*.

Section I: Expenditures for Programs outside Canada

I-1 - Line 600 – You would say **YES** if your church, as part of your program/ministry with members of your congregation, went to another country to do short-term missionary work. (i.e. building a home in Mexico with your youth group) You may have purchased supplies from another foreign agency but you did not fund that agency to do the work.

- As this is a part of your program/ministry and is identified in C1, then you are allowed to receipt donated funds for this project, as long as it is not attached to a *person*. All donations go into the fund and the costs are paid out of the fund.

I-4 - Employees of the charities are referring to employees of your church working exclusively in another country doing the work. This is not referring to your youth pastor taking a group to Mexico, for example. Usually the answer here is **NO**.

Line 612 - Total expenditures of the program, meaning cost of equipment and supplies. This you would get from your accounting system as you kept track of all your costs.

Line 613 - would usually be **NO** unless you did contract out the mission work and the Mission agency paid all your expenses for you.

Line 615 - you could have a joint venture if, for example, you worked together with an agency such as Campus Crusade or World Vision. Then the details of that arrangement should be noted in the space provided or on a separate sheet, and marked as an *Exhibit*.

I-15 - If you answered Yes, or completed amounts for any question in I-14, then the answers from Line 617 to 623, with the exception of Line 622, should be YES (line 622 is usually **NO**)

I-16 – Usually the answer is **NO**, even if an agency works in another country as part of their program, their receipting office is still probably in Canada and that amount has already been reported in H1.

Section J. Certification

This part must be signed by **two authorized people**. It is best that they *both* have knowledge of the contents of this return from CRA.

Schedule A: Checklist

1. Governing document – if your church (elders or congregation) voted to change anything in your constitution (especially a name change), then you need to report that here. Attach a copy of the minutes with two original signatures of present directors/trustees/elders and mark the page as an Exhibit.

2. All cash/cheque/electronic funds offerings are gifts of property. Answer is **YES**.

3. Do you use a different type of receipt to acknowledge payments that are tax receiptable? Your



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answer should be **YES** and you could be using something as simple as a small, generic receipt book from the stationary store. This is part of a good bookkeeping system to record all income that is not receipted for Income tax purposes.

4. Using a date in the previous calendar year. This answer should be **NO**, and you should not be receipting anything received in your office (hand-delivered) or postmarked after December 31 even if the date on the cheque is still December 31. There was only one year – during a postal strike - where exceptions were allowed.

5. You may have issued tax receipts for non-cash gifts, but of **property** (not service). For example, someone may donate books, furniture, equipment etc. Be careful about giving receipts for used furniture and books because they become part of your assets if you have receipted for them, and they may not be worth that to you. Keep careful records, and if the total value of the receipt being requested is over \$1,000.00 you will need to have a written appraisal on hand. If the item is new, a receipt from the store or vendor showing the fair market value is acceptable.

6. Answer is usually **NO**. Because churches only issue tax receipts at the end of the calendar year, returning gifts is not as legalistic as it could be. A word of caution, if you are returning gifts occasionally, you need to check your practices. As a matter of policy, you should only be accepting gifts that either have no strings attached (meaning they can be spent at the discretion of the charity) or that can be used for the intended and pre-determined purpose that matches your church's ministry.

7. Answer is usually **NO**. Designated gifts are usually reported as qualified donees in H1 and then do not have to be reported again here. Designated gifts can only be receipted if they are directed to a *particular ministry* of the church. If your church has “adopted” the support of missionaries under MBMSI, for example, then funds can be receipted through your church funds and forwarded on to MBMSI. You can let the MBMSI office know the intent of your gift because you are supporting a program or mission work that they have already set up. The receipted cheques *cannot* have a specific missionary's name on them. Designated gifts should not be *dictating your ministry purposes*. Just because someone wants to donate funds and get a tax receipt, does not mean that you can quickly get up a fund to accommodate that request if it is *not already* part of your charitable practices.

8. Your answer is probably **NO**. You should not be forwarding funds through another charity (organization), which then in turn gives it to a person for their own benefit. If the charity you send funds to gives the funds to another charity (third hand), then explanations **must** be included here.

9. Refers to elementary or high-school.

10. Usually answer to fund-raising tickets is **NO**. This is only for circumstances where the ticket price covers the fair market value of the event *plus* a gift to the charity. Usually our fundraisers are voluntary gifts. Tickets are usually sold only to defray the costs of the event and are not to be receipted.



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11. Usually the answer is **NO**. The criteria being looked for here, is if the cheque is written on the account of a business or company (not the owner's personal cheque) and the business did not receive anything in exchange, such as advertising or other consideration. This question is for government statistical information.

12. Answer is **NO**. Cultural property has to be registered as such before this entitlement is legal.

13. Answer is **NO**, unless this gift was approved by the Minister of the Environment.

14. Remainder trusts are part of wills and estate planning. You will have received the proper paperwork and documentation if you need to answer YES here.

15. Usual answer would be **NO**, because churches are not usually given shares in a privately owned company. If you need to answer YES to this, it would be best to obtain sound advice from CCRA directly, and to keep very good records of fair market value. There is also a 5 year rule to keep in mind here.

16. Answer **YES**, because you should have issued **T-4 slips** for all remuneration and benefits paid. For future reference, a word of caution about putting pastors and support workers on "contract" to avoid paying benefits. Contracts must meet 3 criteria:

- ✓ The person must do the same type of work for others.
- ✓ The person should be setting their own hours and not having the church tell them when and how they should be performing their tasks. For example, if you tell your custodian what hours to work, when to have the doors open, etc, then he is an employee. If you tell your custodian that you want the building cleaned and he decides how to accomplish the task, then he is a contractor.
- ✓ They should be supplying their own working materials. (Vacuums, computers etc – not paper products)

17. If you paid \$500 or more to one person at one time for any reason, including an honorarium, then you will have to give them a **T4A** and report that here. If you have a scholarship fund set up that people can donate to, and you have a committee that awards the scholarships, then the recipients of those funds will need a **T4A** to declare that as income. A parent cannot donate to his child's education by this method.

18. Answer is **YES**

19. Identify

20. Identify

21. 23 are not for churches



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Schedule B : Statement of property Accumulated

Line 749 – 756 is not usually for churches UNLESS you have written permission to accumulate funds. Because these funds then do not fall under the 80% disbursement quota, they are generally used to save for Building Projects. If your church wants to start a long term plan to save for building, then you need to apply for permission before you start to save.

Schedule C : Disbursement Quota

NOTE: Disbursement quota rules are changing. See publications

PART I

This is based on **last year's numbers**, as your quota of spending must be **80%** spent on accomplishing your charitable purposes. Things like administration and fund-raising are just the means to do that, and are not the actual charitable purpose.

Line 801 - From last year's return.

Line 802, 803 and 804 - About funds that do not have to be calculated into this equation such as wills/bequeaths and 10 years gifts.

Line 808 - Refers back to spending from line 802 or 803 from last year.

Line 810 - Then do the math as directed to calculate the amount of last year's tax-receipted gifts you should have spent.

Lines 811 – 828 - do not apply to churches.

PART II

Based on this current return.

Line 830 - The same as line 120.

Line 831 - The same as line 501

Line 832 and 833 - Would only have an amount in it if you had applied and received permission in writing from CCRA for these amounts.

Line 834 - is the total of 830 – 833

Line 835 - The same as Line 810 from previous page.

PART III

Disbursement excess calculation

Line 841 - Will only have an amount in it if you had to report a shortfall in meeting your disbursement quota last year. Usually this line is 0.

PART IV

Line 845-847 - usually these lines are 0.

PART V

This section is optional because it is for your benefit, not CCRA



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Part V1

This section is a **MUST BE COMPLETED**.

Line 901 - From Line 100 of this return

Line 902 - For bequeaths or inheritances received this year.