

DISBURSEMENT QUOTA

As per the CRA website at <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/annual-spending-requirement-disbursement-quota.html>, the disbursement quota is the minimum amount a registered charity is required to spend each year on its own charitable activities, or on gifts to qualified donees (for example, other registered charities). The disbursement quota calculation is based on the value of a charity's property **not** used for charitable activities or administration.

The disbursement quota is calculated as follows:

Charitable organizations

If the average value of a registered charity's property **not** used directly in charitable activities or administration during the 24 months before the beginning of the fiscal year exceeds \$100,000, the charity's disbursement quota is 3.5% of the average value of that property.

A registered charity can use **line 5900** in Schedule 6 of the T3010 return it completes for the fiscal year to calculate its disbursement quota for that period.

If a registered charity wants to calculate its disbursement quota at the **start** of the fiscal year, it can use the amount from **line 5910** in Schedule 6 (if completed) of the return it will complete for the fiscal year that just ended.

If the charity has permission to accumulate property, it must subtract the amount accumulated plus any income earned on this amount from the amount at line 5900, before multiplying by 3.5%. To determine the amount that should be subtracted from line 5900, the charity can use the amounts entered at line 5500 minus any amounts entered at line 5510 for all the returns to date covered by the permission to accumulate property.

CARRY-OVER PROVISION

The Income Tax Act contains carry-over provisions for disbursements in excess of charities disbursements quota. Such excess may be carried back one year and forward five years. These carry-over rules are available to all charities and permission from CRA is not required.

PERMISSION TO ACCUMULATE FUNDS

The Income Tax Act contains a provision allowing the charity to accumulate property for a particular purpose. The charity must seek the approval of CRA to utilize this provision. There is no prescribed form for this purpose. The request should be in the form of a letter setting out the purpose for the accumulation, the approximate amount to be accumulated, and the period over which it is to be accumulated. This procedure may be used by a church to accumulate funds for a new building, an extension for an existing building, or for extensive renovations to an existing building. Generally, permission is only granted for the acquisition or improvements of tangible property and permission would not be granted to accumulate funds to be held as a reserve. CRA may impose certain conditions on the accumulation and will specify the period over which the funds may be accumulated.

Generally, a charity should only seek permission to accumulate funds if it would be unable to accumulate such funds without failing its disbursement quota.

QUALIFIED DONEES

Contributions made to qualified donees, which include any registered charity in Canada, are considered a charitable use of resources for the purposes of the organization provided they do not exceed 50% of the charitable organization's income for that year. Contributions to qualified donees must be identified on Line 5050 of the T3010 Charity Information Return.

The following is a list of some of the "Qualified Donees" to which your church might send gifts:

NAME	REGISTRATION NUMBER
• Canadian Baptists of Atlantic Canada	11927 6228 RR0001
• Crandall University	10673 6150 RR0001
• Acadia Divinity College (ADC)	11877 6723 RR0001
• Canadian Baptist Ministries (Including CBV, Partners in Mission and Sharing Way)	10684 3436 RR0001
• Atlantic Baptist Mission Board	86318 2135 RR0001
• United Baptist Woman's Missionary Union	10815 1812 RR0001
• Union of French Baptist Churches	10814 9956 RR0001

The CBAC sends out statements of church contributions to the church treasurers twice a year. These statements should be checked against the church records. If there appears to be a discrepancy, the CBAC office should be contacted. **At year end church contributions should be sent to the CBAC office as quickly as possible in order to be included in the 2019 record of contributions. Please ensure all contributions are mailed no later than January 15, 2020.**

REMITTANCE OF CONTRIBUTIONS

Treasurers are asked to use the appropriate remittance forms when forwarding contributions to the CBAC Office.

Remittances may be sent to the CBAC office for credit to the following:

Canadian Baptists of Atlantic Canada (CBAC)	December Communion Offering Fund (DCO)
Acadia Divinity College (ADC)	Saint John-Kings Hospital Chaplaincy
Crandall University	Halifax Hospital Chaplaincy
Canadian Baptist Ministries (CBM)	Union of French Baptist Churches

Donations to non-CBAC organizations are to be sent directly to them.

Attach to the remittance form your church's cheque for contributions to the above accounts, payable to: **Canadian Baptists of Atlantic Canada**. An electronic version of the remittance form is available at the following location:

<http://baptist-atlantic.ca/wp-content/uploads/2017/10/CBAC-Monthly-Remittance-Form-Fillable.pdf>

In the following cases listed below, cheques must be made payable to **Atlantic Baptist Mission Board**:

- Payments on loans from funds administered by the Board,
- Payments to **Atlantic Baptist Mission Board** payroll,
- Contributions for the work of the Board,
- Contributions to the "New Churches Fund".

GASOLINE EXCISE TAX

Gasoline excise tax is paid at the manufacturing level on all gasoline used in internal combustion engines. The tax is not levied on diesel fuel or heating fuels. The tax will be refunded to registered charities.

Refunds may be sought by filing the proper form within two years of the date the gasoline was purchased. The form application for refund of federal excise tax on gasoline (Form XE8) can be obtained from any excise, customs, taxation or post office. An information booklet is supplied with the form. You may also obtain the form online at <http://www.cra-arc.gc.ca/E/pbg/ef/xe8/>. Refund claims for amounts less than \$200 must cover a 6-month period, ending June 30th or December 31st, and these claims may be submitted at

any time, after the end of that period. Refund claims of \$200 or more may be submitted at any time, subject to a maximum of one claim per month. As noted above, the claim must be filed within two years of the purchase period.

It is not necessary to enclose purchase invoices or receipts with the application, although adequate documentation must be retained for audit purposes. Ideally, purchase receipts should indicate the number of litres purchased.

A congregation which has reimbursed travel expenses has two options. It can attempt to retain documentation on gasoline purchases and claim the standard amount per litre or, if the reimbursement is on the basis of kilometres travelled, the congregation may claim \$0.0015 per km. or \$0.015 per litre.

PASTORS' SUPPLEMENT FUND

The Pension and Benefits Board administers a Supplement Fund which is used to supplement the income of Pastors and their families, based upon their financial circumstances. Only the Benefits Coordinator, Director of Finance and Chair of the Pension & Benefits Board are aware of the individuals receiving a supplement.

Should you be aware of a person who would come under one of these categories and is experiencing financial hardship, please contact Karen Gunn, Benefits Coordinator for the Pension and Benefits Board.

DECEMBER COMMUNION OFFERING

Churches are asked to remit their December Communion Offering to the CBAC Office. These funds are used at Christmas time to send a monetary gift to our disabled or retired Pastors, or to the spouses of deceased Pastors, where there is a financial need. During the year, this fund is used to provide emergency financial assistance to Pastors and their families.

SAFETY DEPOSIT BOX

For a nominal sum, a church can rent a safety deposit box at its bank. This should be used to keep copies of insurance policies, inventory of equipment and any other valuable documents such as leases, mortgages, certificates of title or investment certificates. The small outlay will prove invaluable in the case of a fire or burglary.

CASH CUSTODY AND SAFEGUARDING

Churches are advised to follow standard precautions when entrusted with the donations of church members. Although it is not expected that those who have been given positions as treasurers or tellers would attempt to misappropriate church funds, it is wise for churches to protect these people from suspicion should any discrepancies in cash occur.

It is recommended that there be at least three tellers to count church offerings. If only two are available, they should not be related to each other.

Wherever possible, once the offering has been properly accounted for, a deposit should be made through the night depository at the bank where the church operates its accounts. Cash should not be kept on the church premises.

We recommend that two signatures be required on cheques written on the church's account. Cheques should not be issued without proper documentation to support them.

CRA - CHARITIES DIRECTORATE

You may call the Charities Directorate of the Canada Revenue Agency and ask questions regarding registration guidelines, departmental policies and other administrative and legislative matters.

This bilingual service is available from 9:00 a.m. to 5:30 p.m., Monday to Friday at 1-800-267-2384.

VIDEO COPYRIGHT

Do you show videos in your ministry, during the worship service, Sunday School or in a children's/youth program? If so, you may be violating copyright laws and may be liable to prosecution under the federal law.

Most motion picture studios place a restriction on where and how videos are to be shown. Movies that are rented or purchased can only be shown in homes for family entertainment. These restrictions are seen at the beginning of the video as it is played.

There are companies which provide annual site licenses to permit public viewings of these movies. However, you should note that not all movies are included in this license.

CVLI Church Video License provides legal coverage for churches and other ministry organizations to show motion pictures and other audiovisual programs intended for personal, private use only. Coverage includes playing just a few seconds of a movie all the way up to showing the full-length feature. Please go to the following website for more information: <http://canada.cvli.com/about/>

ATLANTIC BAPTIST FOUNDATION

Savings Accounts with Ministry Benefit

Seeking to Join God in our Neighborhoods, many times, requires financial considerations and commitments which may include buildings used for ministry.

Members and adherents of CBAC churches have the opportunity to utilize the following financial services offered by the Atlantic Baptist Foundation:

Savings Accounts
Trust Fund Administration
RRSP/RIF

In addition to receiving a competitive interest rate, depositing with the ABF allows the financing for new construction, renovations, and other projects by CBAC churches and agencies in the form of mortgage and note loans.

The ABF was founded in 1961 and continues to be a non-profit agency of the CBAC, serving members, adherents, council, churches and agencies belonging to the CBAC.

For more Savings or Mortgage information, visit the ABF website at www.baptistfoundation.com.

Or contact them at:

10 Atlantic Baptist Avenue, Moncton, NB E1E 4N3

Phone: 506-857-9482

Fax: 506-852-4378

Toll Free:

1-888-263-1444

Email: baptistfoundation@rogers.com