



JAN. 03 2007

BY REGISTERED MAIL

COPY

Can-Afri Poverty Relief Organization
75 Weston Road
Toronto, Ontario M6N 5H3

BN: 86034 0009 RR 0001

Attention: Mr. Steveby Buchanan, President

**SUBJECT: Notice of Intention to Revoke
Can-Afri Poverty Relief Organization**

Dear Mr. Buchanan:

I am writing further to our letters dated January 30, 2006 and March 15, 2006 (copies enclosed), in which you were advised that Can-Afri Poverty Relief Organization (the "Organization"), had been selected for an audit and in which you were also invited to submit representations to us as to why the Minister of National Revenue should not revoke the registration of your Organization in accordance with subsection 168(1) of the *Income Tax Act* (the "ITA"). As of this date, we still have not received any response to our letters. For information purposes, Appendix "A" attached provides you with the log of contacts indicating the actions undertaken by the auditor to contact your Organization prior to the audit.

Consequently, I wish to advise you that, pursuant to the authority granted to the Minister in subsection 149.1(2) of the ITA, and delegated to me, I propose to revoke the registration of the Organization. By virtue of subsection 168(2) of the ITA, the revocation will be effective on the date of publication in the *Canada Gazette* of the following notice:

Notice is hereby given, pursuant to paragraphs 168(1)(e) of the Income Tax Act, that I propose to revoke the registration of the organization listed below under subsection 149.1(2) of the Income Tax Act and that the revocation of registration is effective on the date of publication of this notice.

.../2

Business Number
86034 0009 RR 0001

Name
Can-Afri Poverty Relief Organization
Toronto, Ontario

Should you wish to appeal this notice of intention to revoke the Organization's registration in accordance with subsection 168(4) of the ITA, you are advised to file a **Notice of Objection within 90 days** from the mailing of this letter. This notice is a written statement that sets out the reasons for the objection and all the relevant facts. The Notice of Objection should be sent to:

Tax and Charities Appeals Directorate
Appeals Branch
Canada Revenue Agency
25 Nicholas Street
Ottawa, ON K1A 0L5

Consequences of a Revocation


As of the date of revocation, which is the date upon which the above-noted notice is published in the *Canada Gazette*, the Organization will no longer be exempt from Part I Tax as a registered charity and **will no longer be permitted to issue official donation receipts.**

Additionally, by virtue of section 188 of the ITA, the Organization will be required to pay a tax within one year from the date of the Notice of Intention to Revoke the Organization's registration. This revocation tax is calculated on prescribed form T-2046 "*Tax Return Where Registration of a Charity is Revoked*". The return must be filed and the tax must be paid on or before the day that is one year from the date of the Notice of Intention to Revoke a charity's registration. For your reference, I have attached a copy of the relevant provisions of the ITA (Appendix "B") concerning revocation of registration and the tax applicable to revoked charities as well as appeals against revocation. Form T-2046, along with the related Guide RC-4424, "*Completing the Tax Return Where Registration of a Charity is Revoked*", are also attached for your information.

Furthermore, the Organization will no longer qualify as a charity for purposes of subsection 123(1) of the *Excise Tax Act* (hereinafter, the ETA), effective on the date of revocation. As a result, it may be subject to obligations and entitlements under the ETA that apply to organizations other than charities. If you have any questions about your GST/HST obligations and entitlements, please call GST/HST Rulings at 1-800-959-8287. A copy of the relevant provisions of the ETA that apply to charities (Appendix "C") is also attached for your information.

I also wish to advise you that pursuant to subsection 150(1) of the ITA, a return of income for each taxation year in the case of a corporation (other than a corporation that was a registered charity throughout the year) shall without notice or demand therefore, be filed with the Minister in prescribed form containing prescribed information.

Yours sincerely,



Elizabeth Tromp
Director General
Charities Directorate

Attachments:

- Our letter dated March 15, 2006
- Our letter dated January 30, 2006
- Appendix "A", Log of Contacts
- Appendix "B", Relevant provisions of the *Income Tax Act*
- Appendix "C", Relevant provisions of the *Excise Tax Act*
- Form T2046, *Tax Return Where Registration of a Charity is Revoked*
- Guide RC4424, *Completing the Tax Return Where Registration of a Charity is Revoked*

**CAN-AFRI POVERTY RELIEF ORGANIZATION
BUSINESS NUMBER: 86034 0009 RR 0001**

LOG OF CONTACTS

Below is a summary of the repeated attempts to contact the Can-Afri Poverty Relief Organization (the "Organization") prior to the audit.

<u>DATES</u>	<u>DETAILS</u>
January 24, 2006	The auditor called the telephone number that the Canada Revenue Agency (the "Agency"), had on file for the Organization. The number was no longer in service. A search for any other telephone contact numbers was unsuccessful and it was noted that the address for the president of the Organization (Steveby Buchanan) had a returned mail flag.
January 30, 2006	The auditor mailed a letter to the secretary's address on file stating that the CRA was commencing an audit of the Organization. This letter included a list of books and records that we required for our audit and an Audit Questionnaire that was to be completed and made available to the auditor at the commencement of the audit. The letter requested that the Organization contact the auditor within 15 days.
March 7, 2006	<p>The auditor mailed a letter further to the letter of January 30, 2006, by registered mail, to the secretary's address. This letter explained that as of yet, there had been no response from the Organization to the previous letter. As indicated below, this letter was mailed again on March 15th.</p> <p>This letter requested that the Organization contact the auditor within 10 days and that a lack of response would indicate to the Agency that the books and records being maintained were inadequate for the purposes of the <i>Income Tax Act</i>. As a result, the Agency would proceed with the revocation process of the Organization's charitable status without further notice if they still did not contact the auditor.</p>

- March 13, 2006 The auditor received the tracking information for the letter of March 7, 2006. As of the date of this letter, a delivery notification had been left and it is awaiting pick-up at the local post office.
- March 15, 2006 A copy of the March 7, 2006 letter was mailed to the Organization's address on file.
- March 17, 2006 The auditor received confirmation that the letter of March 15, 2006 was successfully delivered to the Organization's address on file. However, the signatory was not identifiable as a representative of the Organization.



Canada Revenue
Agency

Agence du revenu
du Canada

January 30, 2006.

Can-Afri Poverty Relief Organization
1-1880 Sheppard Avenue West
Toronto, Ontario M3L 1Y3

Your file / Votre référence

Our file / Notre référence

Attention: Florence Brown

Dear Ms. Brown:

Audit of Registered Charity Information Return
Re: Information returns of Can-Afri Poverty Relief Organization
BN: 86034 0009 RR0001

This is to confirm that the above charity returns are currently under audit.

Attached please find a general list of the books and records and an audit questionnaire that will be required in order for us to conduct our audit. This list, however, is not limiting since the books and records maintained is unknown to us and any relevant supplementary documentation should also be included for review.

Please contact me within fifteen (15) days from the date of this letter at (416) 410-1568 to further discuss this matter and to schedule a meeting.

Yours truly,

Sakib Thantrey, CGA
Section 443-2-7
Verification and Enforcement Division

Telephone: (416) 410-1568
Fax: (416) 954-6015
1 Front Street West, Suite 100
Toronto, ON M5J 2X6

Toll free: 1-800-959-8281 (Individual)
1-800-959-5525 (Business)
Internet: www.cra-arc.gc.ca

Attachments.

Canada

Can-Afri Poverty Relief Organization

In order to expedite the audit, please have available the following documentation available for my review at the commencement of the audit:

1. Can-Afri Poverty Relief Organization's (the "Charity") books and records including general ledgers, cash receipts/disbursements journals, bank statements, cancelled cheques, deposit books and all adjusting journal entries and reconciliations.
2. For cash gifts, a listing of donation receipts issued in the format (receipt #, donor, and amount). Also all duplicate donation receipts issued and a reconciliation of total donation receipts issued to bank deposits.
3. For gifts of artwork and/or gifts in kind, a listing of donation receipts issued, providing a description of the gift, name and address of appraiser of the property if an appraisal of the property was completed. If an appraisal of the property was not completed, please provide details as to how the fair market value of the gift was determined. Also all duplicate donation receipts issued by the Charity for gifts of artwork.

For gifts of artwork transferred to other registered charities, the recipient charity's name, BN/registration number, and amount of gift. With respect to artwork, also required is all available documentation substantiating the Charity's gifting program to other registered charities.

4. Listing of the gifts received from other registered charities, detailing charity's name, address, registration number, descriptions of the gifts received, name and address of the appraiser of the gift, if an appraisal of the property was completed. If an appraisal of the gift/property was not completed, please provide details as to how the fair market value of the gift was determined.
5. Reconciliation and breakdown of total Disbursements reported by the Foundation in carrying out its activities and charity work.
6. Copies of all contracts, invoices, and cancelled cheques for all expenditures.
7. Details of the Charity's activities supported by copies of brochures, pamphlets, publications, membership and fundraising correspondence, newsletters, press releases, media-related materials, and other related literature. Include copies of governing documents.
8. Current listing of Directors/Trustees, positions within the organization and occupation. Copies of all minutes of board meetings to date.
9. Details including copies of contracts, invoices, and cancelled cheques for all asset additions.
10. Please answer the attached questionnaire by providing the appropriate responses. Written responses should be prepared beforehand with a copy made available at the commencement of the audit.

AUDIT QUESTIONNAIRE

Activities

1. Describe:
 - 1.1 - The organization's primary objectives
 - 1.2 - Mission statement
 - 1.3 - Activities

- 1.4 Has your organization been involved with any of the following types of activities during the past three years? If yes, could we see examples of each?
 - Publications?
 - Conferences and/or workshops?
 - Advertising by way of TV, radio, postcards, flyers, or posters?
 - Public meetings?
 - Demonstrations?
 - Write-in or mail-in campaigns to any level of government?
 - Audio cassette information or education releases?
 - Video cassette information or education releases?

- 1.5 Has your organization submitted any correspondence or briefs to any level of government, by invitation or otherwise?

- 1.6 Have you had any employees on staff during the past three years who hold Registered Lobbyist status?

- 1.7 Has your charity contracted with any firm or consulting group or individual that, to your knowledge, employs staff with Registered Lobbyist status or is a Registered Lobbyist?

- 1.8 Does the organization have any plans for future projects? Please explain?

Fund-raising

- 2.1 Does the organization engage in any of the following fund-raising activities?
 - Appeals?
 - Sports events like skate-a-thons, etc.?
 - Dinners or dances?
 - Gala events?
 - Draws?
 - Bingo's or raffles?
 - Auctions?
 - Discount books/cards?
 - Store cash register appeal boxes?
 - Gifts of goods?
 - Gifts of services or labour?
 - Joint ventures with other organizations?
 - Sales of goods, and/or services, etc.?

- 2.2 Do you receive any unsolicited donations?

- 2.3 Could you provide me with a list of major donors?

- 2.4 Do you plan any future changes to your fund-raising methodology?

Organizational

- 3.1 How many committees are there?
- 3.2 Please provide a list of the names of each committee with their functional responsibilities including a list of members.
- 3.3 Please provide a photocopy of each committee's minutes to date.
- 3.4 How many employees are there on the payroll?
- 3.5 Will T4 slips be issued for each employee?
- 3.6 Have there been any recent changes in personnel in key positions?
- 3.7 What is the turnover rate in non-key positions?
- 3.8 Has your charity employed any individuals under personal service contracts, either formal or otherwise, who were not accounted for under your payroll system?
- 3.9 Do you have any contracts, invoices or any other types of documentation regarding these individuals?
- 3.10 Have T4 or T4A slips been issued for the above individuals?
- 3.11 Has the organization acquired or disposed of any assets? When? What were they?

Records

- 4.1 How many bank accounts does the organization have?
- 4.2 Please provide names of all banking institutions, type of account and account numbers.
- 4.3 Does the organization have any safety deposit boxes? Where are they located?
- 4.4 Does the organization have any investments? Please provide details.

General

- 5.1 Do you have concerns/problems in completing the T3010?



March 15, 2006.

REGISTERED MAIL

Can-Afri Poverty Relief Organization
75 Weston Road
Toronto, Ontario M6N 5H3

Your file / Votre référence

Our file / Notre référence

Attention: Steveby Buchanan

Dear Mr. Buchanan:

Audit of Registered Charity Information Return
Re: Information returns of Can-Afri Poverty Relief Organization
BN: 86034 0009 RR0001

Further to our letter of January 30, 2006 regarding the audit of the books, records and operations of Can-Afri Poverty Relief Organization ("CPRO"), to date we have not received any response to this letter and have been unable to contact you by telephone.

The requirement for the maintenance of adequate books and records by charitable organizations is specified in subsection 230(2) of the *Income Tax Act* (the "Act"):

"Every registered charity and registered Canadian amateur athletic association shall keep records and books of account at an address in Canada recorded with the Minister or designated by the Minister containing

- (a) information in such form as will enable the Minister to determine whether there are any grounds for the revocation of its registration under this Act;
- (b) a duplicate of each receipt containing prescribed information for a donation received by it; and
- (c) other information in such form as will enable the Minister to verify the donations to it for which a deduction or tax credit is available under this Act."

Section 231.1 of the *Act* permits our inspection, audit or examination of the books and records for the purposes of administration or enforcement of the *Act*.

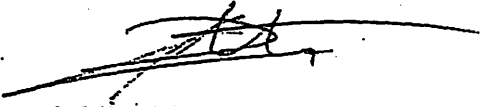
Please contact me within five (5) days from the date of this letter at (416) 410-1568 to arrange a meeting to audit the books, records and operations of CPRO.

If we do not hear from you within this time, we shall assume that the books and records of CPRO are not in compliance with subsection 230(2) of the *Act*.

Furthermore, if we do not hear from you within the allotted time, we shall proceed with the revocation of CPRO's registration as a charitable organization pursuant to paragraph 168(1)(e) of the *Act* without further notice.

If you have any questions, or require additional information or clarification, please contact me at the telephone number shown below.

Yours truly,



Sakib Thantrey, CGA
Section 443-2-7
Verification and Enforcement Division
Toronto Centre Tax Services Office

Telephone: 416-410-1568
Facsimile: 416-954-6015
Address: 1 Front Street West, Suite 100
Toronto, Ontario M5J 2X6
Internet: www.cra-arc.gc.ca