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## White Paper Report

**By: Michael Ozerkevich**

This is the first public report on the results of the first five years of the Global Gifting Initiative. The GLGI initiatives could not have been successful without the participating charities, program participants, donations of the InfoSource courseware and generous donations of Canadians through independent fundraisers.

### Digital Literacy – What it is?

Digital literacy is commonly defined as the ability to use modern computing and electronic services in order to be functional in modern society. It's much more than being able to access the Internet and being able to send e-mails. GLGI deems digital literacy a basic skill such as reading and writing. GLGI believes that many Canadians need to be trained in digital competencies in order to create new opportunities for a better quality of life.

### GLGI – The Program Participants

Many of the centres that host the GLGI courseware have developed rich learning programs that support job search initiatives, alcohol and drug rehabilitation programs, and economic and community development.

Agencies hosting the GLGI courseware include community libraries, schools, homeless shelters, Provincial Corrections institutions and after care agencies, addiction and community development programs, Métis associations, Inuit groups, First Nations Bands, youth programs, job training and entrepreneurial support.

### InfoSource

InfoSource has donated courseware licenses through GLGI for gifting to Canadian charities and qualified First Nations. It is a leading and award winning digital courseware developer. InfoSource has been in the e-learning business for over 25 years and offers over 1,000 digital learning courses. For a complete overview of the company and courseware, go to [www.infosourcelearning.com](http://www.infosourcelearning.com).

### The Gifting Results

- As of May 28, 2008 there are:
- 200 participating centre affiliates using the courseware
  - over 6,700 registered users



- 1,210,816 CD licenses delivered to end users and 500,000 online portal licenses ready for issue to end users

During 2007-2008, GLGI built an enhanced inventory control and management system to match donor to courseware license to end user. Also, it introduced a Learning Management System that supports individual learners using the courseware, testing and certification and learning centre management. This represents a state-of-the-art comprehensive digital learning system capable of supporting a national program. The GLGI digital learning program is now the largest network in Canada.

### CRA and Its Actions

CRA continues to ignore the measurable benefits of the GLGI program. So far, CRA has:

- ignored the vast majority of over 200 participating learning centres across the country using the GLGI courseware

- has not addressed the GLGI program directly or its independent fundraisers
- has not communicated to the GLGI promoters, the company or its advisors
- has revoked the charity status of iCAN and MillenniumTrust
- has visited and reviewed InfoSource's development environment on several occasions however, it did not attempt to value the courseware titles, their retail and pricing available to the GLGI program participants
- not conducted a cost benefit analysis of the program.

Since 2007, GLGI has invested significant resources in providing support to its participating charities, First Nations and affiliate centres to assist them in financial record keeping, reporting and accountability.

### Going Forward

The GLGI strategy is focused on doing even better by:

- strengthening the national digital learning network
- developing a Canada-wide GLGI web 2.0 TV network
- improving support to existing learning centres
- assisting economic development and cultural preservation
- concentrating on delivering digital learning to specific target populations, namely: First Nations on and off Reserves, the homeless and the alcohol and drug addicted
- conducting a cost benefit analysis of the program.

# Preparing Your 2010 Personal Income Tax Return



## ***IMPORTANT TAX DEADLINES***

With the personal income tax deadlines forthcoming, it is important to keep organized to ensure you file on time. Should any of the following deadlines fall on a weekend, the deadline then becomes the following business day.

- Your personal income tax return is due on April 30th of each year unless you are self-employed. Should you owe any taxes, payment is due by April 30th.
- If you or your spouse or common-law partner is self-employed (sole proprietorship or partnership), then your tax return is due June 15th of each year. However, if you owe any taxes, you must pay by April 30th in order to avoid interest charges.
- If you paid more than \$3,000 in 2008 or 2009, you may have been required to pay quarterly installments for calendar 2010, due March 15th, June 15th, September 15th, and December 15th of 2010, and if your payments were late, insufficient, or not paid at all, you will have to pay installment interest unless you are owed a refund on April 30th.

## ***IMPORTANT TAX FILING INFORMATION***

You can electronically file your income tax return or mail/courier a hardcopy of your return to the Canada Revenue Agency. However, donors are encouraged to paper file in order to include the various paperwork required to support the special tax credit claims. You can mail a paper tax return to the tax centre using the envelope included in your tax package. Use your mail-in label if you have received one, and make note of the tax centre address for future reference. Below are the tax centres for your Province of residence on December 31, 2010:

### ***SEND YOUR RETURN TO THE FOLLOWING:***

#### **Canada Revenue Agency**

Tax Centre 9755 King George Boulevard Surrey BC V3T 5E6

#### **Canada Revenue Agency**

Tax Centre Post Office Box 14001, Station Main Winnipeg MB R3C 3M3

#### **Canada Revenue Agency**

Tax Centre 1050 Notre Dame Avenue Sudbury ON P3A 5C2

#### **Canada Revenue Agency**

Tax Centre Post Office Box 4000, Station Bureau-chef Shawinigan QC G9N 7V9

#### **Canada Revenue Agency**

Tax Centre 2251 René-Lévesque Boulevard Jonquière QC G7S 5J2

#### **Canada Revenue Agency**

Tax Centre Post Office Box 12072, Station A St. John's NL A1B 3Z2

#### **Canada Revenue Agency**

Tax Centre 105 - 275 Pope Road Summerside PE C1N 6E8

### ***FOR INDIVIDUALS SERVED BY TAX SERVICES OFFICES IN:***

British Columbia, Yukon, and Regina

Alberta, Manitoba, Northwest Territories, London, Saskatoon, Thunder Bay, and Windsor

Toronto Centre, Toronto East, Toronto North, Toronto West, Barrie, and Sudbury (the area of Sudbury/Nickel Belt only)

Laval, Montréal, Nunavut, Ottawa, Rouyn-Noranda, Sherbrooke, and Sudbury (other than the area of Sudbury/Nickel Belt)

Chicoutimi, Montérégie-Rive-Sud, Outaouais, Québec, Rimouski, and Trois-Rivières

New Brunswick, Newfoundland and Labrador, Nova Scotia, Kingston, Peterborough, and St. Catharines

Prince Edward Island, Belleville, Hamilton, and Kitchener/Waterloo

## ***INFORMATION FOR DONORS***

- You will receive a slip called T5003 "Statement of Tax Shelter Information" in time to prepare your 2010 personal income tax return. This slip provides you with important information that will be used to fill out other sections of your tax return. The slip must be filed along with your income tax return to support any deductions and tax credit claims, such as the donation credit claimed on Schedule 9.
- You will also receive a charitable donation receipt. The eligible donation made in the 2010 calendar year as indicated on your donation receipt should be reported on Line 1 of Schedule 9 "Donations and Gifts" of your income tax return. The total donation claimed on Schedule 9 is then adjusted to be your donation credit amount, which then flows to Line 349 of your federal income tax return and to the related line on your provincial income tax return.
  - ◆ Your donations over \$200 will receive a tax credit calculated, on average, at the top tax bracket rates. This means that, if your income is not in the top tax bracket, you will get a larger tax credit than you would from ordinary tax deductions. If you are in the top tax bracket, then you will, in general, receive almost a dollar for dollar tax credit.
  - ◆  $\text{Schedule 9, Line 349 donation credit amount} = [\$200 \times \text{lowest tax bracket}] \text{ plus } [(\text{total donation} - \$200) \times \text{highest tax bracket}]$ .
  - ◆ Annual maximum donations are restricted to 75% of your net income. The net income figure is taken from line 236 of your personal income tax return. The donation credit from Line 349 results in a non-refundable tax credit, which means that you cannot create a loss on your personal income tax return from donations. However, any excess (donations greater than 75% of your net income) can be carried forward for up to 5 years.
  - ◆ Spouses may combine receipts and claim on one personal income tax return to maximize the donation credit.

- Additionally on your T1 General, complete Schedule 3 [Capital Gains (or Loss)] under line #4.
  - ◆ For legal description, please indicate Computer learning program licenses.
  - ◆ The year of acquisition is the year of your donation.
  - ◆ Proceeds of disposition is your courseware donation amount (please refer to your courseware donation receipt).
  - ◆ Adjusted Cost Base is also your courseware donation amount (please refer to your courseware donation receipt).
  - ◆ Outlays and expenses is \$0.00.
  - ◆ Gain or (loss) is also \$0.00.
- You must fill out Form T5004 "Claim for Tax Shelter Loss or Deduction" and attach the form to your personal income tax return. This form is an information return and will not impact your tax return. However, it is used by the Canada Revenue Agency to identify all deductions and tax credits claimed in your tax return relating to your donation and to substantiate these claims. To fill out the form, you must:
  - ◆ Write the Tax Shelter name and number – as shown on the T5003 slip
  - ◆ Write the date (month and year) of your donation amount (Gift-in-Kind receipt)
  - ◆ Write the amount of deduction or tax credit you claimed in your 2010 income tax return and the related line reference – i.e. donation credit amount from line 349.

Please keep a copy of all of the above for your records. We highly recommend that you consult with a Tax Accountant or Financial Consultant to assist you.

**DISCLAIMER:**

This material deals with complex matters and may not apply to particular facts and circumstances. As well, the material contained herein reflects laws and practices which are subject to change. For these reasons, this material should not be relied upon as a substitute for specialized professional advice in connection with any particular matter. Although this material has been carefully prepared, Global Learning Group Inc. does not accept any legal responsibility for its contents or for any consequences arising from its use.



## Glooscap Heritage Society

On the outskirts of Truro, Nova Scotia, our friends at the Glooscap Heritage Society celebrate the Mi'kmaq heritage. They are steadily growing and building on their mandate to preserve their culture and language.

Through weekly cultural workshops, community members and visitors can acquire various skills in arts and crafts, quill work, hide tanning, traditional survival techniques, traditional medicines, traditional methods of tool creation, and hunting and fishing.

In September 2010, the Mi'kmaq Veteran's exhibit was completed. This permanent exhibit pays tribute to the many Mi'kmaq veterans that joined the fight to protect our country and its allies in both World Wars. They have plans to expand this tribute by

developing a traveling Veteran's and RCMP memorial.

One of their biggest projects is the renovation of the newly acquired building located next door into their new Learning Annex which will house their new computer centre. The ongoing development of their learning centre encourages Mi'kmaq people to complete their selected online courses. They plan to develop partnerships with all Mi'kmaq communities in Atlantic Canada by providing access to the programs offered at the Glooscap Learning Annex. With over 500 people already registered in 2010, the expanded and enhanced computer centre will enable this program to grow significantly.

Also, the Annex will host a new dinner theatre.

This will provide a venue for the Glooscap Legends to perform original aboriginal theatre productions along with the opportunity for various performances to be added in the future. "It is an opportunity for First Nation people in the area to be part of the creative process in sharing their stories, music and cultural perspective with audiences," stated Gordon Pictou, GHS Program Director.

Through the continued support of generous donors, Glooscap is able to continue developing educational programs to preserve their language and culture as well as offering skills development of the Mi'kmaq people.

## FREQUENTLY ASKED QUESTIONS

### Q) How does Global Learning Trust (2004) help worthy charities?

A) Global Learning Trust (2004) provides approved beneficiaries the opportunity to receive educational courseware from the Trust and to donate this courseware to the charity. The approved beneficiary assumes no financial obligation in receiving the courseware because the courseware is distributed free of debt or liens, and there is no binding obligation for the beneficiary to donate the courseware.

### Q) What happens if the CRA chooses to reassess this program?

A) CRA has a three year window to reassess this program before they are statute-barred from doing so. If the CRA does choose to reassess, GLGI will take the appropriate steps to co-ordinate a vigorous defense of the program in the Tax Court of Canada. It may be possible that a representative case would be chosen from all reassessed donors, and the entire program would be tried based on that one case. GLGI has established a Defense Fund which in excess of \$1,000,000; an amount considered adequate to competently defend the program (to the Supreme Court if necessary) should a challenge arise.

### Q) If a donor is reassessed with GLGI and subsequently passes away, what is the estate's responsibilities and liabilities?

A) The estate will step into the shoes of the deceased and get his/her assets and liabilities. The estate would be responsible for the reassessment.



**GLGI will be closed on the following Long Weekend Statutory Holidays:**

**Easter Weekend: Friday, April 22nd and Monday, April 25th**

**Victoria Day: Friday, May 20th and Monday, May 23rd**



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