Liberty World Ministries / FOFEM

BOOKKEEPING, BANKING, DONATION RECEIPTING & CRA RELATIONSHIP GUIDELINES

For pastors, campus leaders, missionaries, associate ministries, administrators and bookkeepers

CURRENT OPERATIONAL STATUS NOTICE - READ FIRST

As of August 7, 2026, the CRA published revocation list shows Liberty World Ministries Inc. (891586794RR0001) as revoked effective June 13, 2026 for failure to file. CRA states that a revoked charity cannot issue official donation receipts. Until active registration is confirmed by CRA, no new official LWM donation receipts are to be issued under that number.

This notice concerns registration status and filing. The published reason is failure to file, not an audit finding that LWM charitable activities were improper. CRA permits a charity revoked for failure to file to re-apply, and status may in some circumstances be restored retroactively; however, CRA also states that receipts cannot be issued while the re-registration application is under review.

When registration is restored, the general operating rules in this guideline continue to apply. Replace or update this dated status notice when CRA confirms a change in status.

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QUICK REFERENCE - THE RULE IN ONE PAGE

Classify the relationship before handling the money.

FOFEM credentialing, ministry authority, bookkeeping administration and charitable receipting are separate relationships. A title such as pastor, campus director, missionary, associate or ordained minister does not by itself determine who owns the funds or whose CRA number belongs on a receipt.

1. Identify the legal entity

Who legally receives and owns the money?

2. Identify the bank owner

Whose legal bank account or LWM-controlled sub-account holds the funds?

3. Identify the financial relationship

LWM internal; approved LWM program; independent registered charity; independent bookkeeping client; or inter-charity/grant/intermediary arrangement.

4. Verify receipt authority

The legal charity named on the official receipt must have active CRA registration. The receipt uses that charity's legal name and registration number.

5. Keep separate books separate

If LWM is only the bookkeeper, the client charity/ministry stays out of LWM consolidated books.

6. Never use LWM as a receipt pass-through

A gift receipted by LWM must truly be a gift to LWM. LWM may then apply it to its own charitable work or make a lawful qualifying disbursement.

7. Record inter-charity gifts separately

When LWM gives to another registered charity/qualified donee, record that as an inter-charity gift. The recipient acknowledges it but does not issue LWM an official tax receipt.

8. Stop if unclear

If legal ownership, registration status, donor intent or transfer authority is unclear, do not issue a receipt or transfer funds until Finance/Board classification is complete.

Five Relationship Categories

LWM internal | Approved LWM associated program | Independent registered charity - LWM bookkeeping | Independent bookkeeping client | Inter-charity gift / grant / intermediary arrangement

Receipt rule: the legal charity that receives the qualifying gift is the charity whose identity and active CRA registration govern the official receipt.

1. Purpose and Governing Principle

Liberty World Ministries (LWM) and the Fellowship of Evangelical Ministers (FOFEM) work with people and organizations in several different relationships. These relationships can be spiritually close while remaining legally and financially different. This guideline prevents those differences from being blurred in bookkeeping, banking, fundraising, donation receipting and CRA reporting.

Governing principle: the legal and financial relationship controls the bookkeeping and receipting treatment - not the ministry title.

2. Keep Four Questions Separate

Ministry role

Pastor, associate pastor, missionary, evangelist, bishop, campus director, instructor, regional director, etc.

Credential status

FOFEM affiliate, licensed minister, ordained minister, or credentials held elsewhere.

Organizational relationship

Part of LWM; approved LWM program; independent associated charity/ministry; bookkeeping client; grantee/intermediary/project partner.

Financial authority

Who may prepare, approve, pay, reconcile, transfer, administer receipts or give final financial approval.

3. LWM Internal Divisions, Churches, Campuses and Programs

Where a campus, church, college, mission, conference or other program is formally part of LWM, its finances are LWM finances. The program may have a separate budget, internal fund, bank sub-account and delegated local approvals, but those administrative separations do not create separate legal ownership.

- Books consolidate into LWM financial records.
- Bank or sub-account ownership/control is LWM.
- Donations received by LWM are LWM resources.
- A local leader may approve expenses only within delegated authority.
- Official LWM receipts may be issued only when LWM registration is active and the donation qualifies as a gift.

4. Approved LWM Associated Ministry Program - The "Umbrella" Relationship

LWM may operate an approved charitable program under a distinct ministry name while allowing the pastor, missionary or local leader substantial day-to-day independence. This is the proper meaning of an LWM "umbrella" relationship: the approved work is genuinely connected to LWM's charitable operations and LWM remains legally accountable for the charitable resources.

An umbrella relationship is not permission for an otherwise independent organization to borrow LWM's registration number. CRA states that a charity must not lend its registration number to another organization.

- Written ministry/program approval and scope.
- Approved charitable purpose and activities that fit LWM's purposes.
- Defined budget, delegated spending authority and reporting.
- LWM-controlled bank/fund structure and proper source documents.
- Clear rules for compensation, reimbursements, property and termination.
- Regular financial/ministry reporting and required Board/Finance oversight.

5. Independent Registered Charity - LWM as Bookkeeper / Administrator

An associated church or ministry that has its own active CRA charitable registration remains a separate charity even if LWM/LES performs its bookkeeping and administers its receipting workflow.

- Its bank account remains its bank account.
- Its ledger and financial statements remain separate from LWM.
- Its official receipt uses its legal name, address and CRA registration number.
- Authorized LWM/LES personnel may prepare or sign receipts only as authorized administrators for that charity; legally the receipt is the independent charity's receipt.
- That charity remains responsible for its books, records, T3010 and other CRA obligations.
- LES must never substitute LWM's registration number for convenience.

6. Independent Ministry / Church - Bookkeeping Only

LWM may provide bookkeeping services to an independent ministry that is not a registered charity. The bookkeeping service does not make the organization part of LWM and does not create donation-receipting authority.

- Separate legal entity and separate books.
- Separate bank account ownership.
- No official LWM charitable receipt for money donated directly to that independent ministry.
- FOFEM credentials do not create charitable registration.
- If the organization later becomes a registered charity, its own CRA number governs its receipts.

7. Donations to LWM and Later Gifts to Associated Charities

A donor may make a genuine gift to LWM. When LWM is actively registered and the gift qualifies, LWM may issue the official receipt. LWM can then use its resources for its approved charitable programs or make a properly approved qualifying disbursement.

Where the recipient is another registered charity or other qualified donee, LWM may make an inter-charity gift. The recipient charity should provide its registration information and an acknowledgement or ordinary receipt; CRA says it should not issue an official income-tax donation receipt to LWM because registered charities do not need one for tax-credit purposes.

- Record the original donor gift to LWM separately from the later inter-charity transfer.
- Verify the recipient is currently a qualified donee before payment.
- Record recipient legal name, registration number, amount, date, purpose and approval.

- Classify the amount correctly for T3010 reporting.
- Do not describe the transaction as simply "giving Pastor X his donations."

8. Grants to Non-Qualified Donees and Intermediaries

Since 2022, the Income Tax Act permits registered charities to make qualifying disbursements by grant to non-qualified donees if the statutory accountability requirements are met. This differs from using an intermediary to carry on the charity's own activity.

- Grant to a non-qualified donee: the grantee may conduct its own activity, but LWM must ensure the grant is used exclusively for charitable activities that further LWM's charitable purposes and must keep sufficient documentation.
- Intermediary for LWM's own activity: the activity remains LWM's own and LWM must exercise the direction and control required for that structure.
- Do not promise or transfer funds until Finance/Board has classified which structure applies.
- Where reporting thresholds apply, complete the required T3010/T1441 information.

9. Donor Preferences, Programs and Pass-Through Risk

CRA permits donors to ask that a gift be used in a particular program operated by the charity. A donor cannot choose a specific beneficiary for a charitable gift or require a charity to act merely as a conduit for an impermissible directed transfer.

Preferred wording	Avoid wording
“Gift to Liberty World Ministries - India Missions Program.”	“Give Pastor X money through LWM so you can get a tax receipt.”
“Preference: support the approved Caribbean Ministry Program.”	“LWM must transfer my donation to this named person.”

10. Bank Accounts, Funds and Sub-Accounts

LES must identify the legal owner of every bank account and every fund. An internal program name is not ownership.

- LWM-owned / LWM-controlled account: part of LWM books.
- Independent-entity account: belongs to that entity and stays outside LWM consolidated books.
- Project/agreement account: permitted only when the underlying written arrangement clearly identifies ownership and authority.
- No pastor, administrator or bookkeeper may change ownership classification merely to simplify reconciliation or receipting.

11. Payments to Pastors, Missionaries and Ministry Workers

Charitable program money does not become the personal property of the leader. Every payment to an individual must be classified by what it actually represents.

- Documented expense reimbursement
- Accountable travel advance
- Salary/wages or ministry compensation
- Honorarium or contractor payment

- Approved program purchase
- Other properly documented payment

Avoid descriptions such as “give the minister his donations.” The books should show the actual economic and legal reason for the payment.

12. Campus Directors, Pastors and Associate Ministers

A ministry leader can have extensive operational authority without owning the charitable funds. LES must therefore store ministry position and financial authority separately.

- Campus Director may manage an approved budget but not change legal ownership of the account.
- Pastor may approve ordinary ministry expenses within delegated limits.
- Associate minister status does not automatically authorize LWM receipting.
- Credentialed independent pastor may remain entirely financially independent.
- Only specifically authorized personnel may approve or sign official receipts for the charity named on the receipt.

13. LES Controls Required

Before LES allows financial activity for a ministry, campus or associate, an Organization Relationship Record should be completed with at least the following fields:

- Legal entity name
- Operating/ministry name
- FOFEM relationship/credential status
- Financial relationship type
- Separate legal entity?
- Registered charity / qualified donee status
- CRA registration number and current status verification date
- Legal bank-account owner
- LWM sub-account authorized?
- Receipt issuer legal entity
- Who may prepare / approve / sign receipts
- Included in LWM consolidation?
- Responsible leader
- Payment approval limits
- Written agreement on file
- Board approval date where required
- Effective and termination dates

System rule: the receipt module must be disabled when the selected legal charity does not have an active verified registration status.

14. Inter-Charity Gift Controls

Every gift from LWM to an associated registered charity or other qualified donee should create a distinct transaction record containing:

- Recipient legal name and CRA/qualified-donee identifier
- Verification date and status

- Amount and payment date
- Purpose / charitable rationale
- LWM approval
- Source LWM fund/program
- Recipient acknowledgement
- T3010 reporting category
- Related-party / non-arm's-length flag
- Supporting agreement where applicable

Finance / Board caution: CRA guidance currently states that a charity designated as a charitable organization may be re-designated as a public foundation if more than 50% of its income is disbursed by way of gifts to qualified donees. Before substantial inter-charity gifting, verify LWM's current CRA designation and obtain appropriate professional review. Additional anti-avoidance rules can apply to non-arm's-length gifts between charities.

15. Books, Records and Retention

Records must be sufficient to show who received the funds, how they were used, who approved them, and why the activity or disbursement was charitable. Keep source evidence linked to the transaction whenever practical.

- Donation records and receipt copies
- Bank statements and reconciliations
- Invoices, receipts and payment confirmations
- Program budgets and approvals
- Contracts and association agreements
- Inter-charity gift/grant records
- Payroll/contractor records where applicable
- Board resolutions and authority records
- T3010/T1441 and supporting workpapers

CRA retention periods vary by record type. General source records commonly require at least six years, while certain governing and long-term charity records must be kept longer or permanently. LES retention rules should follow the applicable CRA category rather than one blanket period.

16. Staff Stop-Sign Rule

STOP - DO NOT ISSUE A RECEIPT OR TRANSFER FUNDS

- if the legal recipient of the money is unclear;
- if the bank-account owner is unclear;
- if the charity registration status is inactive or unverified;
- if a donor appears to be requiring a pass-through to a named person/non-qualified recipient;
- if the ministry relationship has not been classified;
- if the transfer would exceed delegated authority or lacks required approval.

17. Language We Use

Use	Avoid

“FOFEM credentialing and financial association are separate relationships.”	“Use our charity number.”
“LWM/LES may administer the books of an independent charity while that charity retains its own legal identity and CRA number.”	“We can receipt donations for anybody in FOFEM.”
“An approved LWM program may operate with substantial local independence while LWM remains accountable for LWM charitable resources.”	“The money is yours; it just passes through LWM.”
“LWM may make properly approved qualifying disbursements to associated charities or other permitted recipients.”	“Associate status automatically puts you under LWM's charity.”
“Official receipting authority depends on the legal charity receiving the gift and its current registration status.”	“Every ordained minister automatically gets clergy tax deductions.”

18. Approval and Annual Review

Each relationship should be reviewed whenever there is a major change and at least annually for active financial relationships. Review: legal entity, banking ownership, CRA/qualified-donee status, authorized signers, program scope, spending limits, agreements, receipting authority, and consolidation treatment.

Any change from independent status to LWM-program status, or the reverse, must have an effective date and opening/closing balances so LES does not blend funds from two different legal relationships.

CRA Sources Used for This Guideline

- **CRA - Registration number / lending registration numbers:** https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/registration-number.html
- **CRA - Questions and answers about operating a registered charity:** https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/questions-answers-about-operating-a-registered-charity.html
- **CRA - What is a gift? (directed gifts / program preference):** https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/receiving-gifts/what-a-gift.html
- **CRA - What you need to know to issue an official donation receipt:** https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/issuing-receipts/what-you-need-know-issue-official-donation-receipt.html
- **CRA - Gifts from other registered charities:** https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/receiving-gifts/gifts-other-registered-charities.html
- **CRA - Registered charities making grants to non-qualified donees (CG-032):** https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/charities-making-grants-non-qualified-donees.html
- **CRA - Meeting the disbursement quota:** https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/checklists-charities/meeting-disbursement-quota.html
- **CRA - Consequences of revocation:** https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/revoking-registered-status/consequences-revocation.html

- **CRA - Apply to register your revoked charity:** https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/registering-charitable-qualified-donee-status/apply-register-revoked-charity.html
- **CRA - List of published revocations:** https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/revoking-registered-status/list-published-revocations-charities-oqd.html

Important: This document is an internal operational guideline. It is not a substitute for legal, accounting or tax advice. Where a structure is unusual, material, cross-border, non-arm's-length or involves grants to a non-qualified donee, obtain appropriate professional review before funds are committed.

Internal Adoption

Approved by	
Position	
Approval date	
Next review date	