

Non-Profit Organizations – Government Funding

This form is for non-profit organizations (NPOs) that want to claim a GST/HST and QST public service bodies' rebate as a qualifying NPO. To be considered a qualifying NPO for a given fiscal year, the organization must show that at least 40% of its total revenue for that year is from government funding.

A person authorized by the head office of the NPO **must complete this form once a year** and file it with Revenu Québec **at the end of each fiscal year** for which a rebate is being claimed. Note that we will process the organization's rebate application only after we determine that the organization is eligible for the rebate.

Do not complete this form if the organization is a **registered charity** or a **registered Canadian amateur athletic association** under the *Income Tax Act*.

Please read the general information on pages 6 and 7 before completing this form.

A Information about the NPO

GST/HST account number: **01** **R T** Québec enterprise number (NEQ): **02** Identification number: **03** File: _____

Name of organization: **04** _____

Business name (if different from the name above): **05** Area code: **06** Telephone: _____ Extension: _____

Mailing address: Suite: **06a** Street number: **06b** Street name or P.O. box: **06c** _____

City, town or municipality: **06d** Province: **06e** Postal code: **06f** _____

Business address (if different from the mailing address above): Suite: **07a** Street number: **07b** Street name or P.O. box: **07c** _____

City, town or municipality: **07d** Province: **07e** Postal code: **07f** _____

Would you like Revenu Québec to update the addresses in your file? **8** Yes No

Does this form amend a copy of form FP-523-V that was previously filed? **9** Yes No

Is the organization an NPO (see the definition on page 7)? **10** Yes No

B Fiscal year covered by this form

Enter the start date and the end date of the fiscal year covered by this form, which is the fiscal year for which the organization is claiming a GST/HST and QST public service bodies' rebate and the year for which it is required to show that it is a qualifying NPO. Note that you must file this form after the fiscal year has ended. Since this form must be filed once a year, enclose it only with the last rebate application for the year in question.

Fiscal year: from **11** _____ to **12** _____
Y Y Y Y M M D D Y Y Y Y M M D D

Return to: **C. P. 25500, succursale Terminus
Québec (Québec) G1A 0A9**



C Calculation based on the fiscal year entered in Part B

The information you enter in Part C must be based on the fiscal year entered in Part B.

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1 Government funding for the fiscal year

Enter the name of each source (grantor) of government funding received for the fiscal year. If the funding was received through an intermediary, enter the name of the grantor, **not** the name of the intermediary. If the funding is from a government (federal, provincial or municipal), list the government and the specific department that provided the funding. **Do not use abbreviations.** See page 6 for the definition of "government funding" and "grantor."

If there are more than 10 sources of funding, attach a separate copy of this page with the required information for each additional source of funding.

Source (grantor) (Do not use abbreviations.)		Was this funding received through an intermediary?	If yes, does your organization have a Certificate of Government Funding (form FP-322-V) on file for this amount?	Amount
13		23 <input type="checkbox"/> Yes <input type="checkbox"/> No	33 <input type="checkbox"/> Yes <input type="checkbox"/> No	43
14		24 <input type="checkbox"/> Yes <input type="checkbox"/> No	34 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 44
15		25 <input type="checkbox"/> Yes <input type="checkbox"/> No	35 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 45
16		26 <input type="checkbox"/> Yes <input type="checkbox"/> No	36 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 46
17		27 <input type="checkbox"/> Yes <input type="checkbox"/> No	37 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 47
18		28 <input type="checkbox"/> Yes <input type="checkbox"/> No	38 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 48
19		29 <input type="checkbox"/> Yes <input type="checkbox"/> No	39 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 49
20		30 <input type="checkbox"/> Yes <input type="checkbox"/> No	40 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 50
21		31 <input type="checkbox"/> Yes <input type="checkbox"/> No	41 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 51
22		32 <input type="checkbox"/> Yes <input type="checkbox"/> No	42 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 52
Add all the amounts and carry the result to line A below.				Government funding for the fiscal year =

2 Percentage of government funding for the fiscal year

Government funding for the fiscal year (enter the total from section 1 above)¹

Total revenue for the fiscal year (see the definition of "total revenue" on page 7)

Divide line A by line B. Enter the result as a percentage.

Percentage of government funding for the fiscal year =

A	
B	
C	%

If line C is 40% or greater, the organization is a qualifying NPO for the fiscal year entered in Part B. Go to Part E.

If line C is less than 40% and this form covers the organization's first fiscal year of existence, the organization is not a qualifying NPO for the fiscal year entered in Part B.

If line C is less than 40% and the fiscal year entered in Part B is not the organization's first fiscal year of existence, complete Part D.

1. If there are more than 10 sources of funding for the fiscal year, add all the amounts in section 1 on all copies of this page that you completed and enter the result on line A.

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D Calculation based on the fiscal years that immediately precede the year covered by this form

Complete Part D only if the percentage of government funding for the fiscal year (line C) is less than 40% and the fiscal year covered by this form is not the organization's first fiscal year of existence.

The organization may be a qualifying NPO if it can show that its percentage of government funding was 40% or greater for:

- the fiscal year that immediately precedes the year covered by this form, where the year is the organization's second fiscal year of existence; or
- the two fiscal years that immediately precede the year covered by this form.

1 Government funding for the fiscal years that immediately precede the year covered by this form

If the fiscal year covered by this form is the organization's second fiscal year of existence, complete Table A only. In all other cases, complete both Table A and Table B.

To help determine the dates of the fiscal year or fiscal years that precede the year covered by this form, see the examples given under "How to calculate the percentage of government funding" on page 6.

If there are more than 10 sources of funding, attach a separate copy of this page with the required information for each additional source of funding.

Table A – Government funding for the first fiscal year that immediately precedes the year covered by this form

First fiscal year that immediately precedes the year entered in Part B:

from Y Y Y Y M M D D to Y Y Y Y M M D D

Source (grantor) (Do not use abbreviations.)		Was this funding received through an intermediary?	If yes, does your organization have a Certificate of Government Funding (form FP-322-V) on file for this amount?	Amount
55		65 <input type="checkbox"/> Yes <input type="checkbox"/> No	75 <input type="checkbox"/> Yes <input type="checkbox"/> No	85
56		66 <input type="checkbox"/> Yes <input type="checkbox"/> No	76 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 86
57		67 <input type="checkbox"/> Yes <input type="checkbox"/> No	77 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 87
58		68 <input type="checkbox"/> Yes <input type="checkbox"/> No	78 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 88
59		69 <input type="checkbox"/> Yes <input type="checkbox"/> No	79 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 89
60		70 <input type="checkbox"/> Yes <input type="checkbox"/> No	80 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 90
61		71 <input type="checkbox"/> Yes <input type="checkbox"/> No	81 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 91
62		72 <input type="checkbox"/> Yes <input type="checkbox"/> No	82 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 92
63		73 <input type="checkbox"/> Yes <input type="checkbox"/> No	83 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 93
64		74 <input type="checkbox"/> Yes <input type="checkbox"/> No	84 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 94
Government funding for the first fiscal year that immediately precedes the year covered by this form =				

Add all the amounts and carry the result to line 137 in section 2 below.

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Table B – Government funding for the second fiscal year that immediately precedes the year covered by this form

Second fiscal year that immediately precedes the year entered in Part B:

from 95 Y Y Y Y M M D D to 96 Y Y Y Y M M D D

Source (grantor) (Do not use abbreviations.)	Was this funding received through an intermediary?	If yes, does your organization have a Certificate of Government Funding (form FP-322-V) on file for this amount?	Amount
97	107 <input type="checkbox"/> Yes <input type="checkbox"/> No	117 <input type="checkbox"/> Yes <input type="checkbox"/> No	127
98	108 <input type="checkbox"/> Yes <input type="checkbox"/> No	118 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 128
99	109 <input type="checkbox"/> Yes <input type="checkbox"/> No	119 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 129
100	110 <input type="checkbox"/> Yes <input type="checkbox"/> No	120 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 130
101	111 <input type="checkbox"/> Yes <input type="checkbox"/> No	121 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 131
102	112 <input type="checkbox"/> Yes <input type="checkbox"/> No	122 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 132
103	113 <input type="checkbox"/> Yes <input type="checkbox"/> No	123 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 133
104	114 <input type="checkbox"/> Yes <input type="checkbox"/> No	124 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 134
105	115 <input type="checkbox"/> Yes <input type="checkbox"/> No	125 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 135
106	116 <input type="checkbox"/> Yes <input type="checkbox"/> No	126 <input type="checkbox"/> Yes <input type="checkbox"/> No	+ 136
Add all the amounts and carry the result to line 138 in section 2 below.			
Government funding for the second fiscal year that immediately precedes the year covered by this form =			

2 Percentage of government funding for the fiscal years that immediately precede the year covered by this form

Fiscal years that immediately precede the year covered by this form	A Government funding ²	B Total revenue ³
First fiscal year that immediately precedes the year covered by this form	137	139
Second fiscal year that immediately precedes the year covered by this form	+ 138	+ 140
Add lines 137 and 138 and lines 139 and 140. Total =		
Divide the total of column A by the total of column B. Enter the result as a percentage.		
Percentage of government funding for the fiscal years that immediately precede the year covered by this form		D %

If line D is 40% or greater, the organization is a qualifying NPO for the fiscal year covered by this form. Go to Part E.

If line D is less than 40%, the organization is not a qualifying NPO for the fiscal year covered by this form.

- Enter the total from Table A on line 137 and the total from Table B on line 138 (as applicable). If there are more than 10 sources of funding, add the amounts from each Table A and each Table B you completed and enter the results in column A.
- See the definition of "total revenue" on page 7.

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Protected B when completed**E Certification**

I hereby certify that the information given on this form and in any enclosed documents is, to the best of my knowledge, accurate and complete. I certify that I am a person authorized to sign on behalf of the non-profit organization.

First name and last name of person authorized to sign		Title or position		
Signature	Date	Area code	Telephone	Extension

I have authorized the person⁴ identified below to contact and be contacted by Revenu Québec about this form.

First name and last name of the contact person				
Title or position		Area code	Telephone	Extension

4. The contact person must have an authorization or a power of attorney from the NPO to receive information about this form from Revenu Québec. In addition, to represent the NPO in dealings with Revenu Québec, the contact person must have a power of attorney from the NPO. An authorization, a power of attorney or a duly completed copy of form MR-69-V, *Authorization to Communicate Information or Power of Attorney*, can be enclosed with this form.

Personal information with respect to the GST/HST is collected under the *Excise Tax Act* to administer tax, rebates, and elections. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source at canada.ca/cra-info-source, Personal Information Bank CRA PPU 241.



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General information

When to file this form

An NPO **must file this form at the end of each fiscal year** for which it wants to claim a GST/HST and QST public service bodies' rebate. This form is used to calculate the percentage of the NPO's government funding for a given fiscal year, which is used to determine whether or not it is a qualifying NPO for that fiscal year. Once we establish the eligibility of the organization, we can process its public service bodies' rebate application based on the information provided.

Note

Form FP-523-V has to be filed for each fiscal year (annually). A GST/HST and QST rebate application for public service bodies must be filed for each claim period in the fiscal year.

How to calculate the percentage of government funding

Depending on the method the organization uses to determine its revenues for the fiscal year, government funding is recorded either when it is received or when it becomes receivable. Ongoing revenue, such as sales, membership fees, or revenue items for activities extending over a number of years, must be recorded when it is received or when it becomes receivable, whichever date is earlier.

To be a qualifying NPO for the fiscal year covered by this form, the organization's percentage of government funding for the year must be at least 40% of its total revenue. To calculate the percentage of government funding for the year, complete Part C.

If the percentage of government funding determined in Part C is less than 40% and the fiscal year covered by the form is not the organization's first fiscal year of existence, the organization may still be a qualifying NPO if it can show that the percentage was at least 40% for:

- the first fiscal year of existence, if the fiscal year covered by this form is the organization's second fiscal year of existence; or
- the two fiscal years that immediately precede the fiscal year covered by this form, if the year covered by the form is neither the organization's first nor second fiscal year of existence.

Complete Part D to determine whether the organization is a qualifying NPO.

Example 1

The fiscal year covered by this form is from January 1 to December 31, 2017, which is the organization's second fiscal year of existence. The first fiscal year that immediately precedes the year covered by the form is from January 1 to December 31, 2016.

Example 2

The fiscal year covered by this form is from July 1, 2016, to June 30, 2017, which is the organization's fourth fiscal year of existence. The first fiscal year that immediately precedes the year covered by the form is from July 1, 2015, to June 30, 2016, and the second fiscal year that immediately precedes the year covered by the form is from July 1, 2014, to June 30, 2015.

Who should sign this form

This form must be signed by a person who is authorized to represent the organization, such as a director, the president, vice-president, secretary, treasurer or a person that has been authorized by resolution of the board of directors.

Definitions

Government funding

Government funding refers to any amount of money that is paid or payable by a grantor to an NPO and that is identified in the NPO's financial statements as government funding.

Government funding is recorded when it is received or when it becomes receivable, depending on the method used to determine the NPO's revenue for the year.

Government funding includes any payment (including any forgivable loan) that is readily ascertainable and that was made by a grantor:

- to support or promote the NPO's objectives (but not to pay for property or services that the NPO supplied to the grantor); or
- for an exempt supply (exempt sale) of property or services made by the NPO, if the property or services are not intended for the use or consumption of the grantor or of persons related to the grantor (for example, government funding of a local health unit that supplies tax-exempt medical services to the public).

Government funding can be paid to an NPO either by a grantor or through an intermediary. For example, a national organization can allocate government funding to its provincial affiliates, which can then redistribute the funds to their regional divisions. These payments can be included as government funding when all of the following conditions apply:

- The funds were initially paid by a grantor.
- The funds are clearly identified as government funding in the NPO's financial statements.
- The funds went through no more than two intermediaries.
- The intermediary that paid funds to the NPO duly completed form FP-322-V, *Certificate of Government Funding*, and gave it to the NPO to confirm that the amounts come from government funding.
- The funds would be considered government funding if the grantor paid them directly to the NPO for the same purpose that the intermediary paid them.

Government funding **does not include** indirect or non-financial forms of assistance; low-interest loans and loan guarantees; property or services supplied at a subsidized price; or a refund, rebate or remission of, or credit for, taxes, duties, or fees imposed under any statute.

Note

An amount received as private funding **does not constitute** government funding. If an intermediary makes a single subsidy payment composed of funds from both private and government sources, only the funds from the government source constitute government funding.

For example, an intermediary that assists persons with a disability pays a subsidy to an NPO for the fiscal year. A portion of the subsidy is from a provincial government (60%) and the other portion is from a public fundraising campaign (40%). Only the portion that came from the provincial government (60%) constitutes government funding.

Grantor

The following are grantors:

- the federal government, provincial governments and municipalities, excluding corporations all or substantially all of whose activities are commercial activities, the supply of financial services, or any combination of the two;
- a corporation that is controlled by a government or by a municipality and one of the main purposes of which is to fund charitable or non-profit activities;
- a trust, board, commission or other body that is established by a government, a municipality or a corporation (as described in the point above) and that has as one of its main purposes the funding of charitable or non-profit activities; and
- an Indian band within the meaning of any federal law.



Non-profit organization

A non-profit organization is a person that is organized and operated solely for non-profit purposes. It does not distribute or make available any of its income for the personal benefit of its owners, members or shareholders. However, its revenue can be paid to an owner, a member or a shareholder if the owner, the member or the shareholder is a club or an association that has, as its primary purpose, the promotion of amateur athletics in Canada.

An individual, estate, trust, charity, public institution, municipality or government cannot be considered a non-profit organization.

Total revenue

Total revenue includes:

- government funding that is identified as such in the NPO's financial statements;
- income from investments (interest and dividends);
- non-capital distributions from a trust to the NPO;
- loans from persons with whom the NPO is not dealing at arm's length (for example, an NPO funds another related NPO through loans with unusually low interest rates). If the loans are later reimbursed, they will be deducted from revenue at that time;
- proceeds from the issuance of equity securities; and
- monetary capital contributions (for example, a capital contribution by an NPO that cannot issue shares).

Total revenue also includes the following amounts from which 25% must be deducted to take into account the cost of fundraising:

- monetary gifts, such as private gifts and donations;
- the total of all amounts by which the fair market value of a financial instrument received by the NPO exceeds the amount paid for the instrument;
- all receipts from sponsorships;
- all receipts from taxable (including zero-rated) and exempt sales of property and services (do not include receipts from sales of real property or capital property, sales of financial instruments, benefits granted to employees or shareholders, or property the NPO is deemed to have sold when it stopped being a GST/HST and QST registrant); and
- proceeds from gambling activities, minus prizes and winnings paid out.

Any amounts the NPO repaid during the year must also be deducted from its total revenue.

Ongoing revenue, such as sales, membership fees, or revenue items of activities extending over a number of years, must be recorded when it is received or when it becomes receivable, whichever date is earlier.

Sending the form

Send this duly completed form to:

Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

Do not send any annual reports or financial statements.

For more information

For more information, see document IN-229-V, *The QST and the GST/HST: How They Apply to Non-Profit Organizations*. You can also visit our website at revenuquebec.ca or call our client services at 418 659-4692 (Québec City area), 514 873-4692 (Montréal area) or 1 800 567-4692 (toll-free).

