NON-PROFIT ORGANIZATIONS - GOVERNMENT FUNDING

The head office of your organization has to complete and submit this form to the Canada Customs and Revenue Agency if you want to claim a Public Service Bodies' Rebate as a qualifying non-profit organization. This form has to be filed for each fiscal year. Once we establish your eligibility, we can process your rebate claims based on the information you have provided.

Please send this completed form to: Canada Customs and Revenue Agency

Summerside Tax Centre 275 Pope Road, Suite 103 Summerside PE C1N 6A2

Please note that you are no longer required to submit annual reports and financial statements.

If you are a **registered charity** or a **registered Canadian amateur athletic association** under the *Income Tax Act*, you have to claim your Public Service Bodies' Rebate (line 305 on Form GST66 or GST284) as a charity and you are not required to complete this form.

For definitions and instructions on how to complete this form, see the enclosed *Information Sheet for Non-Profit Organizations – Government Funding.*

Part A - Identification

Business Number	Legal name			
Trading name (if different than legal name)				
Mailing address	City		Province	Postal code
-				
Business address (if different from mailing address)			Province	Postal code
3	ddress) City			
Contact person)	Telephone number	
Community portion.			(•
			()	
Dort P. Eligibility				
Part B - Eligibility				

P	Part B - Eligibility						
Р	lease answer all questions below by placing a check 🗾 in the appropriate box.						
1.	Does your organization have branches or divisions that file separate rebate applications?	Yes		No			
2.	Is your organization organized and operated solely for a purpose other than profit?	Yes		No			
3.	Is any part of the income of your organization used for the personal benefit of any proprietor, member, or shareholder?	Yes		No			
4.	Is the government funding of your organization clearly identified in the financial statements of the organization?	Yes		No			
5.	Is any of the government funding of your organization received from an intermediate organization (second level funding)?	Yes		No			
	If yes, do you have Form GST322, Certificate of Government Funding, completed by the intermediate organization held in your files? (A copy may be requested to support your claim.)	Yes		No			

Please complete "Part C - Details of Government Funding" and "Part D - Certification" on the back of this form.

Privacy Act Personal Information Bank number RCC/P-PU-091.

Part C - Details of Government Funding

Please refer to the enclosed information sheet for instructions on the calculation of the government funding percentage.						
Calculation is based on the financial statements for fisca	al year(s) ended:					
Year Month	Day Year	Month Day				
 Enter the names of your sources (grantors) of gove Non-Profit Organizations – Government Funding.) Enter the total amount each of these sources provice. Payments for taxable goods and services, including included as government funding. 	ded in the "Amount" colu	ımn below.				
Sources (grantors) of government funding included	d in the calculation bel	OW (do not use abbreviations)	Amount			
 (a) Add up figures in the "Amount" column and enter the (See definition 2 on the <i>Information Sheet for Non-tology</i> (b) Enter your Total Revenue. (See definition 3 on the <i>Government Funding</i>.) 	Profit Organizations – G	overnment Funding.)				
Percentage of Government Funding	(a) / (b) x 100					
Part D - Certification						
I certify that the information given on this form and in an and complete in every way. Books, records, and invoice the non-profit organization.		_				
Print name	Position or rank					
Signature	Date	Telephone num	nber			

You have to submit form GST523, *Non-Profit Organizations – Government Funding*, to demonstrate that you meet the government funding test for the year, and to support your calculation of the percentage of government funding. This form has to be filed for each fiscal year. Once we establish your eligibility, we can process your rebate claims for that period.

Your non-profit organization (NPO) may qualify for the 50% GST/HST rebate if your percentage of government funding is at least 40% of your revenues.

Government funding and revenues are recorded when they are received **or** become receivable – whichever is the earlier date. Ongoing revenue, such as sales, membership fees, and extraordinary government funding, or revenue items for activities extending over a number of years, such as a grant for capital property, should also be recorded in the same way.

This section defines the terms grantor, government funding, and total revenue, which are used to calculate the percentage of government funding described later.

1. Grantor includes all three levels of government: federal, provincial, and municipal. It includes Indian bands and bodies that federal, provincial, or municipal governments establish or control to fund charitable and non-profit activities.

Grantor does not include federal and provincial Crown corporations that perform only commercial activities (for example, funding from a Crown corporation that sells oil and gasoline for profit is not considered government funding), federal and provincial Crown corporations that supply financial services, as well as Crown corporations that do not have a government mandate to fund charitable and non-profit activities.

2. Government funding refers to financial payments (that is, an amount of money) from a grantor that can be measured and identified as government funding in your NPO's financial statements.

Government funding includes a payment (including a forgivable loan) from a grantor:

- to support or promote your organization's objectives (but not to pay for goods or services supplied by your organization to the grantor); or
- for an exempt sale of goods or services made by your NPO, if the goods and services are not for the use or consumption of the grantor or persons related to the grantor (for example, government funding of a local health unit to supply medical services to the public).

Government funding can be paid directly to the recipient (NPO) by a grantor or through another organization. For example, a national organization can allocate government funding to its provincial affiliates, and in turn, the provincial affiliates can redistribute the funds to their regional clubs. These payments can be included as government funding when:

- the funds are initially paid by a grantor;
- the funds are clearly identified as government funding in the recipient's financial statements;
- the funds do not pass through more than two organizational levels. For example, grantor organization A (national) to organization B (provincial) to organization C (regional) would be acceptable;
- the intermediate organization that provides funds to the final recipient completes Form GST322, *Certificate of Government Funding*, to confirm that the payment is government funding; and
- the funds would be considered to be government funding if they were instead paid by a grantor directly to the final recipient for the same purpose as the amounts were paid by the intermediary.

Government funding does **not** include indirect or non-financial forms of assistance, low-interest loans and loan guarantees, any goods or services supplied at a subsidized price, or a refund or rebate of, or credit in respect of, taxes, duties or fees imposed under any statute.

3. Total revenue includes the following amounts:

- income from investments (interest and dividends);
- proceeds from the issuance of equity securities;
- government funding;
- capital contributions, such as proceeds from the issuance of shares, and fund member or third party advances to an NPO as contributions to the capital of the organization (for example, a club requires its members to buy non-transferable, non-redeemable shares in return for the right to join the club);
- loans from people with whom the organization is not dealing at arm's length (for example, an NPO funds another related NPO through loans with unusually low interest rates). If the loans are later reimbursed, they will be deducted from revenue at that time; and
- non-capital distributions from a trust to the NPO.

Also include the following amounts from which you can deduct 25% to take into account the cost of fund-raising:

- · all receipts from sponsorships;
- all receipts from taxable (including zero-rated) and exempt sales of goods and services (do not include receipts from sales
 of real property or capital property, benefits granted to employees or shareholders, or goods you are deemed to have sold
 when you cease to be a registrant);
- financial payments, such as private gifts and donations, if they are provided to an NPO in the form of financial payments that can be measured and are identified as such in the organization's financial statements;
- proceeds from gambling activities, minus prizes and winnings paid out; and
- the total of all amounts by which the fair market value of a financial instrument exceeds the consideration paid or owed for the instrument.

Deduct from your total any amounts you repaid during the year. You will then have the amount of total revenue you need to calculate your percentage of government funding.

4. Percentage of government funding

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Calculate the percentage of government funding as follows:			
Current year calculation:			
Government funding for the current fiscal year Total revenue for the current fiscal year including government funding	× 100		
If this is your first fiscal year, use the current year calculation.			
If this is your second fiscal year, use the greater of the current year calculation, or			
Government funding for the first fiscal year Total revenue for the first fiscal year including government funding	× 100		
■ In any other case, use the greater of the current year calculation, or			
Government funding for the two immediately preceding fiscal years Total revenue for the two immediately preceding fiscal years including government funding	ng × 100		