



Nova Scotia/Nunavut Command  
The Royal Canadian Legion

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## All Branch Mail Out #27 - 2017

**Date:** June 14, 2017

**To:** NS/NU Command Branches  
NS/NU Zone Commanders  
NS/NU Executive Council  
NS/NU Past Presidents  
NS/NU Command Staff

**From:** Valerie Mitchell-Veinotte  
Executive Director  
NS/NU Command, RCL

**Subject:** Not for Profit Organization Income Tax Filing

**Message:** Comrades: Please find attached/enclosed communication from NS/NU Command Auditor Collins Barrow.

**Please be advised that NS/NU Command has absolutely no further information or direction on this matter.**

**Any and all inquiries must be addressed to an accounting firm of your choice.**

To Branches of Nova Scotia/Nunavut Command of The Royal Canadian Legion:

Branches of the Royal Canadian Legion, as not-for-profit organizations, are exempt from income tax under Part I of the Act. However, there are requirements to file returns with the Canada Revenue Agency if certain criteria are met.

### **T2 – Corporation Income Tax Return**

All not-for-profit organizations should be filing this return annually, according to filing requirements. The return should indicate that the organization is exempt from income tax under paragraph 149(1)(l) of the income tax act.

### **T1044 – Non-Profit Organization (NPO) Information Return**

All not-for-profit organizations should be filing this return annually if they:

- received or were entitled to receive taxable dividends, interest, rentals, or royalties totalling more than \$10,000 during the year;
- total assets of the organization were more than \$200,000 at the end of the immediately preceding fiscal; or
- if you were required to file an NPO information return for a previous fiscal period.

The penalties for not filing if the organization was required to file are \$25 a day. There is a minimum penalty of \$100 and a maximum of \$2,500 for each failure to file.

### **T3010 – Registered Charity Information Return**

Some branches have certain funds that are set up as a Registered Charity. These funds are required to complete a separate Registered Charity Information Return. If a charity does not file its Registered Charity Information Return, its registered status can be revoked and as a result, it would:

- no longer be exempt from tax, unless another exemption applies;
- not be able to issue official donation receipts; and
- have to transfer its property to an eligible donee or be subject to a revocation tax equivalent to the full value of its remaining assets.
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The deadline for filing all of these returns is 6 months after your year-end.

If you require assistance in completing any of these returns, please feel free to contact our office.

Yours very truly,

**Lara Ryan, CPA, CA**  
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