

CRA Recommended Model Objects for Charitable Federal Incorporation

Introduction

The *Income Tax Act* (the Act) provides for the registration of organizations that are **charities**. As the Act does not define what is charitable, the Canada Revenue Agency (CRA) determines whether or not an organization qualifies as a charity at law by applying the common law: that is court decisions.

To be charitable at common law, an organization must have exclusively charitable **purposes** and carry on exclusively charitable activities that further these purposes. In this document, the words **purposes** and **objects** are used interchangeably. Both refer to the way that an organization describes and identifies the reason(s) for which it was created i.e., **what** it intends to achieve. **Activities** are the organization's programs - or **how** it will accomplish its purposes.

A charity's objects are set out in its governing document. If the objects allow the organization to do something that the law does not recognize as charitable, the organization is not considered to be a charity and is not eligible for registration. When selecting a purpose or purposes, an organization must keep in mind a number of important factors:

- **Categories of Charitable Purposes and Public Benefit** - Not every purpose that may provide a public benefit is charitable at common law.

Only those purposes that fall within four specific headings or categories are charitable at common law. These categories are the relief of poverty; the advancement of education; the advancement of religion; and other purposes beneficial to the community as a whole in a way which the law regards as charitable. The latter category identifies an additional group of particular purposes that have been held by the courts to be charitable at law. This does not mean that all purposes that provide a public benefit qualify as charitable.

In addition, to qualify for registration as a charity, an organization must meet a public benefit test. An organization must show that its purposes and activities provide a tangible benefit to the public as a whole or a significant section of it. An organization that wishes to limit its beneficiaries unreasonably or offer a private advantage may not qualify for registration under the Act. For more information about public benefit, please refer to the CRA Policy [CPS-024, Guidelines for Registering a Charity: Meeting the Public Benefit Test](#).

Prior to making an application to become a registered charity, careful consideration should be given to whether **what** your organization wishes to achieve falls within the

scope of at least one of the four categories of charitable purposes, and will deliver the necessary public benefit.

- **Exclusivity** - A registered charity must have exclusively charitable purposes and activities.

This means that a registered charity may not have any purposes that are not charitable. It also means that all the activities of the charity must further its charitable purposes.

- **Precision** - To be eligible for registration, a charity must describe its purposes precisely so that each one is clear and restricts the organization to only charitable activities.

Language that is broad and vague could include non-charitable purposes and allow for the pursuit of non-charitable activities, which would not meet the requirement of exclusivity.

- **Activities** - The activities of the organization must directly further its charitable purpose(s).

Activities gain their charitable character from the purposes that they are intended to further. As such, selecting purposes from this list is only one part in the application process. The activities of the organization must bear a relationship to its charitable purposes and must be a reasonable means of achieving them.

It is important for organizations to choose their purposes carefully and provide accurate and detailed descriptions of all the activities they will conduct to further each purpose chosen. Note: Intentionally making a false statement when applying for registration as a charity may result in the subsequent revocation of charitable status.

Model Objects

The model objects below provides a non-exhaustive list of purposes that would be acceptable to the CRA. These purposes may be suitable for use by organizations that wish to apply to become registered charities or by organizations that are already registered, but wish to amend one or more of their purposes.

Why use the model objects?

If an organization uses a model object, the CRA will usually not need to discuss the wording of the object with you. This may speed up the decision making processes because, in most cases, the CRA will only need to consider whether:

- a) the organization will deliver a public benefit;

b) the proposed activities are charitable, will be carried out in a manner allowed by the Act, and will further one of the organization's objects; and

c) the organization is appropriately set up.

Other Considerations

Drafting the objects is only one part of creating the governing document for a charity. Careful consideration should also be given to drafting other parts of the governing document, such as power clauses, and to the requirements of all applicable federal and provincial legislation. In addition to the requirements under the Income Tax Act of Canada, there may be other applicable federal and provincial legislation that you should consider.

Model Objects

Relief of poverty

- To relieve poverty by providing basic amenities, including food, clothing and shelter to [specify e.g., the poor, needy, necessitous, underprivileged, low income, in financial need or of small/limited means].
- To relieve poverty by operating a food bank for the benefit of the poor.
- To provide and operate non-profit residential accommodation and incidental facilities exclusively for [specify e.g., persons of low income; senior citizens primarily of low or modest income; or disabled persons primarily of low or modest income].
- To relieve poverty by providing food and other basic amenities to persons of low income, by establishing, operating and maintaining shelters for the homeless.

Advancement of Education

- To advance education by establishing and operating schools.
- To educate the public by providing courses, seminars and workshops about [specify].
- To provide childbirth education classes that focus on issues of family-centred care, preparation for parenting and nutrition.
- To educate youths by providing leadership training programs and workshops.
- To educate children about safety issues by providing appropriate level courses, seminars and workshops on [specify topic].
- To educate the public about community development through workshops and seminars.
- To educate and inform the public about wild birds and their habitats by providing courses, workshops and seminars on that topic.
- To educate the public on agriculture and farming.
- To advance education by providing scholarships, bursaries, awards and other forms of financial assistance to [specify].
- To advance the education of students attending [specify name of school] by providing books, equipment and educational aids.
- To train police officers, teachers, social workers and crisis response workers on how to recognize and respond to online sexual exploitation and assist children and youth affected by this issue.
- To advance education by operating a science fair for students across Canada.
- To establish and operate a resource library for [specify].
- To establish, maintain and operate an educational training centre that will provide instruction on [specify].
- To educate and increase the public's appreciation of Aboriginal culture.

Advancement of Religion

- To advance and teach the religious tenets, doctrines and observances associated with the [specify faith or religion] faith.
- To preach and advance the teachings of the [specify faith or religion] faith and the religious tenets, doctrines and observances associated with that faith.
- To establish, maintain and support a house of worship with services conducted in accordance with the tenets and doctrines of the [specify faith or religion] faith.

Religious Schools

- To establish and maintain a [specify faith or religion] religious school of instruction for children, youths and adults.
- To advance the [specify faith or religion] faith by providing spiritual and educational resources to [specify] -nationally and internationally.
- To advance and teach the religious tenets, doctrines and observances associated with the [specify faith or religion] faith by establishing a facility to be used for religious programs, workshops, music and [specify e.g., Bible, Koran, Talmud, etc.] studies.

Other Purposes Beneficial to the Community

- To operate a youth centre, which offers structured programs that are directed toward resolving specific problems faced by youth.
- To provide, administer and maintain a multi-use facility for the community of [specify community].
- To operate a drop-in centre for troubled youth including those with special needs, disabilities and behavioural problems that will provide educational, cultural, recreational and social activities in a supervised setting.
- To provide residential housing and support services to persons with disabilities.
- To provide trained persons or services required by persons with mental or developmental disabilities to assist them with life skills, recreation and other daily activities.
- To establish an athletic and recreation facility which will serve persons with disabilities.
- To provide athletic and recreational programs to support the physical, mental and emotional well being of persons with disabilities.
- To provide life management counselling and other supportive services to allow persons with disabilities to become more independent in the community.
- To provide training and assistance in the placement of persons with disabilities in gainful employment.
- To provide financial assistance to physically challenged youth enabling them to attend camps, which offer specially adapted programs.
- To provide recreational programs to deaf and hearing impaired children.
- To provide assistive devices to the deaf and hearing impaired.

- To provide air cadet training to youth as a means of promoting the efficiency of the armed forces.
- To provide education, counselling and other support services for refugees and immigrants in need, including language instruction, employment training, job search programs, translation services and information programs on Canadian culture and life.
- To erect playground structures for children.
- To provide entertainment and therapy to sick children in hospitals.
- To provide and operate a clinic that will provide medical care to [specify].
- To educate and instruct medical professionals on prevention of, and curative measures for various health problems in developing countries.
- To build and equip a mobile hospital to provide medical, health and support services.
- To establish, operate and maintain a long-term group home for troubled youth.
- To establish, operate and maintain a life-skills learning centre for aboriginal troubled children and youth.
- To provide an extensive aftercare program for troubled youth.
- To provide outreach and intervention programs, youth conferences and workshops for troubled youth.
- To provide a crisis line for troubled children and youth.
- To provide and maintain a memorial garden for the benefit of the community.
- To restore, develop and preserve the [specify e.g., historic site] with a view to educate and commemorate the site.
- To provide grief support for those who have lost loved ones.
- To provide counselling and outreach programs to those affected by family violence.
- To provide support services for aged persons including personal care, housekeeping, meals, nursing, shopping assistance and transportation to medical appointments.
- To establish and provide day-care services for children.
- To educate the public about agriculture by holding a rural expo.

Family & Youth Counselling

- To provide a learning center for educational assessment, behaviour management and tutoring for children, youth and parents.
- To provide mentoring programs, workshops and seminars for parents, children and youth in anger management, conflict resolution and effective communication.

Health

- To provide not-for-profit hospitals with medical and dental equipment.
- To provide breastfeeding consultation to nursing mothers.
- To provide postpartum counselling to new mothers and their families.

- To provide education and information to expectant mothers relating to preparation for birth and care during early childhood.

Arts

- To educate and increase the public's understanding and appreciation of the arts by providing performances of an artistic nature in [specify e.g., public places, senior citizens homes, churches, community centres and educational institutions] and by providing seminars on topics related to such performances.
- To provide instructional seminars on topics related to the performing and visual arts.
- To produce performing arts festivals for the purposes of educating and advancing the public's understanding and appreciation of performing arts and to educate artists through participation in such festivals and related workshops.
- To educate the public in music performance and composition through workshops and recitals.

Foundations

- **For Ontario**
To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to charitable organizations that are also registered charities under the *Income Tax Act* (Canada).
- **For all other Canadian jurisdictions**
To gift funds to qualified donees as defined in subsection 149.1(1) of the *Income Tax Act*.

Please Note:

Some provinces require that organizations whose purpose is to fund other organizations stay within the common law as administered at the provincial level. To meet these provincial requirements, any reference to qualified donees in corporate objects should ensure that the donees are registered charities. An organization can choose to meet federal tax law requirements by funding qualified donees that are not registered charities, but it would then not qualify as a charity in some provincial jurisdictions.

International Development

Relief of Poverty

- To relieve poverty in developing nations by providing food and other basic supplies to persons in need.

Health

- To develop or promote public health in developing nations by educating and instructing the public on prevention of, and curative measures for health

problems and by researching and documenting changes in the health of the community.

Drinking Water

- To improve the quality of drinking water in developing nations by constructing wells and water treatment, irrigation and sewage treatment systems.

Agriculture

- To improve skills in forestry, agriculture and horticulture and to assist in the preservation of the environment in developing nations.

Disaster Relief

- To provide the necessities of life to victims of disasters.