

Charities: You Can Now Share Your Expertise on Public Policy!

Blog

Mary Childs

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Leadership: Develop Unlimited Talent



Recent changes to tax law and charity policy have given Canadian charities exciting new opportunities to contribute their expertise to the discussion and development of public policy.

Canadian charities have a wealth of knowledge and expertise in many important areas of public policy, from poverty reduction and education to health matters, environmental issues and much more.

Until recently, charities were limited in their ability to share their expertise with policy makers and the public. If their activities were seen as intended to affect public policy and government action, those activities were deemed “political” and a charity could put no more than 10% of its resources into such activities.

So of course, charities were wary of speaking out even in the policy areas where they were acknowledged experts, to avoid the risk of exceeding the 10% limit. Legislated charity policy also mandates that a charity’s educational materials are fact-based and reflect all sides of an argument. This hasn’t been easy for charities to follow, as they were expected to present arguments with which they fundamentally disagreed.

In 2016 the federal government appointed a Consultation Panel on the Political Activities of Charities. The panel recommended revising policy to permit charities to fully engage in public policy dialogue and development. In July 2018, an Ontario judge considered those recommendations when he declared the restrictions on political activities to be an unconstitutional limit on freedom of expression by charities.

In December 2018 the Income Tax Act was amended to remove the restrictions, and in January 2019 the Charities Directorate issued new draft guidance for Canadian charities.

The new guidance refers to public policy dialogue and development activities (PPDDAs) by charities. It replaces the old guidance about political activities.

PPDDAs include:

- providing information to the public,
- conducting and disseminating research,
- disseminating opinions,
- advocacy,
- mobilizing others,
- making representations to lawmakers and civil servants,
- providing forums and convening discussions, and
- communicating on social media.

The guidance now says that a charity can engage in an unlimited amount of PPDDAs which further the charity’s stated charitable purpose.

For example, a charity with the stated charitable purpose of environmental protection will now be free to participate in the public policy development process, or facilitate the public’s participation in that process, to further the development of policies that will protect the environment.

Charities are always required to use their resources for their stated charitable purposes, so a charity engaging in PPDDAs must further those purposes

when it devotes resources to public policy activities, just as it must use its resources for such purposes in all its other activities.

Charities must still be non-partisan in these activities, and cannot directly or indirectly support a political party or candidate for public office. In some cases it may be difficult to determine when a Charity's PPDDA may be seen as providing indirect support for a candidate or party, so charities must still pay careful attention to the content and context of their activities.

And charity law isn't the only law that applies to PPDDAs; charities contributing to policy development must also be aware of other laws that might apply, such as the elections laws and lobbying laws.

Canadians have supported research by many charities, and the good work of many more charities whose expertise is well known. Thanks to these changes in charity law and policy, all Canadians can benefit from the contributions of those charities to the discussion and development of public policy. This is good news not just for Canadian charities, but for everyone affected by those policies.

To learn more about your not-for-profits role in advocacy, join us next week for Vantage Point's [Board Chair Breakfast](#) on February 28th! I'll be there alongside Vantage Point's Executive Director Alison Brewin to discuss the legal implications for not-for-profit boards and advocacy work.