



April 23, 2019

Charities Directorate
Attn: Policy, Planning, and Legislation Division
Canada Revenue Agency
Ottawa ON K1A 0L5

RE: Feedback on CG-27, public policy dialogue and development activities by charities

To Whom It May Concern:

The Association of Fundraising Professionals (AFP) Canada, representing more than 3,500 individual fundraisers and charities across the country, is pleased to provide our thoughts and comments regarding CRA's proposed guidance CG-027, Public Policy Dialogue and Development Activities by Charities.

As the largest association of fundraisers in the world and a leading voice for the profession, AFP has long been engaged in working with lawmakers and regulators at all levels of government. While we have strongly urged our members and the charities they represent to engage in public policy, previous rules and regulations have stymied and limited involvement. Unclear rules, terms and nomenclature that did not seem welcoming to charity engagement, fear and uncertainty about consequences and/or retaliation for pursuing "political activities"—all of these issues hampered the ability and interest of charities to get involved in an area where they should be actively participating. Charities are subject matter experts on the critical issues they address, and their expertise offers an important perspective for the government when developing policy.

In 2016, CRA asked for input during an online consultation process about the political activities of charities. In AFP's submission, we called upon CRA to rethink its approach to charity engagement in public policy development. We recommended changes in language—removing the term "political activities" because of its negative connotation, for example—that would encourage charities to get involved in the process. We suggested CRA expand the type of permitted activities for charities to involve different types of communications. We also stressed that a strong and clear line delineation should continue to be made between charitable and partisan political activities, and charities should NOT be allowed to engage in partisan political activities.

After reviewing the proposal guidance CG-27, we are very pleased with the progression that the rules for charity engagement have undergone. The term “political activities” has been replaced with “public policy dialogue and development activities,” which is much more positive with the new rules providing much-needed clarity to our sector. We applaud CRA for including both “dialogue” and “development” in the term, as it immediately sends a message to charities that both kinds of activities are allowable and welcome.

AFP is also pleased to see no limit placed on the amount of public policy dialogue and development activities that charities can undertake, provided they are in pursuit of their charitable mission. While we doubt that any charities will ever use 100% of their resources in such a manner, we strongly believe that public policy is a critical part of a charity working to advance its mission. A charity should not be barred from helping to develop laws and regulations that could potentially affect its mission and programs—or where it has significant and/or unique expertise—simply because it has already spent 10 percent of its resources on such activity, as per the previous rules. A clear rule is important, and we thank CRA for its expensive view of these activities.

AFP is also glad to see:

- Clear guidelines and examples on how charities can communicate about policy issues that political parties or candidates may support or oppose. The earlier rules focused mostly on presentations and research and neglected many other important ways charities can educate about public policy issues.
- Guidance on how individual staff and employees of charities can get involved in political activities and campaigns without jeopardizing their organization.
- Clear language and guidelines on prohibited activity related to supporting or opposing a political party or candidate. AFP believes that philanthropy should never be partisan, but supported by everyone, regardless of political party or ideology. Consequently, charities should never be involved in political campaigns and supporting or opposing parties or candidates. We laud CRA for continuing this prohibition.

AFP supports CRA in asking charities if they engaged in any public policy dialogue and development activities, and if so, having them complete a short narrative statement about what they did and how it relates to their charitable purpose. We do not believe this is a burdensome requirement and feel it is appropriate for the enhanced flexibility that charities now have in engaging with the public policy process. Other questions, about amounts and resources spent on particular activities, no longer seem relevant since charities can spend an unlimited amount.

AFP believes that the new guidance takes the right approach in encouraging charities to get involved in the public policy process and makes the regulations clear, straight-forward and accessible. Certainly, changes of this magnitude should be given time to be implemented correctly once the charitable sector is more familiar with them, and we look forward to a review process in a few years to review how the new policy has worked out.

An engaged charitable sector makes for a stronger and more effective public policy process. Government will be more likely to hear from a diversity of voices on issues, which will only help create even more effective and impactful legislation.

AFP appreciates this opportunity to submit feedback to the CRA. Should any questions arise about our comments, please contact Lisa Davey, Vice President, AFP Canada, at Lisa.Davey@afpglobal.org.

AFP Canada

250 King St East

Ste 412

Toronto, Ontario

M5A 4L5