



# News release

## The Canada Revenue Agency revokes the charitable status of The Mission Against Poverty Shelter

Ottawa, Ontario, July 27, 2009. . . The Canada Revenue Agency (CRA) has revoked the charitable registration of The Mission Against Poverty Shelter, a Toronto-area charity. This revocation was effective July 25, 2009.

On June 5 2009, the CRA issued a notice of intention to revoke the charitable registration of The Mission Against Poverty Shelter, in accordance with subsection 168(1) of the *Income Tax Act*. The letter stated, in part, that:

Our audit has revealed serious issues of non-compliance with the *Income Tax Act* (the Act). In particular, significant receipting discrepancies were discovered and it was found that the Mission Against Poverty Shelter (the Charity) did not maintain, or was unable to provide, adequate records to substantiate the tax-receipted revenue, operating expenditures and other financial information reported to the Canada Revenue Agency (CRA).

For the 2006 fiscal period, the Charity represented to the CRA that it issued \$36,572 in tax-receipted donations. However, the CRA has evidence indicating the Charity issued official donation receipts in 2006 totalling \$265,179 representing a discrepancy of \$228,607. While the Charity contends that this discrepancy is attributable to forged receipts, no records were available for inspection by the CRA to substantiate the Charity's claim.

The Charity has issued receipts for transactions that do not qualify as gifts; issued receipts otherwise than in accordance with the Act and its Regulations; has failed to maintain and failed to provide adequate records to support its activities; and has used its income for the personal benefit of its directors. For all of these reasons, and for each of these reasons alone, it is the position of the CRA that the Charity'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 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.

Registered charities receive generous tax incentives under the *Income Tax Act* including the authority to issue official donation receipts. To maintain this privilege registered charities are required to keep adequate books and records to allow the CRA to verify donations made to the charity and to ensure the proper use of charitable resources.

Failure to maintain adequate books and records is a serious breach of the requirements of the *Income Tax Act* and is grounds for the revocation of charitable status. Where a registered charity is found not to comply with its legal requirements, the CRA may apply monetary penalties or may suspend or revoke the charity's status under the *Income Tax Act*.

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](http://www.cra.gc.ca/charities).

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