

What is a registered charity?

A registered charity is an organization, trust, or corporation that was established in Canada, is resident in Canada, and is registered under the *Income Tax Act* as a charitable organization, public foundation, or private foundation. A registered charity is operated for charitable purposes and must devote its resources to charitable activities. According to the courts, there are four categories of charitable purposes:

- the relief of poverty;
- the advancement of education;
- the advancement of religion; and
- other purposes that benefit the community in a way the courts have said are charitable.

The Canada Revenue Agency (CRA) regulates charities registered under the *Income Tax Act* in Canada. A registered charity receives a Registration Number from the CRA and is exempt from paying tax on its income. It may issue official receipts for income tax purposes for the gifts that it receives.

Registered charities are part of a larger group of organizations known as “qualified donees.” All qualified donees are authorized to issue official donation receipts for income tax purposes. Other examples of qualified donees include a Registered National Arts Service Organizations (RNASO) and a Registered Canadian Amateur Athletic Association (RCAAA).

A **non-profit organization** is not a registered charity. Under the *Income Tax Act*, a non-profit organization is an association, club, or society operating exclusively for social welfare, civic improvement, pleasure, recreation, or any other purpose except profit.

A non-profit organization is exempt from paying tax on its income but cannot issue official receipts for income tax purposes. Non-profit organizations are sometimes also called not-for-profit organizations.

For a complete list of registered charities in Canada, and for more information about the regulation of registered charities, visit our Web site at www.cra.gc.ca/donors.