FACT SHEET ON POLITICAL ACTIVITIES BY CHARITIES

This fact sheet provides information from the Canada Revenue Agency for charitable organizations wishing to participate in political activities leading up to the 2017 British Columbia Provincial Election.

We encourage all charitable organizations to be aware of and follow Canada Revenue Agency rules relating to political activities. We hope that you find this information useful as you prepare grant applications to Vancouver Foundation, and for planning advocacy and community engagement activities.

OVERVIEW OF POLITICAL ACTIVITIES FOR CHARITIES

Political activities rules are concerned with how a charity uses its resources. Resources are anything that a charity owns or controls, such as money, buildings, or volunteer time.

Charities in Canada are uniquely positioned to contribute to the development of public policy. Front-line experience in their field of operations gives them valuable insight that can help inform public debate and government decision-making.

Considering this, the Income Tax Act permits any charity to carry out a limited amount of non-partisan political activity in support of its charitable purposes. For those charities that choose to become involved in political activities, the law is clear: charitable purposes must always come first. Political activities can only be a minor focus, serving to support an organization’s charitable purpose.

A charity that doesn’t comply with these rules can face serious consequences, including having its charitable status revoked. Whenever appropriate, the CRA follows an education-first approach to help charities comply with the rules.


WHAT IS A POLITICAL ACTIVITY?\(^2\)

A political activity is considered to be any activity that tries to change, retain, or oppose a law, decision, or policy of any government.

For example:

- a charity formed to increase traffic safety might set up an online petition urging a province’s minister of transportation to lower speed limits on highways;
- a charity that helps senior citizens might put out a message on its website arguing that the city council should reduce bus fares for seniors;
- a charity might make a gift to another charity that helps senior citizens and say the gift is for its campaign to encourage city council to reduce bus fares for seniors.

If a charity decides not to engage the public, and instead makes a representation only to government, this is generally considered charitable and not political.

CHARITIES MUST ALWAYS BE NON-PARTISAN\(^3\)

"Non-partisan" has a specific meaning when it comes to charities: it means that charities must never use any resources to directly or indirectly support or oppose any political party or candidate for public office. By resources, we mean anything that a charity owns or controls, such as money, buildings, or staff or volunteer time. For instance, a charity must never make a campaign donation to a political party, or tell its volunteers to help out on a candidate’s bid for election.

But being non-partisan means more than just staying out of direct involvement in elections: it also means that when a charity shares its views on a policy, law, or issue, it must not connect those views with any particular political party or candidate.

For example, an educational charity could say publicly that Canada's provincial governments should all adopt a general policy of building more schools, and by itself this would probably be an acceptable political activity.

But if its statement also congratulated a certain political party in a particular province for also supporting such a policy, this would be considered partisan.

A charity carrying out any partisan activity could face serious consequences, including losing its registered status.

SUMMARY\(^4\)

Simply put, charities are not political entities. At the end of the day, it's really about staying focused and using all resources for the purposes the charity was registered for in the first place.

For further information, please visit the Canada Revenue Agency’s webpage called "Resources for Charities about Political activities." You’ll find information sheets, guidance, a self-assessment tool, as well as questions and answers about political activities and Canada’s charities.


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