

Adams, Jared

From: Gardner-Barclay, Susan
Sent: January-11-13 2:29 PM
To: Love, Melanie
Cc: Panneton, Claude; Adams, Eve: HOC
Subject: RE: Political activities strategy
Attachments: PAB Political Activities Strategy 09Jan13_SGB.doc

Importance: High

Mel, attached are my comments. The most significant has to do with the basic focus of the strategy and key messaging. We should not be delivering messages that the Charities Directorate is delivering i.e. technical info on what the amendments are – that is their business and the focus of the outreach strategy. Rather, our messaging should be focused on addressing the concerns and misperceptions that the charitable community has about the amendments i.e. what surfaced in the public environment and media.

Sue

From: Love, Melanie
Sent: January-10-13 6:50 PM
To: Gardner-Barclay, Susan
Cc: Panneton, Claude
Subject: Political activities strategy
Importance: High

Sue,
Attached is the first draft of the political activities comms strategy. The environmental analysis section still requires a bit more summarizing but hopefully the direction and key points are there.
Thanks,
M.

Melanie Love

Issues and Communications Manager | Gestionnaire des communications et des enjeux
Issues Management and Program Communications Division | Division de la gestion des enjeux et communication des programmes
Public Affairs Branch | Direction générale des affaires publiques
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Government of Canada | Gouvernement du Canada

COMMUNICATIONS STRATEGY Charities Political Activities

Objective:

The Canada Revenue Agency (CRA) needs to strategically communicate Budget 2012 amendments concerning the transparency and reporting of ~~for registered charities political activities~~ by registered charities, with a focus on addressing misperceptions and mischaracterizations currently in the public environment on the nature and application of those amendments. Communications should be targeted and delivered at the local level through existing channels, in order to effectively seize the opportunity to deliver accurate information in an environment that is less "noisy", and to minimize further public exposure to inaccuracies reporting requirements while being cautious not to highlight and over-promote one component of the charitable sectors' compliance obligations.

A low key, reactive approach using pre-existing communications channels will provide direction to registered charities on the CRA's fundamental responsibility to apply the provisions of the *Income Tax Act* as they relate to the political activities and offer opportunities to:

- Clarify that the rules pertaining to the level and nature of political activities undertaken by charities remains essentially unchanged;
- Ensure a common understanding of define the CRA's definitioninterpretation of political activities;
- Correct misperceptions and address concerns of the charitable community about why and how the new requirements are being applied;
- clarify the updated requirements for political activities reporting;
- mitigate misconceptions that Budget 2012 changed the allotted amount of resources allowed for political activities;
- enhance overall compliance through confidence in the integrity of the regulatory system for charitieseducation; and
- communicate that the Government of Canada's recognizes the valuable contribution charities make to communities and encourages Canadians to donate wisely.

Background:

On March 29, 2012, the Minister of Finance presented the 2012 federal Budget. There were several measures proposed related to reporting, compliance and transparency, with respect to political activities carried out by registered charities and registered Canadian amateur athletic associations (RCAAs). The new measures for political activities came into effect on June 29, 2012 when the legislation received Royal Assent.

Under the Income Tax Act, registered charities are permitted to take part in political activities if they are non-partisan and connected and subordinate to the charity's purpose.

Budget 2012 proposed amendments to ensure that all funding intended for political activities is reported in a charity's annual information return and to increase transparency by requiring more information about political activities, including the extent to which funding from foreign sources is used to carry on political activities. The Budget also announced that the CRA will receive \$8M in funding to increase its audit efforts on political activities of registered charities.

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~~Following the Budget 2012 announcement, that the CRA will receive \$8M in funding to increase its audit efforts on political activities of registered charities, there have been~~ were a total of 10 media enquiries received by the CRA on the topic of political activities to-date. Of those enquiries: ~~six~~ 6 enquiries were directly the result of the Budget 2012 announcement and ~~four~~ 4 enquiries were linked to complaints about specific organizations. Some reports that had a clearer focus dealt mainly in speculation regarding on how the CRA would use the possible application of the \$8M or discussed the concept of political activity and how it should be defined ?? In general, within the larger context of the government's intentions. The CRA itself was not the focus of these reports.

Comment [GS1]: What was the nature of the complaints and who was complaining? This is not enough info.

Comment [GS2]: What did they say? How do they think we will use it??

Comment [GS3]: Again, what did the reports say about how political activities should be carried out or defined? This is important info from a comms perspective as it tells us where inaccuracies or misperceptions are occurring and what we need to say to address them...

The CRA defines a political activity as an action that seeks to retain, change, or oppose a law, policy, or decision of any level of any government by explicitly:

- communicating a call to political action (i.e. encouraging the public to contact an elected representative or public official to change the law);
- communicating to the public that the law should be changed; or
- indicating in internal or external records (i.e. publications, emails, or minutes of meetings) that the intent of an activity is to put pressure on an elected representative or public official to change the law.

Public Environment Analysis:

Over the past 12 months, the issue of political activities and registered charities has obtained a modest media profile. However, there has been increased media attention since the Budget announcement, and increased media coverage when high profile charities and charity heads have either lost their charity status, or been audited.

21(1)(b)

to speculation in the media about hidden agendas and the intentions of the Government of Canada, and the CRA. The speculation likely stems from a lack of awareness in the media and the charities community unclear rules about political activities and registered charities in the media, and potentially to the charities themselves. The coverage has been predominantly negatively biased, with criticism towards the conservative "Harper Government".

21(1)(b)

In late April of 2012, a Canadian Press report (also picked up by the CBC) noted that "The Conservatives are clamping down on the political activities of registered charities, but tax returns show only a tiny fraction of Canadian organizations spend money for political purposes."

Coverage of Environmental Charities

Environmental charities, particularly those opposed to oil-sands development, have been the focus of the majority of these articles. In addition, some attention to the environmental charities have come via opposing and competing interest organizations, such as ethicaloil.org as mentioned below.

In an opinion piece in the HuffingtonPost.com, Trish Hennessey noted argued that there is much public speculation about the motive behind the new government initiative, while with explicitly suggesting suggestions that charities focused on conservation and climate issues may have been the targeted of the Budget 2012 amendments.

Comment [GS5]: Please provide the and link if possible. Each reference to an article should be appropriately sourced

• **CRA aActions toward "pPartisan" cCharities: PEN Canada**

On December 17th, PEN Canada, a nonpartisan organization that defends freedom of expression as a basic human right, publicized a letter they had written to the Minister of National Revenue (dated December 14, 32012), citing serious concerns about recent CRA actions towards certain registered charitable organizations, and urging the Minister to initiate a discussion about this issue. In the letter, PEN highlights their concerns with actions taken with the following charitable organizations:

- *Canadian Mennonite* magazine, who received a letter from the CRA claiming their status was in danger of being revoked due to certain articles being published that were considered "partisan" in nature.
- *David Suzuki*'s resignation from his foundation citing political pressure from the CRA due to his stance opposing the development of the Alberta Tar Sands.
- *Tides Foundation*, an opponent to the Northern Gateway Pipeline, being targeted for multiple audits from the CRA.
- *Physicians for Global Survival (PGS)*, a group opposed to nuclear war, lost its charitable status in May 2012.

Comment [GS6]: This line should not be bulleted.

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• **Sierra Club Canada**

Lawyers for EthicalOil.org are accusing the Sierra Club of Canada Foundation of violating Canadian tax laws and 21(1)(b) and 24(1)

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21(1)(b)

Other coverage

Fraser Institute

Later media coverage began to shift toward scrutiny of perceived conservative think tanks that also have charitable status, and their perceived treatment under political donation rules in comparison to environmental and other charities. For example, according to XXX< (name of article, date, link)Tthe Fraser Institute received over \$4.3M over the last decade from eight major American foundations, including largethe most powerful players in oil and pharmaceuticals interests. However, they have "apparently not been the subject of scrutiny, despite the fact that, according to US tax documents, from between 2000 and 2010, the charitable organization received substantial money from American foundations."

Comment [GS8]: Where does this come from?? It MUST be sourced.

Fraser Institute President Niels Veldhuis told the Vancouver Observer that the Fraser Institute does accept foreign funding, but declined to comment on any specific details about the donations.

Comment [GS9]: Irrelevant from a comms perspective.

See **Appendix A** for media coverage from cited Federal Politicians, stakeholder groups, and the media.

A media scan every six months of articles relating to charitable political activities will highlight any changes in the public environment. This will help to identify if a shift in public perception is occurring and to ensure that CRA messaging is updated accordingly.

Comment [GS10]: This should be under evaluation.

Strategic Considerations:

Increased potential for media profile

In light of the above environmental analysis, Tthere are three main education or compliance activitiesactions that the CRA will be undertaking to increase educational and compliance efforts in the coming months years that could trigger further media attention.

- 1. Charities Directorate outreach activities** – as part of the Directorate's political activities education and information plan, there are a number of products and activities (i.e. information package, mail out, Webinar, video, and conferences) being developed to educate registered charities on their political reporting requirements. The broad scopepromotional nature of these activities could generate public commentary from concerned stakeholders and further heighten interest by the media.
- 2. Charity audits** – as part of the Budget 2012, the CRA received funding to increase the number of reviews and audits of registered charities, the first scheduled to conclude by end of fiscal 2012/13. This may raise concerns and questions by the charitable sector and stakeholders.

3. **Compliance actions** – following the audit process, there will likely be compliance action taken in some cases. These may range from more reminder letters sent to charities indicating that they may be over their allowable political activities limit to revocations of charitable status as a result of inappropriate political activities for political activities.

These educational and compliance efforts, individually or combined, could spark concern in the charitable community, garner further media attention and increase the profile of this sensitive issue of registered charities political activities and the Government of Canada's involvement. The communications approach and messaging must anticipate these outcomes and both manage and mitigate stakeholder reaction.

Strategic partnerships

The Charities Directorate should will need to leverage existing, positive partner relationships with intermediaries such as umbrella organizations, head bodies and professional associations, to target communications to the charitable sector with the specific political activities messaging on reporting requirement changes that they need to be aware of. Using utilizing these relationships with a variety of intermediary organizations and professional groups (lawyers, accountants) to disseminate factual, accurate messaging will provide low-profile, and targeted and unfiltered communications opportunities to the charitable sector through trusted sources.

Intra- and interdepartmental coordination

It is important for the CPA to continue its partnerships, collaboration, and coordination between the Public Affairs Branch and the the Charities Directorate's divisions to closely collaborate on the development and dissemination of products and activities to ensure unified and consistent messaging to stakeholders not only on the "what" and "how", but also on the "why". It is understood that the Charities Directorate remains solely responsible and accountable for communications concerning the operational implementation of the Budget 2012 measures.

Comment [GS11]: Intra means within a department, inter means between departments.

Sector make up

There are approximately 86,000 registered charities in Canada. The charitable sector is very diverse and is made up of many different types of organizations that range in size, degree of expertise, donor constituencies and beneficiaries. It includes large multi-million dollar institutions such as hospitals, as well as small volunteer-run organizations. Charities operate in large urban areas and in outlying communities both in Canada and abroad. Communications messaging must be tailored to This creates a unique communication challenge, as the sector has the varying needs of the community for information, direction and monitoring.

Communications Objectives:

- To establish a communications environment that encourages the transmission of accurate, timely and targeted information to charitable organizations provide information about the requirements related to political activities for registered charities.
- To clarify within the charitable sector that the rules governing registered charities' allowed allotment of resources devoted to political activities remains unchanged.
- To mitigate misunderstandings in the media on the intent and purpose of the Budget 2012 amendments and the CRA's role in monitoring registered charities political activities.

Communications Approach:

It is recommended that the CRA take a low-key, targeted reactive approach using pre-existing channels media to tailor communications to registered charities, stakeholders, and other intermediaries, to answer key questions such as:

- how does the CRA define political activities?
- what are the parameters for devoting resources to political activities?
- What are the changes to political activities reporting requirements?
- How will this affect registered charities?

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Tailored messaging that addresses the concerns and potential misperceptions within the charitable sector should be integrated into outreach activities and education material and should be developed by PAB in coordination with the Charities Directorate and PAB to ensure consistency and maximum reach and precise messaging specific to the CRAs objectives and target audiences.

Key Messages:

- As the federal regulator of charities, the Canada Revenue Agency (CRA) has an obligation to objectively and in a non-partisan way ensure that registered charities operate in compliance with the *Income Tax Act*.
- Registered charity must devote all of its resources to charitable purposes and activities.
- Charities may choose to advance their charitable purposes by taking part in non-partisan political activities if these are connected and subordinate to their charitable purposes.
- A partisan political activity seeks to further the interests of a particular political party, support a candidate for public office, or to retain, change, or oppose a law, policy, or decision of any level of any government in Canada or a foreign country.

- The rules relating to political activity apply to all registered charities and registered Canadian amateur associations.
- The new legislation requires registered charities to provide more information about their political activities, including the extent to which funding from foreign sources is provided for political activities.
- Registered charities that follow the requirements in good faith devote 90% or more of their resources to charitable activities can be assured that the CRA will not revoke their registration on the basis that they are not devoting enough of their resources to charitable activities.
- The CRA monitors the operations of registered charities and ensures compliance through a balanced program of education, communication, and responsible enforcement. Audits are an important element of this process.
- The Government recognizes that charities provide a valuable contribution to our communities and encourages Canadians to donate generously.

Target Audiences:

The target audience is segmented as follows:

- Registered charities;
- Umbrella organizations; and
- Professional associations.

Given the profile of this file, reactive communications products tailored to the media will be developed as required.

21(1)(b)

Communications Products and Activities

The following pre-existing products and activities should be used to disseminate targeted political activities messaging as opportunities arise:

- **Information sessions** – regular sessions run by the Charities Directorate that provide educational and compliance information to registered charities.
- **Webinars** - Online tutorials are delivered approximately six times a year to registered charities/donors on specific issues related to tax filing and gift receipting. Webinars are subsequently converted to webcasts and are available on-line, free, at any time.
- **Electronic newsletter** – A bi-monthly *Charities Connection* newsletter sent out electronically to registered charities to advise of any changes and provide helpful tips about filing, issuing receipts, etc.
- **Publications and correspondence** – Tailored messaging can be inserted into Directorate publications and correspondence.

Specific political activities products to be developed:

- **Questions & answers** – comprehensive Qs&As addressing stakeholder concerns to be used responsively by frontline staff during outreach

activities and to respond to public inquiries (Ministerial correspondence, call centres) on political activities to be posted on the CRA website.

- **Talking points for frontline staff**
- **Fact sheet/article for distribution through planned information sessions and newsletters**
- **Webpage** – a political activities webpage off the Charities Directorate's landing page.

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Comment [GS13]: What would the content be?

See **Appendix B** for upcoming outreach activities planned by the Charities Directorate.

Roles and Involvement:

The Public Affairs Branch will:

- provide strategic advice;
- ensure consistent and concise messaging and formats throughout all communications products;
- coordinate approvals; and
- respond to media enquiries.

The Charities Directorate will provide political activities program updates and feedback from audits as the information becomes available to help identify communications triggers. The Directorate will also ensure accuracy of messaging and identify future opportunities to communicate with registered charities and affiliated associations.

Budget:

The Charities Directorate's communications and outreach budget will be discussed on an as needed basis.

Evaluation:

A number of factors can be monitored in order to measure the success and impacts of the communications tools and outreach efforts:

- Monitor the number of inquiries received by the Charities Directorate on political activities.
- Observe any trends in the nature of questions received by the Directorate.
- Receive regular web statistics of the number of hits to the political activities webpage.
- Examine the tone, quality, and quantity of media coverage.

Appendix A

Federal Politicians as cited in news media coverage

Comment [GS14]: All of these citations need to include media outlet (if more than one or two, the most prominent or the ire service should be listed, with "and others" added. If link is available, it should be included also

Finance Minister Jim Flaherty, when questioned about what message the Budget measure sends about democratic dissent: "We are not making any changes in the rules related to charities" ... rather it is "providing some additional resources for enforcement of the rules by the Canada Revenue Agency." (March 30, 2012)

Natural Resources Minister Joe Oliver, while distancing himself from earlier remarks that these groups were "radicals" trying to "hijack" environmental hearings for the Northern Gateway pipeline proposal, still backed tougher scrutiny for environmental charities: "We want charitable organizations to comply with the law, and the law says that the vast bulk of their activities and money must be spent in charitable activities, any charitable organization that complies with the law doesn't really represent a problem." (August 10, 2012)

Senator Doug Finley has been quoted in the media as saying "It should never be considered a charitable act to attack Canada's oilsands". (March 6, 2012)

Stakeholder Groups as cited in news media coverage

Ross McMillan, President of Tides Canada was described as being on a "charm offensive" and said: Canada Revenue Agency audits it and:

"The feds crack down on charities that are overly political";
"We have absolutely nothing to hide and we're profoundly proud of the work that we're doing." (June 28, 2012)

Devon Page, Executive Director of Ecojustice Canada, in pre-Budget lobbying for federal rules that would allow charities to be more politically active, said:

"If we look to other parts of the world that have more liberal views on the roles that charities play in free and democratic society, they have a greater voice." (January 12, 2012)

Media Commentators

Warren Kinsella, in anticipation of the Budget 2012 changes:

"Revenue Canada has decreed it disapproves of advocacy about "controversial social issues." Fine. But who decides what is "controversial" and what isn't? What issue, when you think of it, isn't "controversial" in some way, to some person, somewhere?

Kinsella continued that when David Suzuki left the charitable foundation that bears his name, he continued to receive criticism for offering political endorsements. (September 26, 2011)

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Ezra Levant, who portrayed himself as being attacked by "extremist groups":

So far, no big deal. A big reason why we're better than oil producers like Saudi Arabia and Iran is that, unlike them, we allow free speech. Even billionaire bullies from San Francisco have free speech here. And there's no law against a Canadian website taking quiet cash payments. But why should Canadian taxpayers have to subsidize this propaganda?

Appendix B

Charities Directorate Political Activities Education and Information Plan

Activity/ Product Roll out Date	Activity/ Product	Description	Target Audience
Q3 – 2012-13	Revised Charities Information Session Presentation	Update the Charities information session presentation with a slide on Budget 2012.	All Registered Charities
Q4 – 2013-01	PA Information Package	An information package that will provide education products for use by the targeted audience at conferences, seminars and workshops. It will include the following: <ul style="list-style-type: none">• Presentation with speaker's notes;• Fact Sheets;• Qs & As; and• Checklist - TBD	Registered Charities Umbrella organisations/Head Bodies/Professional Associations Media Parliamentarians
Q4 – 2013	Registration Package	The RC297, <i>Important Information for Your Charity</i> that is inserted with all registration letters will include a paragraph detailing PA messaging with a Web link to the related guidance and information package.	Newly Registered Charities
Q4 – 2013	T3010-2 - <i>Registered Charity</i>	Starting in January 2013, a “What’s New” will be included on the cover page (RC244). It will	All Registered Charities

DRAFT: NOT APPROVED
January 2013

Activity/ Product Roll out Date	Activity/ Product	Description	Target Audience
	<i>Information Return Mail- out</i>	include both PA and other changes to the T3010 and related forms. It will be the exact wording from the Guide T4033-2, <i>Completing the Registered Charity Information Return</i> .	
Q1 – 2013-14	Mail-out	A postcard or pamphlet that illustrates the different categories of activities (prohibited, political, charitable) and the key PA messages.	All Registered Charities
Q1 – 2013-14	Webinar	A one hour interactive webinar based on the presentation/speakers notes in the PA Information Package.	All Registered Charities Umbrella organisations/Head Bodies/Professional Associations
Q1 – 2013-14	Webcast	Convert the webinar to a webcast and upload on the Web site (including YouTube)	All Registered Charities Umbrella organisations/Head Bodies/Professional Associations
Q3 – 2013-2014	Video	A series of 2 to 3 minute videos which will outline the rules governing PA.	All Registered Charities Umbrella organisations/Head Bodies / Professional Associations Public
Ongoing	Conferences	Where appropriate, representatives of the Charities Directorate will do presentations at various conferences or will provide the PA information package.	All Registered Charities Umbrella organisations/Head Bodies/

DRAFT: NOT APPROVED
January 2013

Activity/ Product Roll out Date	Activity/ Product	Description	Target Audience
		See Annex 1 for the list of conferences.	Professional Association
Ongoing	Newsletter	Use the <i>Charities Connection</i> newsletter to promote the release of new communications and education activities/products	All Registered Charities
Ongoing	Web site/ publications	Update the Web site and all publications for related PA communications and education products/activities.	All Registered Charities
TBD	Targeted PA Follow-up	TBD	Registered Charities who received a reminder letter from Compliance Division

Adams, Jared

From: PA/AP IM-GE electronic process-processus electronique on behalf of Panneton, Claude
Sent: January-25-13 3:29 PM
To: Lavigne, Sandra
Cc: PA/AP IM-GE electronic process-processus electronique; Panneton, Claude; Love, Melanie; Adams, Jared; Dybka, Jerry; Fournier, Sylvie; Leblanc, Nicole
Subject: For Urgent PAB AC Approval: Political Activities Media Lines
Attachments: ML Revised Political Activities PAB DG Approved 25Jan13 E.doc

Importance: High

Good Afternoon,

FOR PAB AC APPROVAL

Attached are the revised political activities media lines. They have been PAB DG approved.

Thank you,
Claude P.

DISCLOSED PURSUANT TO
THE ATIA
A-069586

**Canada Revenue Agency
MEDIA LINES**

For use by CRA spokespersons only

BACKGROUND

On March 29, 2012, the Minister of Finance presented the 2012 federal Budget. There were several measures proposed relating to compliance and transparency, with respect to political activities carried on by registered charities and registered Canadian amateur athletic associations (RCAAs). These new measures received Royal Assent on June 29, 2012.

Registered charities are permitted to take part in political activities if those activities are non-partisan and connected and subordinate to the charity's purpose. This rule was extended to RCAAs in the 2011 federal Budget. While there are no changes in this regard, Budget 2012 introduced amendments to certain reporting requirements to ensure that all funding intended for political activities is reported in a charity's annual *Registered Charity Information Return* (T3010).

Budget 2012 increased transparency by requiring more information about political activities, including the extent to which funding from foreign sources is used to carry on political activities. As the rules relating to political activities apply to all registered charities, the CRA's educational and compliance efforts in this regard will extend to the charitable sector as a whole.

The revised T3010 and its accompanying guide, reflecting the amended political activities reporting requirements for charities, were posted on the CRA website on January 24, 2013.

KEY MESSAGES

General Messages

- The Government recognizes that charities provide a valuable contribution to our communities and encourages Canadians to donate generously.
- As the federal regulator of charities, the Canada Revenue Agency (CRA) has an obligation to objectively and in a non-partisan way ensure that registered charities operate in compliance with the *Income Tax Act*.
- The CRA applies the requirements of the *Income Tax Act* fairly and objectively.
- The CRA will generally not impose sanctions or revoke a charity that devotes substantially all of its resources to charitable purposes and activities.

- Registered charities are permitted to receive income from both Canadian and foreign sources.
- All charities must meet certain requirements to keep their registered status. The CRA regulates and treats all charities fairly to ensure these requirements are met.
- The CRA monitors the operations of registered charities and ensures compliance through a balanced program of education, quality service, and responsible enforcement. Audits are an important element of this process.
- To find out more about registered charities, go to the Charities and Giving page on the CRA Web site at www.cra.gc.ca/charities, or call 1-800-267-2384.

Specific messages

Political Activities

- Under the *Income Tax Act*, a registered charity must devote substantially all of its resources to charitable purposes and activities. An organization established for a political purpose cannot be a registered charity.
- The CRA defines a political activity as an action that seeks to retain, change, or oppose a law, policy, or decision of any level of any government by explicitly:
 - Communicating a call to political action (i.e. encouraging the public to contact an elected representative or public official to change the law);
 - Communicating to the public that the law, policy or decision should be changed, retained or opposed; or
 - Indicating in internal or external records (i.e. publications, emails, or minutes of meetings) that the intent of an activity is to put pressure on an elected representative or public official to change the law, policy or decision.
- Charities may choose to advance their charitable purposes by taking part in non-partisan political activities if these are connected and subordinate to their charitable purposes.
- For detailed information about the CRA's position on political activities and registered charities, and for examples of acceptable and unacceptable political activities, please consult the [CRA's Policy Statement on Political Activities](#).

Budget 2012

- Budget 2012 announced a number of legislative and administrative measures regarding registered charities and political activities.

- The legislative measures received Royal Assent on June 29, 2012.
- While the general rules regarding political activities have not changed, Budget 2012 introduced two legislative amendments:
 - A gift from a registered charity to a qualified donee to further the qualified donee's political activities is now considered to be political activities by the giving charity. Prior to the change in legislation, these would have been considered charitable expenditures, and
 - There is a new intermediate sanction (one-year suspension of receiving privileges) for registered charities that exceed the limits for political activity or conduct partisan political activities.
- Budget 2012 also introduced new reporting requirements that enhance transparency of and accountability for political activities. They apply to all registered charities and registered Canadian amateur athletic associations.
- Finally, Budget 2012 announced that the CRA would enhance its education and compliance activities in relation to the political activities of charities.
- As the rules relating to political activity apply to all registered charities, the CRA's educational and compliance efforts in this regard will extend to the charitable sector as a whole.
- The government announced that these measures will cost \$5 million in 2012–13 and \$3 million in 2013–14.

T3010 Registered Charity Information Return

- The updated annual *Registered Charity Information Return* (T3010) and its accompanying guide, reflecting the amended political activities reporting requirements for charities, were posted on the CRA Web site in January 2013.
- Under the new requirements registered charities must report:
 - Additional details about their political activities;
 - Gifts to qualified donees intended to support their political activities; and
 - Funding received from outside Canada that the donor directed the charity to use for political activities.
- A charity that reports conducting political activities needs to provide information on:
 - The type of political activities carried out, how these relate to the charity's charitable purposes, and what methods and resources the charity used; and
 - The amount of money, the political activity, and the country of origin of any foreign funding that the charity received for political activities.

<i>Prepared by:</i> Melanie Love, Issues & Communications Manager, Public Affairs Branch 613-957-9748	<i>In consultation with:</i> Kavell Reid, A/Manager, Communications and Client Outreach, Legislative Policy and Regulatory Affairs Branch 613-954-0595	<i>Approved by:</i> Brian McCauley, Assistant Commissioner, Legislative Policy and Regulatory Affairs Branch 613-957-3708
<i>Designated Spokesperson:</i>	Media Relations, Headquarters	Sandra Lavigne, Assistant Commissioner, Public Affairs Branch 613-957-3508

DISCLOSED
PURSUANT
TO THE ATIA
A-069586

Adams, Jared

From: O'Hara, Darsey on behalf of Gardner-Barclay, Susan
Sent: February-01-13 11:08 AM
To: Lavigne, Sandra
Cc: PA/AP IM-GE electronic process-processus electronique; Panneton, Claude; Gardner-Barclay, Susan; Adams, Jared; Dybka, Jerry; Fournier, Sylvie; Leblanc, Nicole; Yoon, Susan
Subject: For PAB AC approval - ML - Political Activities
Attachments: ML Revised Political Activities LPRAB Reviewed 31Jan13_PAB DG approved.doc

Good morning,

FOR PAB AC APPROVAL

Please find attached, the media lines related to charities political activities.

Your approval as soon as possible would be greatly appreciated.

Thank you.
Susan Gardner-Barclay

**Canada Revenue Agency
MEDIA LINES**

For use by CRA spokespersons only

BACKGROUND

On March 29, 2012, the Minister of Finance presented the 2012 federal Budget. There were several measures proposed relating to compliance and transparency, with respect to political activities carried on by registered charities and registered Canadian amateur athletic associations (RCAAs). These new measures received Royal Assent on June 29, 2012.

Registered charities are permitted to take part in political activities if those activities are non-partisan and connected and subordinate to the charity's purpose. This rule was extended to RCAAs in the 2011 federal Budget. While there are no changes in this regard, Budget 2012 introduced amendments to certain reporting requirements to ensure that all funding intended for political activities is reported in a charity's annual *Registered Charity Information Return* (T3010).

Budget 2012 increased transparency by requiring more information about political activities, including the extent to which funding from foreign sources is used to carry on political activities. As the rules relating to political activities apply to all registered charities, the CRA's educational and compliance efforts in this regard will extend to the charitable sector as a whole.

The revised T3010 and its accompanying guide, reflecting the amended political activities reporting requirements for charities, were posted on the CRA website on January 24, 2013.

KEY MESSAGES

General Messages

- The Government recognizes that charities provide a valuable contribution to our communities and encourages Canadians to donate generously.
- The CRA applies the requirements of the Income Tax Act fairly and objectively.
- Registered charities are permitted to receive income from both Canadian and foreign sources. Increased reporting requirements introduced in Budget 2012 will provide greater accountability when these funds are dedicated to political activities.

- All charities must meet certain requirements to keep their registered status. The CRA regulates and treats all charities fairly to ensure these requirements are met.
- The CRA monitors the operations of registered charities and ensures compliance through a balanced program of education, quality service, and responsible enforcement.
- To find out more about registered charities, go to the Charities and Giving page on the CRA Web site at www.cra.gc.ca/charities, or call 1-800-267-2384.

Specific messages

Political Activities

- Under the *Income Tax Act*, a registered charity must devote substantially all of its resources to charitable purposes and activities.
- Charities may choose to advance their charitable purposes by taking part in non-partisan political activities if these are connected and subordinate to their charitable purposes.
- For detailed information about the CRA's position on political activities and registered charities, and for examples of acceptable and unacceptable political activities, please consult the [CRA's Policy Statement on Political Activities](#).

Budget 2012

- Budget 2012 announced a number of legislative and administrative measures regarding registered charities and political activities.
- The legislative measures received Royal Assent on June 29, 2012.
- The basic rules regarding political activities have not changed. Budget 2012 did introduce two legislative amendments:
 - A gift from a registered charity to a qualified donee to further the qualified donee's political activities is now considered to be political activities by the giving charity. Prior to the change in legislation, these gifts would have been considered charitable expenditures, and
 - There is a new intermediate sanction (one-year suspension of receiving privileges) for a registered charity that exceeds the limits for political activity or conducts partisan political activities. This new intermediate sanction provides CRA with more flexibility when working with charities to improve compliance. CRA generally takes a graduated approach to addressing non-compliance, and this new sanction provides more flexibility before pursuing more serious measures such as revocation of a charity's status.

- Budget 2012 also introduced new reporting requirements that enhance transparency of and accountability for political activities.
- Finally, Budget 2012 announced that the CRA would enhance its education and compliance activities in relation to the political activities of charities.
- As the rules relating to political activity apply to all registered charities, the CRA's educational and compliance efforts in this regard will extend to the charitable sector as a whole.
- The government announced that these measures will cost \$5 million in 2012–13 and \$3 million in 2013–14.

T3010 Registered Charity Information Return

- The updated annual *Registered Charity Information Return (T3010)* and its accompanying guide, reflecting the amended political activities reporting requirements for charities, were posted on the CRA Web site in January 2013.
- Under the new requirements registered charities must report:
 - Additional details about their political activities;
 - Gifts to qualified donees intended to support their political activities; and
 - Funding received from outside Canada that the donor directed the charity to use for political activities.
- A charity that reports conducting political activities needs to provide information on:
 - The type of political activities carried out, how these relate to the charity's charitable purposes, and what methods and resources the charity used; and
 - The amount of money, the political activity, and the country of origin of any foreign funding that the charity received for political activities.

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