

Public Trustee's Notice For Ontario Charities

Pursuant to the *Charities Accounting Act*, charities are required to provide to the Public Trustee the following documentation and information:

- 1) Notification of inception. A copy of the complete Letters Patent or other documents that bring the charity into existence. Please notify us of any Supplementary Letters Patent or changes in the terms of the trust when they occur.
- 2) The street and mailing address of the charity and the names and street addresses of the operating directors and officers. Please inform us when any of these changes occur.
- 3) A short summary of any assets and liabilities on inception.
- 4) The date chosen as the fiscal year end.
- 5) The Official Charitable Registration Number given by Revenue Canada-Taxation for tax deductible donation purposes. If not issued, or if revoked, please explain.
- 6) A copy of the annual audited Financial Statements each year within three months of the fiscal year end.

Audited financial statements are required by the Corporations Act, Section 133 and Sections 94, 96 and 97(1); Section 95(1) indicates the qualifications for an auditor if not performed by a professional firm of chartered accountants.

When audited financial statements are submitted, they should be prepared in a summarized way that still conveys all the information. Financial statements prepared with a business format and terminology are not sufficient. They require to be enlarged to demonstrate how the stated charitable purposes have in fact been carried out. Explanatory notes should be added to characterize the unique nature of the actual activities and to make the information relevant and understandable. Specific disclosure should be made of any non-arm's-length transactions. If more than one charitable activity or project is carried on, the financial statements should distinguish between them.

There are trusteeship implications inherent in charitable matters resulting in additional responsibility and liability for the Directors and Officers of a charity. They are responsible to demonstrate how the actual activities carry out the charitable objects set out in the document creating the charity. A Court audit would require full and complete disclosure of all aspects of the operations.