

# Advocacy

## ELEVATOR SPEECH

*Canadian charities and nonprofits have helped to shape and define our nation through significant and positive contributions to public policy. Efforts to create smoke-free workplaces, preserve the environment and protect children are but a few examples. The sector has vital front-line expertise and often speaks for those who cannot speak for themselves. It's important these organizations continue to have a strong voice in policy discussions and that all levels of government support and encourage this participation.*

## CONTEXT

Despite the sector's positive impact on public policy, there is some confusion as to what types of public policy activities charities are allowed to do. (There are limits on the **political activities** of charities which do not apply to nonprofits, see below). Charities' involvement in policy discussions is being challenged by some in the media and government, resulting in some charities feeling under attack for such activities. Imagine Canada believes the full participation of the sector is crucial to the democratic process.

## KEY MESSAGES

- Charities were instrumental in advocating for smoke-free environments, reducing tobacco consumption and curtailing acid rain. Similarly, charities have helped create the Registered Disability Savings Plan, the Canadian Initiative for Maternal, Newborn and Child Health, the Treaty to End Land-Mines, and laws to combat child-trafficking and drunk driving, to name but a few initiatives in which charities have been involved.
- Firmly rooted in their communities, charities bring a wide range of front-line expertise to policy issues and often speak up for Canadians who are marginalized and unable to do so themselves.
- Engagement in public policy is an important activity for many charities and is regulated by the Canada Revenue Agency.
- It would be detrimental to the country if we created an uneven playing field, restricting charities' public policy engagement while continuing to facilitate lobbying by corporations.

## WHAT ARE THE FACTS?

There are three categories of activities to consider: charitable, political and partisan.

### Charitable

Charities are called on to promote or advocate for their mission, and/or educate the public, as part of their day-to-day operations. While it does not itself use the term "advocacy," the Canada Revenue Agency (CRA) recognizes that

much of this charitable activity is **not subject to any restrictions or limits** in the Income Tax Act. According to the CRA, "when a registered charity makes a representation, whether by invitation or not, to an elected representative or public

official, the activity is considered to be charitable. Even if the charity explicitly advocates that the law, policy, or decision by any level of government in Canada or a foreign country ought to be retained, opposed, or changed, the activity is considered to fall within the general scope of charitable activities.”<sup>1</sup>

### Political

CRA defines political activity as a call to political action such as encouraging the public to contact a public official in support of the charity’s position. Political activity must relate to a charity’s purpose and charities are generally not allowed to devote more than 10% of their resources to political activity.<sup>2</sup> Note: making a gift to another qualified donee, another charity for example, to

support political activities is itself considered a political activity.

### Partisan

Partisan political activity is the direct or indirect promotion of a political candidate or party, or the direct or indirect opposition to a political party or candidate. Partisan political activity by charities is explicitly banned.<sup>3</sup>

CRA limits on the political activities of charities do not apply to nonprofits. This summary is for information purposes only, additional details on the CRA’s regulations on political activity by the charitable sector can be found at [cra-arc.gc.ca](http://cra-arc.gc.ca) (document reference: CPS-022).

<sup>1</sup> [Political Activities, Policy Statements, Canada Revenue Agency, 2003.](#)

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> [Sector Monitor, Factsheet 2, Vol. 1, No. 3: Public Awareness and Policy Activity, Imagine Canada, 2010.](#) Note: T3010 data for 2012 to date (83,000 of about 86,000 charities reporting) indicates that there were 639 charities (.77%) that engaged in political activities. (Answering yes to Line 2400 and/or reporting expenditures on political activity on Line 5030).

<sup>5</sup> [MADD Canada LIVES SAVED 1982-2010: April 2, 2013.](#)

<sup>6</sup> [Public policy and the nonprofit sector, The Philanthropist Vol. 23, No. 4.](#)

## HOW MANY CHARITIES ENGAGE IN POLITICAL ACTIVITIES?

According to Imagine Canada research in 2010, just over a third (39%) of the charities surveyed engaged in permitted political activities over the previous year. In terms of specific activities, charities are most likely to encourage the public to contact elected representatives or government officials (22%) or to make a statement to the media (19%). Most organizations engage in these activities irregularly (40%) or a few times a year (37%) — just 6% engage in them a few times a week or more.<sup>4</sup> More details of Imagine Canada’s research on this issue, through its [Sector Monitor Program on sectorsource.ca](#).

## SUCCESS STORIES

The impact of charities and nonprofits is not always easy to quantify. However, using scientific formulas developed for the United States National Highway Traffic Safety Administration, MADD Canada has estimated that its work, and that of predecessors and like-organizations, has saved more than 36,600 lives between 1982 and 2010 through declines in alcohol-related traffic fatalities.<sup>5</sup>

Writing in *The Philanthropist*, Susan Carter adds to the list of successes. “...nonprofit organizations are engaged at all stages of the process. They are most prominent in identifying issues in need of attention. Child poverty, poverty among the elderly, breast cancer, AIDS, famines and illiteracy, prisoner abuse, fragmentation within public and private pension systems, and the potential extinction of certain species of animals and birds — all emerged originally from organizations working at the community level and beyond.”<sup>6</sup>

Imagine  Canada

the narrative

A NEW CONVERSATION ABOUT CHARITIES AND NONPROFITS

### IMAGINECANADA.CA/NARRATIVE

Imagine Canada, as the next stage of its National Engagement Strategy, is working with a broad cross section of organizations to create a New Narrative about the role and contributions of the charitable and nonprofit sector in Canada. In addition to contributing to the fabric of society we are a significant economic force and our organizations have played a pivotal role in building and defining our nation. The sector reflects Canadians’ values and helps to implement shared visions. Yet we have not always been successful in sharing this story with Canadians. For more information please see the [Narrative Tool Kit](#).