

Hello,

Thank you for a wonderful session last night. This morning I reviewed the questions and there are a few notes that I would appreciate if you included in any follow up email. Additionally, I would appreciate adding the link to question 1 in the description of the video on any page where you make the video public (e.g. "This video contains a brief discussion of when it may be appropriate to issue a T4A to an officer, see [this article](#) for more information.). <https://www.lawnow.org/volunteering-and-income-tax/>

1. Do nonprofits need to issue a T4A for honorarium given to officers such as presidents, treasurers, and secretaries?

During the session I explained that an honorarium given to an officer would not generally be treated as income from employment, unless there were other factors to make clear that the officer was an employee. However, that may have given the misleading impression that an honorarium is not generally taxable. Someone noted that honorariums are taxable, which is sometimes but not always true. This [article](#) provides a good overview of the tax considerations that arise with volunteers. At the very end it states:

"If the organization is providing more than a nominal payment (such as an honorarium), then a tax slip (typically a T4 or T4A) may be required. Director's fees are employment income. The organisation should report these amounts on a T4 issued to the director. For employment income, the payer is also required to withhold EI and CPP, where applicable to the specific employment, and remit these amounts plus an employer portion. If the payment relates to an amount other than employment earnings, the organization should issue a T4A to the individual. Note that CRA administratively does not require a T4A to be issued where the total of all payments (subject to this filing) in the calendar year are less than \$500 and no taxes were withheld."

2. Does a director need to sign a second consent form if they move from a non-voting associate director position to a voting director position?

I apologize to the individual who asked this question as I misunderstood it at the time. It appears from the wording of the ONCA that a director need only consent once even if they are elected multiple times to different positions. ONCA requires a director to have consented at some time before they are elected or within 10 days. ONCA does not specify how long before the election it needs to be. It may be prudent to keep multiple copies of consent for each time they are elected.

3. How long do registered charities need to keep minutes for?

During the presentation I stated that nonprofits generally need to keep records for at least 7 years and after that it becomes a risk assessment. Someone very helpfully mentioned in the chat that the Charities Directorate states that registered charities need to keep all of their records. You can see what the commenter was referring to [here](#). I would like to take this opportunity to explain how my answer and this comment relate to one another. Under the Income Tax Act (ITA), charities, like all taxpayers, are expected to keep adequate books and records. "Adequate" means provides enough evidence to allow the CRA to make sure organizations are complying with the ITA. The ITA itself does not go into detail about how long different each type of record needs to be kept, so the CRA forms its own opinion of what it considers adequate. The web page referenced by the commenter expresses the CRA's policy position. It is of course prudent to comply with the CRA's policy views, but for organizations that do not have records going back longer, it is important to understand what is the letter of the law and what is a non-binding policy. With that being said, an organization should exercise caution before disposing of any minutes. <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/books-records.html>

I hope this clears things up.
Best, Benjamin