Policy to the Point

Influencing Public Policy
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REGULATIONS FOR CANADIAN CHARITIES ENGAGING IN PUBLIC POLICY ACTIVITIES
Nonprofit organizations that are federally registered as charities must adhere to the Income Tax Act (ITA) regulations, as interpreted and applied by the Canada Revenue Agency (CRA). Recent Amendments to the ITA now allow registered charities to engage in unlimited public policy dialogue and development activities, so long as these activities further their charitable purpose(s) and do not involve the direct or indirect support of, or opposition to, any political party or candidate for public office. Nonprofit organizations that are NOT registered charities do not need to adhere to these regulations.

Scope of Public Policy Activities:
• Charities must still be created and operated exclusively for charitable purposes.
• The new definition of “charitable activities” now includes, without limitation, public policy dialogue and development activities carried on in furtherance of a charitable purpose.
• Public policy dialogue and development activities generally involve seeking to influence the laws, policies or decisions of a government, whether in Canada or a foreign country.
• Charities still cannot engage in any direct or indirect partisan political activities.
• The Canada Revenue Agency will soon release information for charities on the administration of the new rules, such as what constitutes “indirect” partisan activity.

CCVO will continue to monitor this issue and share our analysis of the impact as it unfolds.

A Role for Charities in the Policy Process
Charities are a source of insight and expertise about the communities and the people they serve and sharing this knowledge with all levels of government can lead to more effective public policy.

Background
In July 2018, an Ontario judge ruled that the limitation on political activity of charities is an infringement on freedom of expression for charities. The Federal government responded to this ruling, and now makes a distinction between policy and law. This response led to legislative amendments to the Income Tax Act in Fall 2018 removing restrictions on charities from participating in nonpartisan public policy dialogue and development activities in support of its stated charitable purposes. However, for legal reasons, the Federal government intends to appeal the July 2018 Ontario court decision in order to “seek clarification on important issues of constitutional and charity law”.

The legislative changes were a response to one of four recommendations from the Consultation Panel on the Political Activities of Charities appointed by the Minister of National Revenue. There continue to be three recommendations that have not been addressed.
Resources

*Income Tax Act*

Explanatory Notes can be found [here](#).

*Federal Lobbying*

Organizations undertaking advocacy activities at the federal government level should also review the *Lobbying Act* to assess if they meet the threshold that would require them to register as lobbyists.

*Provincial Lobbying*

Most nonprofit organizations are exempted from Alberta’s Lobbyists Act. Exceptions include organizations serving industry, professional, management or union interests. For detailed information, visit the [Alberta Lobbyist Registry website](#).

**Disclaimer:** This publication is intended to provide general information about advocacy rules for charities. If legal or other expert assistance is required, the services of a professional should be sought. Other organizations are welcome to distribute, use and quote from any of our publications. We ask that you acknowledge CCVO as the source.