

How To Incorporate a Non-Profit In Canada

Required Documents When Forming a Non-Profit Organization in Canada

When you apply for a certificate of incorporation as a Canadian non-profit, your [non-profit document packet](#) must include:

- Your Articles of Incorporation. This is Form 4001, which must be complete and signed. Your Articles of Incorporation may be in English, French or both.
- Your Initial Registered Office Address and First Board of Directors. This is Form 4002.
- The results of a non-profit name search that has been done within the most recent 90 days. Even if you have already received approval for your organization's name, you must include the Nuans name search report, along with a letter from Corporations Canada that confirms the approval of the name. No name search report is required if your proposed name is composed entirely of numerals.
- Your filing fee.

If you [file your application online](#), your filing fee is slightly less than if you file by email, mail or fax. Turnaround time is also faster if you apply online.

Document Updates Required on a Regular Basis

Once your Canada non-profit organization has been approved, you still have [non-profit documents](#) to take care of on a regular basis. You must file an Annual Return yearly within 60 days of your organization's anniversary. This is not your organization's income tax return, but rather is a statement of updated information about your non-profit corporation.

If you change your organization's main address, you might file a change-of-address form with Corporations Canada. In addition, you must notify Corporations Canada if you add or remove any members of your board of directors, as well as of any change of address of the directors.

If your organization solicits donations from the public or if it receives significant government grants, you must file financial statements yearly, as well as a public accountant's report. Corporations Canada makes all these documents available to the public.

You must also make official changes to your Articles of Incorporation if you change the organization's name, province, number of directors, classes of members, restrictions on the organization's activities, purpose, or distribution of property. In addition, you must file a copy of your by-laws with Corporations Canada, providing updates whenever any information in your by-laws changes.



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Other Requirements for a Canadian Non-profit

Canadian non-profits create statements of financial position every year in lieu of the balance sheets created by most for-profit corporations. Statements of financial position include details about the organization's net assets and liabilities, and they're often prepared using fund accounting, which focuses on accountability regarding how funds are spent and provides the kind of information non-profits need to report back to their donors.

Canadian non-profits fall into one of two categories: registered charities and non-profit organizations. Donors to registered charities are allowed to claim charitable tax credits on their tax returns, and those charities must issue donation receipts to their donors. They must also register with the Canada Revenue Agency.

Non-profit organizations must file tax returns with the Canada Revenue Agency, but the two types file different types of forms. Registered charities never pay income tax. Other non-profits, however, may have to pay tax on capital gains or on income received from property. Both types of non-profits must pay sales tax. Understanding what application and reporting requirements exist for non-profits in Canada helps these vital corporations stay organized and meet their obligations to the nation.