

Canadian Network of  
Community Land Trusts

LEGAL GUIDE

# COMMUNITY LAND TRUSTS AND CHARITABLE STATUS

RELEASED 2024

WRITTEN BY BENJAMIN MILLER

The [Canadian Network of Community Land Trusts](#) commissioned the creation of this legal guide. This guide should be considered **legal information**, not **legal advice**.

## ABOUT NONPROFIT LAW ONTARIO

Nonprofit Law Ontario (NPLO) is a project through which the Ontario Nonprofit Network (ONN) provides legal education and training for public benefit nonprofits. This project was initially launched by Community Legal Education Ontario (CLEO) in 2013 and transferred to ONN in 2024. [Nonprofit Law Ontario](#) creates sector-driven collective solutions that help nonprofits and charities meet their legal needs through caring legal education.

## ABOUT THE AUTHOR

Since 2017, Benjamin Miller (he/him) has worked on the Nonprofit Law Ontario project where he has tried to meet the legal needs of nonprofits and charities through clear, practical, and accurate education and information. In this capacity, Benjamin has developed and delivered dozens of workshops and answered thousands of nonprofit law questions. Benjamin articulated with and has worked as a policy officer for the Government of Canada in the past. Benjamin holds a Juris Doctor and Master of Public Policy from the University of Toronto and a Master of Arts in Political Theory from the University of Ottawa.

TABLE OF CONTENTS

Preface (Don't Skip!) ..... 1

    Disclaimer: Understanding What this Document Can and Can't Do ..... 1

    How to Read this Guide ..... 1

    What Do We Mean by Community Land Trust?..... 2

Introduction ..... 3

    What is Registered Charitable Status? ..... 3

    Who Qualifies for Charitable Status? ..... 5

Part 1: Seeking Charitable Status ..... 6

    CLTs and Potential Alignment with Charitable Purposes ..... 6

    Possible Tensions Inherent in CLTs Obtaining Charitable Status ..... 14

    Applying for Charitable Status..... 16

Part 2: Creating a Charitable Arm ..... 18

    Operating as a Multi-Entity Structure ..... 18

    Governance in Multi-Entity Structures ..... 19

    Avoiding Pitfalls of Multi-Corporate Structures ..... 20

Part 3: Relationship with Arm's Length Charity ..... 22

    Direction and Control ..... 22

    Qualifying Disbursements..... 25

Conclusion: Where to Go Next..... 28

# Preface (Don't Skip!)

## **Disclaimer: Understanding What this Document Can and Can't Do**

This Guide Can Offer You:	This Guide Can't Offer You:
<b>General</b> legal information.	<b>Legal advice</b> that is accurate and perfectly suited to your situation.
<b>Information about the Income Tax Act (ITA)</b> as it applies to registered charities across Canada.	<b>Information about provincial charity law</b> , as well as other laws, which may affect you.
<b>An overview</b> of the considerations in obtaining the benefits of registered charitable status for community land trusts (CLTs).	<b>A deep dive</b> into the many fascinating and sometimes grey areas of law involved in obtaining the benefits of charitable status.
<b>Insight into legal considerations</b> in the decision of whether or not to pursue registered charitable status or formal relationships with charities.	<b>Insights into all the other considerations</b> (political, economic, cultural, etc.) that may drive your decision to pursue registered charitable status or not.

## **How to Read this Guide**

As you read this guide, it is important to keep in mind that we will be referring to legal sources with different levels of authority and clarity, including:

- Legislation and settled case law (fixed unless you advocate for law reform): When we set out rules without further qualification it is because these rules come from legislation that is currently in force or case law that is unlikely to be overturned any time soon. Consider these rules as mandatory for now, or as requiring law reform for change.
- Canada Revenue Agency (CRA) policy positions (negotiable in specific cases but an uphill battle): The CRA (or more specifically the Minister of National Revenue) is responsible for interpreting and enforcing the Income Tax Act. This requires them to develop positions on many issues that are not clear in the legislation, issues on which Canadian courts may not have ruled decisively. The CRA publishes many of these positions in the form of guidance documents on their

website. The CRA understands that their views and internal policies are not necessarily law, and so it may be possible to negotiate or argue particular points on a case-by-case basis. However, if the CRA has a position, it is going to take more time, money, and energy as well as compelling arguments (or in the worst-case scenario, litigation) if you want them to deviate.

- Common/best practices (not required but may prevent legal issues down the road): There are many practices that a lawyer or consultant may advise, not because it is required but because, in their view, the practice mitigates risk and may prevent issues down the road.
- Food for thought (pushing the bounds of charity law for those who are interested): Because CLTs may be interested in doing things that push the bounds of charity law, we have tried to highlight interesting possibilities throughout. These proposals are untested; they would require further legal research and advice if you wanted to make the case to the CRA. We have included them to help you dream.

## **What Do We Mean by Community Land Trust?**

For the purpose of this guide, a community land trust (CLT) is a nonprofit corporation that holds land on behalf of a place-based community, while serving as the long-term steward for affordable housing, community gardens, civic buildings, commercial spaces, and other community assets, on behalf of a community.<sup>1</sup>

---

<sup>1</sup> Center for Community Land Trust Innovation. (2024). What is a Community Land Trust? Available at: <https://cltweb.org/what-is-a-community-land-trust/>

# Introduction

The Canadian Network of Community Land Trusts commissioned the creation of this guide to help equip current and prospective community land trusts (CLTs) with the legal information needed to determine whether and how to access the benefits of registered charitable status. In particular, this guide was written for board, staff, and volunteers of current or prospective CLTs who are considering accessing the benefits of registered charitable status by:

1. Applying for charitable status for the CLT,
2. Creating a separate legal arm of the CLT that has charitable status, or
3. Entering into a formal relationship with a registered charity.

This Guide has three parts, each dealing with one of the above options. Before we explore these three options, let's first understand better what charitable status is, and its pros and cons.

## **What is Registered Charitable Status?**

Registered charitable status is a special status that a not-for-profit corporation (or trust) can have under Canada's Income Tax Act (ITA).

The table on the following page summarizes the benefits and drawbacks charitable status may offer to community land trusts.

Benefits	Drawbacks
<p><b>The ability to issue tax receipts:</b><sup>2</sup> This gives your donors of money and other assets, such as real estate, a significant tax credit. The tax credit is particularly important in the case of real estate because it offsets what may be a significant capital gains tax your donor may have to pay.</p> <p><b>The ability to receive grants from other charities with no strings attached:</b> We will discuss the conditions of giving to non-charities Part 3.</p> <p><b>Favourable treatment in HST, property tax, and land transfer tax:</b> Although it is outside the scope of this guide, these sometimes significant benefits vary by jurisdiction.</p> <p><b>Greater leeway to hold investments and engage in some forms of business tax-free (see Part 1):</b> Nonprofits can also engage in surplus-earning investment and business activities, but there is a limit after which point a nonprofit may be taxed like a business.<sup>3</sup></p>	<p><b>Limits on activities:</b> Some activities are outright prohibited such as partisan advocacy for/against a candidate running for, or in office.</p> <p><b>Increased annual reporting:</b> Registered charities must complete an annual information return called the T3010. This can take time and lead to higher costs.</p> <p><b>Increased record keeping:</b> Charities must keep records that enable the CRA to assess organizational compliance with the ITA, including financial and operational records showing all resources have been devoted to charitable purposes.</p> <p><b>Increased scrutiny from regulators:</b> While CRA audits of registered charities have significantly declined in recent years,<sup>4</sup> registered charities remain open to the possibility of audits from the CRA and provincial regulators. If violations are found, the penalties can be significant.<sup>5</sup></p> <p><b>Dependence on technical expertise:</b> To comply, registered charities may come to depend on charity lawyers and others, leading to higher costs and a shift in power.</p> <p><b>Cost of applying for charitable status:</b> If an organization chooses to retain a lawyer to apply for charitable status, this can easily cost thousands of dollars.</p>

<sup>2</sup> *Income Tax Act* (R.S.C., 1985, c. 1 (5th Supp.)) at s.110.1 and 118.1

<sup>3</sup> Benjamin Miller, (April 4, 2023). Three myths that hold nonprofit boards back from building community wealth. Ontario Nonprofit Network. Available at: <https://theonn.ca/2023/04/three-myths-that-hold-nonprofit-boards-back-from-building-community-wealth/>

<sup>4</sup> Mark Blumberg, (Dec 10, 2021). Dramatic changes to charity audits by CRA over the last few years. [Blog]. Canadian Charity Law. Available at: <https://www.canadiancharitylaw.ca/blog/dramatic-changes-to-audits-by-cra-over-the-last-few-years/>

<sup>5</sup> Canada Revenue Agency (Oct 31, 2017). Guidelines for Applying Sanctions. Government of Canada. Available at: <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/guidelines-applying-sanctions.html>

## Who Qualifies for Charitable Status?

In order to qualify for registered charitable status, an organization must meet two basic criteria:

- 1) The organization's purposes and activities must fall exclusively within one or more of the following four categories:
  - Relief of poverty
  - Advancement of education
  - Advancement of religion
  - Other purposes beneficial to the community in a way that the law regards as charitable.<sup>6</sup>
- 2) The organization must be established for the benefit of the public, or a sufficient segment of the public, and not for private benefit.

CLTs typically do have at least some purposes and activities that fall into a charitable category (e.g. providing affordable housing for low-income households) and that deliver at least some public benefit. As we will explore in greater detail later, where CLTs get tripped up is often in the following areas:

- 1) Purposes or activities are not exclusively charitable: Often the multi-faceted nature of CLTs cannot be easily confined to the legalistic categories of charitable purposes.
- 2) CLTs often give special benefits and status to a "private" group of people: the members and/or residents.

---

<sup>6</sup> This is not always intuitive; it reflects the opinions of judges from more than 400 years of court cases.



## Part 1: Seeking Charitable Status

In this part, we will help you answer the questions: “Could our CLT’s current or future activities and structure qualify for registered charitable status. Do they fit within what a charity can do?”

If the answer is yes, you can proceed by weighing the pros and cons of pursuing charitable status discussed above.

If the answer is no, you may want to consider:

- Changing your activities or structure so you become eligible for charitable status—this may reflect unacceptable mission drift.
- Creating a separate arm with charitable status: See Part 2.
- Entering into a formal relationship with a registered charity: See Part 3.

We will look at issues that may prevent a CLT from being eligible for charitable status. We’ll provide an overview of the application process.

### **CLTs and Potential Alignment with Charitable Purposes**

A registered charity’s purposes and activities must fall exclusively within certain charitable categories.

On the following pages, we look some CLT-relevant activities that may fall within these categories. There may be others, relevant to you, not discussed here.

## Relief of Poverty

**What activities could be charitable in this category?** Relieving poverty, in the charity law context, means helping individuals, who are currently experiencing poverty, obtain the basic necessities of life. The goal is to provide individuals with a modest but adequate standard of living.<sup>7</sup> This may include goods and services that a CLT may be interested in providing such as:<sup>8</sup>

- A reasonable standard of housing relative to the local area, including furnishings.
- Food, perhaps from a community garden on CLT land.
- Healthcare and other wrap-around services that may be available on-site.
- Activities that promote social inclusion.
- Financial assistance, such as microloans and individual development accounts.
- Childcare services and children’s recreational activities.

This list, drawn from the CRA, is not exhaustive. The underlying principle is that a CLT needs to be able to show that the benefit is an ordinary part of a modest but adequate standard of living.

**Who qualifies for these benefits?** A registered charity can only provide these benefits to an individual who is currently experiencing poverty. This is an issue for CLTs who wish to make their benefits available to all without distinguishing based on a person’s economic means. The good news is that the CRA acknowledges, “There is no uniformly accepted measure of either poverty or an adequate standard of living.”<sup>9</sup> This means a registered charity has the flexibility to argue for a particular definition of poverty that makes sense in its case.

The more significant the benefit, the more demanding the CRA will be about what the threshold is and how the charity proves an individual met that threshold (e.g. tax return vs honour system).

**What is not charitable?** It is charitable to relieve poverty but not to prevent it.<sup>10</sup> As counter-intuitive as this may be, it means that some systems change work may not fall into the category of relieving poverty. It may fall into another category.

---

<sup>7</sup> IRC v Baddeley, [1955] AC 572 at 585; A.Y.S.A. *Amateur Youth Soccer Association v CRA*, [2007] 3 SCR 217, 2007 SCC 42 [A.Y.S.A.], at para 42

<sup>8</sup> Canada Revenue Agency, (Nov 27, 2020). CG-029 Relief of Poverty and Charitable Registration. At paras 7-8. Available at: <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/charitable-registration-relief-poverty.html#toc2>

<sup>9</sup> Ibid. at para 24.

<sup>10</sup> Credit Counselling Services of Atlantic Canada Inc v MNR, 2016 FCA 193 at para 19

## *Relief of Conditions Associated with Age or Disabilities*

**What activities could be charitable in this category?** Registered charities can relieve conditions that may come as a result of a person aging or having a disability.<sup>11</sup>

These include:

- Frailty
- Social isolation or loneliness
- Decline in motor skills, flexibility, strength, speed of execution, or hand-eye coordination
- Physical or mental health conditions

A CLT could relieve these conditions by, for example:

- Providing specially adapted residential facilities.
- Setting up support systems for everyday tasks such as transportation and personal care.
- Providing social or recreational activities targeted or designed to relieve social isolation.
- Providing in-home companionship.

**Who may benefit from these activities?** It is not enough just to be aged; an individual must have one of the above-mentioned conditions.

**Food for thought:** Could intergenerational living arrangements, to relieve social isolation, be used to justify the range of eligible residents including younger people who might not otherwise qualify as charitable beneficiaries?)

---

<sup>11</sup> Canada Revenue Agency, (Dec 8, 2016) CG-026 Relieving conditions attributable to being aged and charitable registration. At paras 23, 28, 31. Available at: <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/relieving-conditions-attributable-being-aged-charitable-registration.html#toc7>

## *Advancement of Education*

**What could be a charitable activity in this category?** Education for charity law purposes can mean training that provides knowledge or develops abilities. It can also mean improving a useful branch of human knowledge through research.<sup>12</sup> There is wide flexibility in what subjects or skills are covered and what formal or informal teaching or research methods are used. The CRA is more comfortable with traditional methods led by credentialed instructors or researchers. Nevertheless, CLTs could potentially qualify with “radical schools,” research projects, or think tanks using recognized adult education methods in critical traditions such as those of Paulo Freire, Myles Horton, Moses Coady, etc.

**What is not charitable in this category?** Charity law draws a distinction between education and subject matter that promotes a point of view. CLTs coming from critical traditions may find it highly problematic to accept the way the distinction is drawn. The case law distinguishes between reasonably objective presentation of facts and skills and sincere attempts to convey multiple perspectives on a topic, with mere attempts to persuade learners.<sup>13</sup> The CRA does acknowledge that teachers can teach from a particular point of view, provided other views are available to explore.

**Food for thought:** Universities and colleges can provide student housing at market (or above market) rates because housing is a related business that supports their educational programming. Could CLTs offering significant educational activities possibly house students at market rates?

---

<sup>12</sup> *Vancouver Society of Immigrant and Visible Minority Women v MNR*, [1999] 1 SCR 10 at para 169 [Vancouver Society]

<sup>13</sup> *Positive Action Against Pornography v MNR*, [1988] 2 FC 340 (FCA), at para 9; *Alliance for Life v MNR*, [1999] 3 FC 504 (FCA) [Alliance for Life], at paras 57-58.; *Challenge Team v Revenue Canada*, [2000] 2 CTC 352 (FCA)

## *Serving an Ethnocultural Community and Promoting Racial Equality*

**What activities could be charitable in this category?** The CRA recognizes that it is charitable to work for the full and equitable participation of “racial and ethnocultural groups” in Canada. This can include efforts such as eliminating racial (including ethnic) discrimination and encouraging positive race relations.<sup>14</sup> A CLT may promote racial equality, for example, through:

- Educational activities, such as workshop delivery or curriculum development.
- Peer support groups.
- Discussion groups open to the public.
- Support of human rights laws, through actions like fair and balanced monitoring, reporting to enforcement agencies, and raising public awareness of breaches of such laws.

**Who can be an eligible beneficiary?** If a CLT wishes to house or serve a particular “racial or ethnocultural group”, this could be an acceptable limitation on the CLTs beneficiaries, provided the restriction can be justified in terms of the CLT’s charitable purposes. For example, it might be acceptable to limit services to a specific group facing barriers to accessing housing.

**What is not charitable in this category?** Promotion of culture itself is not a charitable purpose.<sup>15</sup> However, many activities that have the effect of promoting a culture may be accepted (e.g. educating about a culture or promoting artistic traditions of a culture).

---

<sup>14</sup> Canada Revenue Agency, (Sep 2, 2003). CPS-021 Registering Charities That Promote Racial Equality. Available at: <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/policy-statement-021-registering-charities-that-promote-racial-equality.html>

<sup>15</sup> Polish Canadian Television Society v. Minister of National Revenue, 1987 CarswellNat 363, [1987] 1 C.T.C. 319

## *“Benefits to Aboriginal People”*

Indigenous CLTs, or CLTs for which reconciliation activities are a priority, may wish to explore the recognized charitable purpose of “benefits to aboriginal people.”<sup>16</sup>

**What is charitable within this category?** A CLT that provides otherwise charitable programming may be able to restrict its beneficiaries to Indigenous people “by providing them with culturally appropriate wellness programs, focusing on their traditions and customs, or their particular cultural, spiritual, or linguistic needs...”<sup>17</sup> The Federal Court of Appeal recognized a newspaper and radio society to be charitable, even though it focused on two activities that would not have otherwise been considered charitable. The reason was that the society instilled pride of ancestry, deepened appreciation for Indigenous language and culture, and thereby promoted a level of cohesion among Indigenous peoples.<sup>18</sup>

**Food for thought:** Could providing access to ancestral land be, in itself, charitable with this logic?

---

<sup>16</sup> This is the language that the CRA uses to refer to First Nations, Inuit, and/or Métis people in Canada. It is not endorsed by CNCLT and so we will use “Indigenous” in the following text.

<sup>17</sup> Canada Revenue Agency, (Nov 6, 1997). CPS-012 Benefits to Aboriginal Peoples of Canada. At para 4 Available at: <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/policy-statement-012-benefits-aboriginal-peoples-canada.html>

<sup>18</sup> Native Communications Society of British Columbia v. Minister of National Revenue [1986] 2 C.T.C. 170, [1986] 3 F.C. 471.

## *Other Permissible Activities Useful to CLTs*

In addition to activities that a charity can do in furtherance of its specific charitable purposes, there are some activities that charitable organizations can undertake regardless of purpose. For this guide, we will briefly describe three categories of activities.

### **“Passive” Investing**

Registered charities can invest their property. Generally speaking, these investments can be in anything that earns a reasonable return. The investment does not have to relate to a charity’s purposes.<sup>19</sup> Consequently, a CLT can, for example, hold real estate as investment assets and rent out that real estate at market rates, for purposes unconnected to the CLT’s charitable purposes. Businesses could rent the property for commercial use. This ability to rent out at market rates can be an important way for the CLT to achieve economic viability and to fund growth.

In order to qualify as an investment, an asset must be held “passively.” For example, if the CLT becomes actively involved as a landlord, providing more than the bare minimum services required to maintain the property,<sup>20</sup> then this may become an unrelated business. It is prohibited for charities to engage in unrelated businesses.

### **Related Business**

Registered charities are permitted to engage in what the ITA calls “related business.”<sup>21</sup> In order for a business to be considered related, it must either be more than 90% run by volunteers or be “linked and subordinate” to the charity’s purposes.

The CRA provides the following guidance on what factors it will examine when assessing whether a business is both linked and subordinate:

---

<sup>19</sup> Although a charity can choose to create an investment policy that more closely aligns its investments with its values.

<sup>20</sup> A lawyer obtained a set of draft internal guidelines the CRA used to assess when passive investments cross over to active business. Canada Revenue Agency. (March 23, 2018). *Classifying Income Earned by Registered Charities From Their Rental of Real Property to Others*. At pgs. 3-4. Available at: <https://www.canadiancharitylaw.ca/wp-content/uploads/2022/04/CRA-Guidance-Classifying-income-earned-by-registered-charities-from-their-rental-of-real-estate.pdf> Note that these guidelines may have been updated internally since the time of their release.

<sup>21</sup> Income Tax Act supra note 1. At s.149.1(1), s.149.1(2)(a), 149.1(3)(a).

- 1) Linked:** A business may be linked to a charity's purposes in the following ways:
- A usual and necessary concomitant of the charity's programming: e.g. dormitories for a school, or a side business staffed by residents who face barriers to employment.
  - An offshoot of a charitable program: e.g. selling food from a community garden or artistic productions from a class.
  - A use of excess capacity: e.g. renting out space in a building that would not otherwise be used for charitable programming.<sup>22</sup>
  - The sale of items that promote the charity or its purposes: e.g. T-shirts.
- 2) Subordinate:** The CRA may consider all of the following factors when determining whether a business is subordinate to a charity's purposes:
- Relative to the charity's operations as a whole, the business activity receives a minor portion of the charity's attention and resources.
  - The business is woven into the charity's operations, not self-contained
  - The organization's charitable goals dominate its decision-making.
  - The organization does not let private benefit enter operations.

### **Ancillary and Incidental Activities**

A charity can also engage in activities that are considered "ancillary and incidental" to its overriding charitable purposes,<sup>23</sup> though there is debate about what how this is purpose.<sup>24</sup> An intuitive way to understand the scope of activities that the doctrine of ancillary and incidental allows a charity to engage in is as follows: "When viewed in the total holistic context of the life of the charity, if a given fact about a charity (not just an activity) can be justified with exclusive reference to a charitable purpose, then it can be said to be incidental to that charitable purpose."<sup>25</sup>

If a CLT can justify what may appear like a non-charitable activity in the context of furthering an overarching charitable purpose, then, in theory, it can make the case that the activity is charitable.

---

<sup>22</sup> Note, however, that the charity must be able to justify why it holds an asset in the first place with reference to its charitable purposes. For example, if someone donates a massive building to a CLT that it has no immediate or future ability, or plans, to use for its charitable activities, then it could hold the building as an investment and passively rent it out, but it could not operate a business and justify the business by claiming the building is excess. The charity must be able to provide a clear current or future rationale for why it continues to hold onto an asset it cannot immediately use.

<sup>23</sup> Vancouver Society supra note at para 154.

<sup>24</sup> Leigha Haney. (2018). "Ancillary", "Incidental" and Canadian Registered Charities - Concepts and Meanings. Pemsself Foundation. Available at: <https://www.pemsselfoundation.org/wp-content/uploads/2018/05/Haney-Ancillary-and-Incidental-OP-May-24-2018-pv.pdf>

<sup>25</sup> Benjamin Miller, (Nov 27, 2023) Defining the Boundaries of Charity Law: Redefining the Boundaries of Ancillary and Incidental. LinkedIn Pulse. Available at: <https://www.linkedin.com/pulse/defining-boundaries-charity-law-redefining-doctrine-ancillary-miller-dqnac/?trackingId=JCCnBlZxT9e1ZiNENlOeaA%3D%3D>



## **Possible Tensions Inherent in CLTs Obtaining Charitable Status**

CLTs face all the same challenges that any applicant might face in applying for charitable status.<sup>26</sup> On top of those standard issues, CLTs face distinct tensions stemming from political commitments to be a vehicle to organize place-based communities and reflect their aspirations. Often the goal is very fundamental systemic change. In particular there are tensions between:

- A holistic, responsive, and flexible approach, and the need to stay exclusively within legal categories of charity.
- The mutual benefit ethos that centres residents in governance structures and the requirement that charity be done for public benefit, not mutual benefit.
- The political aspiration to change economic systems and our relationship to land, and the prohibition of charities having political purposes.

If these tensions are not managed, the result may be mission drift, disengagement, or cooptation. In the sections below, we will try to offer some thoughts that may help your particular community address these tensions in a way that works for you.

### *Holistic and Responsive vs Staying Within Legal Limits*

It is legally required that every activity by a charity furthers its charitable purposes. There is a strength to this unity of purpose, but also a rigidity. Are you able to fit everything you currently do, or might want to do in the future, into the categories we explored above? If being responsive to community means you change your priorities in the future, are you prepared to take the time and expense to get those changes approved by the CRA?

You can manage these tensions, firstly, by applying to be the organization you want to be in the future, not just the organization you are now. Secondly, you can leverage the waiting times created by the CRA, to more thoughtfully consult your stakeholders. Speed and responsiveness are not always synonyms. Constant change can cause you to lose focus, too.

### *Residents in Governance vs Public Benefit*

Charity law requires that the beneficiaries of charitable activities be the public at large or a significant segment of the public. This means the beneficiaries are not defined in terms of some private relationship, such as all being members of the CLT. This is in

---

<sup>26</sup> For a list of common reasons applicants are rejected, see this blog post. Mark Blumberg & Helene Mersky, (Jan 8, 2018). Top 68 CRA Reasons For Denying Your Charity Application Registration. Available at:[https://www.canadiancharitylaw.ca/uploads/Top\\_68\\_CRA\\_Reasons\\_for\\_Denying\\_your\\_Canadian\\_Registered\\_Charity\\_Application.pdf](https://www.canadiancharitylaw.ca/uploads/Top_68_CRA_Reasons_for_Denying_your_Canadian_Registered_Charity_Application.pdf)

stark opposition to efforts to build an internally democratic community that gets away from paternalistic traditions.

The following strategies and arguments may help reconcile a robust role for residents with the concept of public benefit:

- There is a difference between making membership a precondition of receiving a benefit (impermissible private benefit) and making receiving a benefit a precondition of becoming a member. For example, in some cases, the fact that membership was limited to the students at a school was actually used as evidence that the overriding purpose of the organization was to advance education.<sup>27</sup>
- Private interests in mutual aid organizing models can actually undermine the ability of organizations to engage in broader movement-building activities. An organization can guard against mission drift and demonstrate a commitment to public benefit by requiring members to adhere to a community covenant.
- Pointing to the multi-class membership, that CLTs often have, allays concerns that there is a private benefit issue. While residents are an important stakeholder group, they are seldom the only stakeholder group within CLTs.
- A strong conflict of interest policy and practice can help mitigate concerns about residents on the board. Individuals needing compensation could be officers, rather than directors.

### *Activism and the “Political Purposes” Doctrine*

Charities are prohibited from having political purposes.<sup>28</sup> Charities may, however, engage in unlimited “public policy dialogue and development activities” provided they remain nonpartisan. The aspirations of many CLTs are political in nature.<sup>29</sup> CLTs are often embedded within local networks of activists who unabashedly engage in criticism of particular candidates and parties. The inability to openly endorse or adopt common messaging may appear like a breach of trust to crucial supporters and allies.

These strategies and arguments do not eliminate the tension but may help you navigate them:

- Your legal purposes don’t have to be the same as your motivations: The case law distinguishes between the purposes of an organization and the motives of those involved.<sup>30</sup> Though the motivations of individuals for starting and

---

<sup>27</sup> *London Hospital Medical College v Inland Revenue Commissioners* [1976] 2 All ER; *In re Mariette* [1915] 2 Ch 284; *Inland Revenue Commissioners v McMullen* [1980] UKHL 3. None of these are Canadian cases, but the latter two are often cited by CRA in their policies.

<sup>28</sup> *Action by Christians for the abolition of torture v. Canada*, 2002 FCA 499 (CanLII) at paras 34-36

<sup>29</sup> *Income Tax Act* (R.S.C., 1985, c. 1 (5th Supp.)) at s.149.1(1), (10.1)

<sup>30</sup> *Keren Kayemeth Le Jisroel, Ltd. v. The Commissioners of Inland Revenue* (1931-32) 17TC27.

participating in the CLT may be ultimately political, the role of the organization within this broader vision may be genuinely achieved through the exclusive accomplishment of charitable ends. Minutes and other corporate records need to reflect the focus on charitable purposes.

- You can have realistic expectations of the role of legal structures within the broader movement: Eric Tang makes the argument in “Non-profits and the autonomous grassroots” that it's bad for movements not to be able to see that they are bigger than the organizations that inhabit them.<sup>31</sup> According to Tang, we can get more from legal structures by being realistic about what they can and can't do as supportive tools.

## Applying for Charitable Status

In order to obtain charitable status, a CLT must [apply to the Canada Revenue Agency](#) (CRA). The CRA has an [online tool](#) that creates a list of documents needed for the application. Here is a sample list of documents with explanations:

- Incorporating documents: Names of documents vary by province, but generally include your articles of incorporation or letters patent and your bylaws or constitution. The CRA expects that you have already incorporated. Although incorporation and charitable status happens in two steps, to avoid duplicating work, it is important to already be thinking about qualifying for charitable status when incorporating.
- Activities: The CRA wants to know as much as it can about your activities in order to make sure they are exclusively charitable. If you are worried about disclosing certain activities for fear that the CRA will find them non-charitable, this may be a sign that there is a tension between your vision for your organization and what charitable status allows. If not properly managed, this could easily lead to non-compliance or mission drift.
- Income-earning activities: The CRA wants to know your different methods of earning income and the percentage of resources dedicated to each. CRA wants to see your plans substantiated to some extent with supporting documents. Consequently, while a CLT is not required to have a fully fleshed out business plan from the beginning, it can be advantageous to have it somewhat thought out ahead of time.
- Financial information: The CRA wants financial statements and/or proposed budgets.
- Partnership agreements: The CRA wants the name, contact information, and written agreement for anyone your activities say you work with. This is particularly

---

<sup>31</sup> Eric Tang, (2017). “Non-profits and the autonomous grassroots” in *The revolution will not be funded: beyond the non-profit industrial complex*, INCITE! (ed.). Durham: Duke University Press.

important for CLTs that have existing relationships with non-charitable partners. The CRA is looking to see that these relationships do not deliver inappropriate private benefit to the non-charity.

Once you have submitted these documents, the CRA will review for completeness.

1. **If incomplete:** Your application will be immediately rejected.
2. **If complete:** The CRA will respond with a letter communicating one of the following:
  - a. **Acceptance:** This is rare and only really applies to very simple cases.
  - b. **Rejection:** This only happens if the CRA thinks there are “unfixable” red flags.
  - c. **Need more info:** This is the most frequent response. These are often long and formulaic letters, but don’t get intimidated! They are simply inviting the organization to provide more information in areas of question or concern.
    - i. **Fail to respond:** The CLT must respond within 60 days. If not, the application is considered abandoned.
    - ii. **Respond:** The CLT will want to be as thorough as possible in addressing each point raised in the CRA’s initial letter, in writing, with supporting documents wherever possible.
      1. **Acceptance:** After some back and forth the CRA may be satisfied, in which case they will send a letter granting status.
      2. **Rejection:** They may still not be satisfied.
        - a. **Appeal within 90 days:** If the CLT believes the CRA got the facts wrong or applied a rule of charity law incorrectly, the CLT can appeal to the CRA.
          - i. **Accepted:** Initial decision is overturned.
          - ii. **Rejected:** Initial decision is upheld.
            1. **Appeal to the Federal Court of Appeal:** The CLT can appeal the final decision of the CRA to the Federal Court of Appeal.
            2. **Give up:** Charitable status may not be the right fit at this time.
            3. **Start over:** Often appeals are time consuming and expensive. It may be simpler to start a new application, aiming to address the CRA’s concerns, unless your goal is to set a precedent.

## Part 2: Creating a Charitable Arm

After reading Part 1, you may be thinking that there's an awful lot you could do through a charity, but it gets messy to mix it with everything else you want to do. One way you can try to avoid the mess is to separate all the charitable activities into a different legal entity.

In this section, we will explore how such structures work in practice, and what governance may look like between the two entities. We'll also discuss how to avoid some of the new complexities that arise through trying to keep the charitable and non-charitable activities separate.

### **Operating as a Multi-Entity Structure**

We will consider ways a CLT may break up the roles of charity and non-charity.

#### *Model 1: Charity as Holding Company*

In the “charity as landlord” model, the charity exists to receive either gifts or sales of land. The charity holds the building passively (insurance and basic maintenance), and the nonprofit arm of the CLT conducts activities. The benefits of this structure are:

- The charity can issue a tax receipt to donors of land.
- The charity may be eligible for land transfer, HST, and property tax rebates,
- The risk of holding real estate is separated from the assets of the operating nonprofit.

The charity could rent out the space to the nonprofit and other non-charities:

- At a market rate under its investment powers: for purposes that would not otherwise qualify as charitable.
- At a below market rate as a social impact investment: if the provincial charity laws allow charities to take account of mission in investment decisions.
- For free, or at a below market rate, as a qualifying disbursement: (see Part 3 for more details on this model) for uses that would be charitable.

#### *Model 2: Charity as Targeted Funder*

The charitable arm could fund or support charitable activities of the nonprofit arm in one of two ways: direction and control or qualifying disbursements. To learn more about this in practice, see Part 3. For example, the charity could operate a rent bank for the nonprofit's tenants in need. This model differs from the models explored in Part 3 of this Guide only in that the CLT somehow controls the charity.

### *Model 3: Charity and Nonprofit as Parallel Operators*

Both the charity and nonprofit could be operating different parts of the programming side by side. For example, the charity could operate units for those who qualify as charitable beneficiaries and the nonprofit could operate units for those who do not.

### **Governance in Multi-Entity Structures**

Once there are two entities, the central governance questions are: Who will control whom? To what extent? Using what tools? We will look at different methods to synchronize governance.

### *Membership Structures*

Although it may seem like the board controls a nonprofit, ultimately, from a legal perspective, the members control the nonprofit. The critical question is: Who are the members of the nonprofit or charity? Here are a few common strategies:

- One corporation is the sole member of the other: For example, Parkdale Neighbourhood Land Trust is the sole member of the Neighbourhood Land Trust. This gives one corporation almost complete control over the other (typically the one with real estate assets is controlled by the other).
- Two corporations share members: This avoids a concentration of power but does not ensure a decisive result in the event of a power struggle because the extent of participation of members in each corporation can diverge.
- The charity has its own membership, including one membership class that is guaranteed to stakeholders in the nonprofit: This leverages some of the benefits of the above-mentioned approaches but also allows the charity to develop a bit of a life of its own. The result may be new sources of volunteers and supporters, or increased competition between the two organizations. Special classes of members may be given vetoes.

There are many other strategies, and you can decide what works for you. These are starting points.

### *Board Structures*

Here are some ways boards may be structured between the two organizations:

- Identical boards: This approach is most common and leads to the greatest extent of consistency and control. It comes with three significant drawbacks, if done badly. Firstly, it can lead to role confusion as, over time, people may become unclear when they are acting for which entity. Secondly, directors have duties to each organization. If those interests ever conflict, it can be complicated

to manage those conflicts. Thirdly, it can be a lot of work that falls on too few shoulders.

- Ex officio directors: An ex officio director is someone who serves on a board automatically because of an office they hold. So, if the corporate law of your jurisdiction allows, you can establish that a person who holds a position in one of the organizations (e.g. a president, an executive director, a nominated seat) is automatically on the board of the other. This offers less control, but a means of influence. This director can still run into conflicts of interest.

The question of board structure is not simply about who is on the board—it also has to do with the extent of coordination in board activities. For example, at Parkdale and Neighbourhood Land Trusts, shared board meetings take place regularly. This requires considerable thoughtfulness and planning to synchronize procedures in a way that complies with corporate law. However, there are many less demanding ways to coordinate, like fixing agenda items for updates, sharing board minutes, and sharing policy templates for consistent approaches.

### *Trademark Licensing Agreements*

Another way an organization may exercise control over a subsidiary is through a trademark licensing agreement. These agreements permit the second organization to use the name and branding of the first organization. In exchange, the second organization may pay fees, follow standards, or extend a decision-making role to the first organization. There are consequences, such as fines, if rules are not respected. There is a lot of flexibility in what can go in these agreements. They must be consistent with governing documents and are sometimes referenced within said documents.

## **Avoiding Pitfalls of Multi-Corporate Structures**

The creation of a second entity only provides value if charitable and non-charitable elements are kept genuinely separate—otherwise the charity can lose its status.

### *Roles/Records Get Confused*

Particularly with individuals who wear multiple hats across both organizations, there is a risk they will become confused regarding when they are acting on behalf of one or the other organization. For example:

- Board agendas and minutes: If two organizations have identical directors, they could end up talking about the business of both organizations in one meeting.
- Contracts: Contracts must be signed in the name of the right organization.
- Bank accounts: It is a serious problem if charitable assets end up in the accounts of a non-charitable entity due to the lack of a clear separation between the accounts.

- Promotions, particularly fundraising and political messaging: If two organizations share branding, public messaging can become unclear in terms of who it is coming from. This can be problematic in at least two ways. It could lead to funds being raised for the wrong organization. Political messaging that should come from the non-charity may be perceived to come from the charity.

### *Private Benefit Between Entities*

There are various ways in which the charity, in working together with the nonprofit, may come to benefit the nonprofit. This is problematic because, notwithstanding the close relationship between the two, legally, the charity must treat the nonprofit as it would any non-charity. Here are common pitfalls to be mindful of:

- Charging below market rent in an instance where doing so cannot be justified by charitable activities or social impact investment rules.
- Having employees of one organization do work for the other without compensation or an appropriate agreement in place.
- Allowing one entity to benefit from branding and goodwill of the other entity.

### *Rogue Organizations*

If the governance structure isn't designed thoughtfully, and good records are not kept, the board or members of one organization can take that organization in a significantly different direction from the other. Rules and clear records are both key to ensuring there are well-defined resolution mechanisms paired with clarity about who makes final decisions. Nevertheless, rules do not matter if the people involved do not know about, understand, and respect them. Ultimately, the most important protection against such risks can be a highly engaged stakeholders who are invested in the organization and who will not tolerate its abuse or hijacking.

### *Getting Bogged Down in Complexity*

Maintaining multiple organizations can lead people to set up all kinds of processes and procedures. Some may be helpful, others may not. This can cause distraction and can drain energy and momentum from the organization. It helps to ensure that the people who will have to live with policies are consulted on them. Policies should be drafted in plain language.<sup>32</sup>

---

<sup>32</sup> See for example, Benjamin Miller, (April 23, 2018). 8 Techniques for More Searchable Bylaws. LinkedIn. Available at: <https://www.linkedin.com/pulse/8-techniques-more-searchable-bylaws-benjamin-miller/?trackingId=uNHmazLeRlqqBOIAzrtAtQ%3D%3D>



## Part 3: Relationship with Arm’s Length Charity

A CLT may wish to work with an existing charity in any of the following cases:

- There is a time-limited opportunity such as a land donation or grant. The CLT does not expect this will be the kind of ongoing opportunity that would justify getting charitable status.
- The CLT does not have the capacity right now to apply for charitable status or create a multi-entity structure—the CLT is looking for a temporary solution.
- The CLT does not wish to duplicate efforts of an existing organization that may be closely aligned with the CLT anyway.
- The CLT wants access to the benefits of charitable status but cannot reconcile tensions between its mission and what is required to operate as a charity.

Until recently, if a nonprofit wanted to work with a charity, it had basically one option: a “direction and control” relationship. The charity effectively retained control over all the nonprofit’s resources and the nonprofit just did the work. Now it is possible for the charity to make what is called a “qualifying disbursement,”<sup>33</sup> in which the charity can transfer resources to the non-charity outright, while making sure they are used exclusively for charitable purposes.

Below we will discuss both options in more detail<sup>34</sup>. For each option we will look at a case study of how a gift of land might work.

### **Direction and Control**

In this section we will look at what a charity would need to do before, during, and after a “project” to be in compliance with the CRA’s expectations. For our purposes, a “project” may refer to anything from making land available on an indefinite basis for specific activities to a one-time grant to carry out a specific program.

#### *The Charity Must Justify Working with the CLT*

Even if the CLT and the charity are strong allies, the charity needs to have documents proving that the CLT is the right choice to carry on the charity’s activities. Remember, under a direction and control relationship technically the CLT is just doing the work of the charity. The charity needs to be able to document how it confirmed that the CLT is both capable of delivering on the project and trustworthy to use resources only for

---

<sup>33</sup> The CRA uses the term “grant”, but since this is such a common term in the sector, to avoid confusion, We will stick to the more technical but precise term “qualifying disbursement.”

<sup>34</sup> You can read more about the CRA’s policies in full in Guidance [CG-004 Using an Intermediary to Carry on a Charity’s Activities](#) and [CG-032 Registered charities making grants to non-qualified donees](#).

charitable purposes. The charity considers and documents the CLT's purposes, reputation, past relationship, track record with other charities, and more.

### *The Charity and CLT Must Clearly Communicate*

Once the charity has justified its choice to work with the CLT, they must clearly communicate every step of the way, before, during, and after signing a written agreement. While not legally required, the CRA strongly advises charities to create written agreements with intermediaries, and recommends it contains:

- Exact legal names, physical addresses, and signatures of all organizations and/or individuals involved.
- A clear, complete, and detailed description of the activities to be carried out by the CLT.
- An explanation of how the activities further the charity's purposes.
- The location(s) where the activities will be carried out.
- All timeframes and deadlines, including start and termination date provisions.
- Any provision for regular financial and progress reports.
- The charity's right to inspect activities, books, and records, on reasonably short notice.
- Provision for funding in installments based on performance and right to withdraw.
- An explanation of how the charity will regularly issue ongoing instructions
- An explanation of how the charity's funds and books and records will be kept separate from other CLT records.
- If the charity's funds are being used to build immovable property, a description of how the title will be held.
- If it's a joint venture, then clarification of what proportion of control the charity will have. If real estate is being purchased together, an explanation of how title will be held to secure the charity's ownership stake.
- Guarantees that the charity's resources will be used for charitable purposes.
- A commitment to provide the charity with regular financial statements

### *The Charity Must Maintain Direction and Control of the Project*

The charity must actively maintain direction and control of its resources while the CLT is carrying out the agreement. Direction and control includes: monitoring and supervising the project; providing clear and complete instructions on an ongoing basis; maintaining books and records; making sure charity funds and records are kept separate from the intermediary's funds; making periodic transfer payments based on performance. In the case of real estate, it means retaining ownership over real estate assets.

## *The Charity Must Report on the Activities*

Each year the charity must file an information return with the CRA called the T3010. In the T3010 the charity must report what it spent on all projects with third parties. This information is publicly accessible through the CRA website, including the name of the organization and the amounts transferred.

## *Case Study: Donation of Land Under Direction and Control*

The Acme Community Land Trust is approached by a friendly neighbour wishing to donate her house to the Land Trust. To avoid paying capital gains tax, the friendly neighbour requests a tax receipt. The Acme CLT cannot provide the receipt. Acme is, however, on good terms with the Friendly Foundation, a local foundation whose purposes include housing for low-income individuals. Acme asks the Friendly Foundation if they could issue a receipt, then transfer the house to the CLT.

The Friendly Foundation research finds they cannot transfer the house to the CLT outright. They consider the following options, among others which may be possible:

- The Foundation owns the house, but the Community Land Trust operates it as low-income housing under a management agreement. The agreement stipulates, for example, that the CLT is responsible for selecting who will live there, collecting rents, making repairs, and providing programming. The Foundation may provide the CLT with further grants to be able to do this.
- The Foundation leases the house under a very long-term lease (e.g. 99+ years) under significantly below market terms. In order to be able to rent it out on below market terms, the Foundation includes conditions in the lease that further its charitable purpose. For example, the lease says that the CLT can only rent at below market rates to people who would qualify as charitable beneficiaries under the Foundation's purposes.<sup>35</sup>

In both cases, the Foundation and Community Land Trust enter a written agreement that sets out significant details which the CLT must follow, as well as significant powers for the Foundation to change the way things may be done. The CLT regularly prepares reports for the Foundation, and they periodically meet. When decisions need to be made in practice, the Foundation follows whatever the CLT recommends, but it is clearly the Foundation's decision at the end of the day. Furthermore, the internal records and public communication make clear that it is the Foundation's programming.

---

<sup>35</sup> See Canada Revenue Agency, (Aug 9, 2017). CG-014 Community economic development activities and charitable registration. Government of Canada, example A at para 42. Available at: <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/community-economic-development-activities-charitable-registration-014.html>

## Qualifying Disbursements

In June of 2022, the Income Tax Act was amended to allow registered charities to grant, or otherwise make available, funds and other resources (such as real estate) directly to non-charities. In order to do this, the charity:

- Must take reasonable steps to ensure that the resources will only be used for its charitable purposes.
- Is not allowed to receive a gift that is explicitly or implicitly conditional on the charity making a qualifying disbursement of that gift to a non-charity.<sup>36</sup>

These special grants are called “qualifying disbursements.” In practice, qualifying disbursements are a lot like direction and control with some crucial differences we will explore below.

### *The Charity Does Not Have to Direct and Control the Work*

The fundamental difference between direction and control, and qualifying disbursements, is that under the latter framework your public communications and records can be honest about the fact that the charity is supporting the work of the CLT and that the CLT makes the final decisions. This is the primary reason this new framework was introduced.

A charity will still need to have a detailed agreement in place if substantial assets are being transferred. The agreement should contain elements we list in the Direction and Control section. However, these agreements do not need to give the charity the final say in everything—only the ability to ensure resources are being used for exclusively charitable purposes and the ability to exit if they are not.

### *The Charity Must Assess the Risk of the CLT Misusing Resources*

Just like under direction and control, the charity is required to assess the ability of the community land trust to deliver the project, and their trustworthiness not to misuse the resources. The difference is that the CRA has become more specific in making suggestions about what is considered a low, medium, and high risk (see section 3.2 of the guidance linked above). This suggested framework, which the charity could use to assess risk, will in turn inform how stringent the charity needs to be in setting up safeguards. Unfortunately, the CRA has said that qualifying disbursements involving real estate are high risk and will not be acceptable most of the time.

---

<sup>36</sup> Technically, the charity can also grant to other qualified donees as well, without worrying about this rule, such as registered journalism organization and registered Canadian athletic associations.

## *The Charity Must Ensure Real Estate is Used Charitably*

Charities can now transfer real estate to non-charities. To ensure accountability, a charity is always advised to use the sort of practices described in the Direction and Control section above. In addition, the CRA sets out the following requirements for any grant agreement dealing with real estate:

- An assurance that the real estate will provide public benefit for the remainder of its useful life.
- A provision, in the event that it is no longer possible to use the real estate to continue the charity's purposes. The community land trust will seek the charity's instructions on whether to sell the property and return proceeds to the charity, or transfer ownership of the property to another party to continue charitable programming.
- A statement that any profit from the real estate must be tracked and must be reinvested into the charity's purposes.
- A requirement for the CLT to provide periodic reports to the charity confirming that the real estate is still exclusively being used for the charity's charitable purposes.

## *The Charity Cannot Receive a Directed Gift*

The Income Tax Act says that a charity could lose its status if it accepts what's called a "directed gift." A directed gift is expressly or implicitly conditional on granting the gift to a non-charity. This rule is trying to prevent a situation where a non-charity, like a CLT, gets a charity to issue a receipt for a donation that's really meant for the non-charity.

In general, a gift is not conditional unless, if the condition failed to be met, the donor would be entitled to get the gift back.<sup>37</sup> Consequently, a donor can gift land to a charity with the understanding and desire that it be given to the community land trust, as long as this is not a legally binding condition. The donor and CLT must understand that the charity could legally choose to keep the land, if it wanted, or give it to someone else. Obviously, both the CLT and donor would need to have considerable trust in the charity to make an arrangement like this work.

## *Case Study: Donation of Land Under Qualifying Disbursement*

The Arkham Community Land Trust is approached by a friendly neighbour wishing to donate her house to the Land Trust. To avoid having to pay capital gains tax, the friendly

---

<sup>37</sup> Terrance S. Carter, Jacqueline M. Demczur and Urshita Grover (January 31, 2024). Review and Commentary on the CRA's Final Guidance on Qualifying Disbursements. Charity & NFP Law Bulletin NO. 524 at pg.17. Available at: <https://www.carters.ca/pub/bulletin/charity/2024/chylb524.pdf>

neighbour requests a tax receipt. The Arkham CLT cannot provide the receipt. Arkham is, however, on good terms with the Friendly Foundation, a local foundation whose purposes include housing for low-income individuals. Arkham asks the Friendly Foundation if they could issue a receipt, then transfer the house to the Community Land Trust.

The Friendly Foundation looks into the matter and realizes the rules have changed recently, so they could transfer the property outright to the CLT. However, as the Foundation explains to the donor, this cannot be a condition of the gift. The donor must give the gift freely to the Foundation and trust that the Foundation will transfer it to the CLT.

The friendly neighbour agrees. Once the Foundation has the real estate, the Foundation and Community Land Trust enter a written agreement that gives the ownership of the real estate to the CLT. The agreement sets out significant detail to ensure that the CLT only uses the land for charitable purposes, and, if that ever stops being possible, that the CLT gets direction from the charity about what to do. The CLT regularly prepares reports for the Foundation to let it know the property is still being used exclusively for charitable purposes. These reports also include an account of all rental income from the property, and an explanation of how the income is being invested back into the charitable purposes. The Community Land Trust makes all the decisions about what happens on the property and communicates to the public that it belongs to the CLT.

## Conclusion: Where to Go Next

The following guide has been an overview of what to consider when exploring the benefits of charitable status. You can learn more about everything we have discussed by going to the following sources:

- [CRA website](#): Throughout this document, you will find links to guides that provide many more details and examples in each of these areas.
- [CRA hotline](#): You can anonymously call the CRA Charities Directorate at 1-800-267-2834 or submit enquiries in writing by mail. Keep in mind, the more complex your question, the more value you are likely to get from a written enquiry.
- Case law and commentaries: You can find much Canadian case law for free through the online database [CanLII](#). You can also find [an excellent commentary on Charity Law in New Zealand](#) for free, online, written by Dr. Donald Poirier. While not the same as in Canada, it shares the same historic English cases, and is broadly similar in many areas.
- CLTs with charitable status: There are at least four CLTs with charitable status in Canada, from which you can learn a lot about their experiences working with the CRA.

While there has been much detail, we hope, above all, that this guide shows the rich possibilities out there for you, and the many creative ways your form can follow your function.