



# Introduction to political activities and registered charities



Canada Revenue  
Agency

Agence du revenu  
du Canada

Canada

# Background

- Charities are registered at the federal level by the **Canada Revenue Agency (CRA)**.
- Registration comes with advantages, but also with obligations and restrictions.
- See Policy Statement CPS-022, *Political Activities*, on the CRA website.

# Can a charity carry out political activities?

- Yes – a charity can carry out a limited amount of political activities that are:
  - non-partisan;
  - connected; and
  - subordinate.

# Charities must always be non-partisan

- A charity must never directly or indirectly support or oppose a political party or candidate for public office.



# Political activities must always be connected

- A political activity must relate to and support a charity's charitable purposes or activities.



# Political activities must always be subordinate

- Political activities must always remain a minor part of a charity's work in relation to its charitable purposes or activities.



# What is a political activity?

- The CRA presumes an activity to be political if a charity:
- Explicitly communicates a call to political action:
  - that is, encourages the public to contact an elected representative or public official and urges them to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country.

# What is a political activity? (con't)

- explicitly communicates to the public that the law, policy, or decision of any level of government in Canada or a foreign country should be retained, opposed, or changed;



# What is a political activity? (con't)

- explicitly indicates in its materials (internal or external) that the intention of the activity is to incite, or organize to put pressure on, an elected representative or public official to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country.

# What is a political activity? (con't)

- makes a gift to another **qualified donee** intended to support the recipient's political activities.
  - A qualified donee is an organization that can issue official donation receipts for gifts it receives from donors, for example:
    - a registered Canadian charity
    - a registered Canadian amateur athletic association
    - a listed Canadian municipality
    - the United Nations and its agencies

# What is a charitable activity?

- A charitable activity furthers a charitable purpose.
- A charitable purpose falls under at least one of the following categories:
  - relief of poverty
  - advancement of education
  - advancement of religion
  - certain other purposes that benefit the community in a way the courts have said is charitable

# Can a political activity ever be considered a charitable activity?

- An activity is typically a political activity if it fits the description of any of the four types of political activities.



# Representations to government

- If a charity makes a representation directly to an elected representative or public official, this is generally considered charitable and not political.
- The representation must:
  - be connected and subordinate to the charity's charitable purposes or charitable activities;
  - be well-reasoned;
  - not contain misleading or false information; and
  - be non-partisan.

# Accountability for resources devoted to political activities

- A charity must keep books and records that show it continues to qualify for registration.
- A charity must be able to show how its resources were used for political activities.
- A charity could analyze and track the use of:
  - financial resources (expenditures, salary costs)
  - capital assets (buildings, investments)
  - volunteer and staff time
  - donated resources

# What if a charity does not observe the limits on political activities?

- If a charity does not observe the limits on political activities, the CRA may:
  - educate the charity about its obligations under the *Income Tax Act*;
  - implement a compliance agreement;
  - suspend the charity's tax-receipting privileges; or
  - revoke the charity's registered status.

# For more information from the CRA

**Canada Revenue Agency website**

[www.cra.gc.ca/charities](http://www.cra.gc.ca/charities)

**Client Service – General enquiries about registered charities**

1-800-267-2384

Fax: 613-954-8037

**TTY service for persons with a hearing or speech impairment:**

1-800-665-0354