



News release

The Canada Revenue Agency revokes the charitable status of Christ Apostolic Church International – Canada

Ottawa, Ontario, August 20, 2010. . . The Canada Revenue Agency (CRA) has revoked the charitable registration of Christ Apostolic Church International – Canada, a Toronto-area charity, effective August 21, 2010.

On July 16, 2010, the CRA issued a notice of intention to revoke the charitable registration of Christ Apostolic Church International - Canada, in accordance with subsection 168(1) of the *Income Tax Act*. The letter stated, in part, that:

Our audit of Christ Apostolic Church International – Canada (the Organization) has identified serious non-compliance with the requirements of the *Income Tax Act* (the Act). In particular, throughout the course of the audit significant receipting discrepancies were discovered and the Organization provided falsified invoices to substantiate donations and property allegedly distributed.

The Organization was unable to provide a complete record of donation receipts issued. A large number of duplicate copies of receipts were either missing or not maintained. Additionally the Organization could not account for numerous blank receipt books. Of the receipts provided by the Organization, serious discrepancies were noted including taxpayer names and donation amounts that did not match the receipts as filed by the taxpayers.

The Organization reported, for the 2007 fiscal year, tax-receipted donations of \$256,615 of cash yet only deposited \$81,298 into its bank account. When asked to account for this discrepancy, the Organization responded that the receipted amount represented both cash and property donated. However, when asked to substantiate the property purportedly received, the Organization provided falsified purchase invoices and shipping documents.

It is the view of the Canada Revenue Agency (CRA) that the Organization has improperly issued receipts for amounts greater than the amounts donated, issued receipts for transactions that do not qualify as gifts or are otherwise not in accordance with the Act and its Regulations, has failed to maintain and provide adequate records to support its activities and has provided falsified records to the CRA. For all of these reasons, and for each of these reasons alone, it is the position of the CRA that the Organization's registration should be revoked.

The notice of intention to revoke and other letters relating to the grounds for revocation are available to the public on request by calling 1-800-267-2384.

A charity that has had its charitable status revoked can no longer issue donation receipts for income tax purposes and is no longer a qualified donee under the *Income Tax Act*. The organization is no longer exempt



Canada Revenue
Agency

Agence du revenu
du Canada

Canada

from income tax, unless it qualifies as a non-profit organization, and it may be subject to a tax equal to the full value of its remaining assets.

The vast majority of Canadians and registered charities are honest and comply with the law. However, there are also those individuals and organizations who seek to exploit the generous tax incentives the government has put in place to support charitable giving. The CRA audits registered charities to ensure they are compliant with the law. The CRA takes fraud seriously. Where fraud is discovered, those participating will face serious consequences which may include criminal charges, monetary penalties and the revocation of charitable status. Where non-compliance is not fraudulent in nature, those participating may still face serious consequences including monetary penalties or the suspension or revocation of charitable status.

For more information about the registration of Canadian charities, go to the CRA's Charities and Giving Web page at **www.cra.gc.ca/charities**.

For media information:

Media Relations
613-957-3522