

Consultation on Political Activity and Charities

Submission of Jane Garthson, Garthson Leadership Centre

1. Carrying out political activities

- Are charities generally aware of what the rules are on political activities?

No, they are not. Many people in charities wrongly believe charities are prohibited from any form of influencing public policy.

- What issues or challenges do charities encounter with the existing policies on charities' political activities?

Charity leaders have no way of knowing how CRA will interpret the 10% of resources rule on any one day by any one CRA staff member. The interpretations appear capricious and inconsistent, particularly with regard to the value of volunteer time and effort. As a result, there is a climate of fear of any involvement at all.

There is also an assumption that government funders will use the information to deny even totally unrelated funding – a past case involved denying continued funding for gender equality work in the Congo due to some of the charity's volunteers, on their own, protesting fracking in Alberta.

There is also an assumption, with good evidence despite government denials, that admitting to any political activity will increase the chance of a CRA audit, drawing charities resources away from programs and services to pay for lawyers, accountants and senior management time.

- Do these policies help or hinder charities in advocating for their causes or for the people they serve?

The policies drastically reduce the ability of charities to serve the public benefit as they are intended to do, and want to do. Anyone who has remotely kept up with strategic thinking practices, and effectiveness measures, know that far more can be accomplished when you articulate and strive to achieve a positive, long-term vision. For example, attempting to alleviate or reduce poverty simply doesn't work well enough to save generations living in poverty. Seeking economic and social justice is much more likely to significantly and quickly reduce the number of children and adults living in poverty. But certain closed minds in CRA, and perhaps directing CRA, don't think eliminating poverty or hunger could be a charitable purpose; they would rather always have hungry Canadian children living in poverty.

Separately, and speaking partly as a former civil servant who developed policy and legislation, Canadians deserve informed decision-making about policies. Without a strong charity voice, based on extensive front-line knowledge and contacts as well as professional research, policy-makers are unduly influenced by the strong voices of business and backroom party politicians. A level playing field requires charities as free and able to provide policy input as corporations and business associations.

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Without that, we are GUARANTEED policies that hinder causes such as environmental protection and social justice. We are GUARANTEED to harm the Canadians who are most vulnerable. Too much information is simply missing when policies are being developed by civil servants who often know far less about the issue than charity employees do.

2. The CRA's policy guidance

- Is the CRA's policy guidance on political activities clear, useful, and complete? For example, how could the CRA improve its policy guidance on these topics:
 - the description of a [political activity](#)

This needs two major changes. First, stop calling public policy input "political". Charities consider political a negative term, so they read the second part as entirely prohibited activities, and miss that the part above is permissive. Use the word political for partisan activities and advocacy for the eligible ones. And note that "partisan" is not a word most ESL folks would even know; the document has to be written with newcomers in mind.

Second, remove the entire "subordinate" bullet. That's right –remove, not amend. If an organization's best role for achieving a public benefit vision for Canadians means being primarily involved in public policy, *encourage* that.

- the description of a [partisan political activity](#)

See above.

- charities' [accountability](#) for their use of resources

DELETE. Of course charities should be accountable for their use of resources, but there is no good reason for asking them to specifically track the resources used for public policy advocacy. This is a waste of volunteer and staff time, better used in serving Canadians well. Yes, I know that means amending the Income Tax Act – something that is amended at least once a year for Budget measures and housekeeping items so that's not a big deal.

- Which formats are the most useful and effective for offering policy guidance on the rules for political activities? For example:
 - two to three minute videos
 - videoconferences
 - comprehensive guidance documents like those on the CRA website
 - webinars or other types of presentations delivered by organizations other than the CRA
 - other formats

Clean up the guidance first!!! Then offer all, plus podcasts, in numerous languages where possible. Sometimes it's easier to distribute a link or document in a meeting package; some

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people need audio or video to comprehend issues or even learn why they should try to read a document.

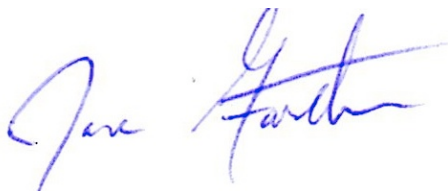
3. Future policy development

- Should changes be made to the rules governing political activities and, if so, what should those changes be?

See above. Get rid of the 10% and tracking of resources used for advocacy. Stop using the word “political” for allowed activities. Take away the ability of CRA to even ask about; their focus in this regard should be entirely on partisan activities. Change the Charity Return in that regard too. Get rid of the “subordinate” requirement.

Put into the rules for ALL government policy development that charity input is to be explicitly sought out, encouraged and considered – **a public benefit lens**. There is no government policy that doesn't impact some aspects of health, environment, economic development, social services, education, arts, sports, recreation and all those other areas where charities are active.

Thank you for the opportunity to comment.



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Providing leadership services to boards and senior management of associations and charities since 1992

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