



Protecting a Faith Organization's Charitable Status

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1. Introduction—Why the Concern?

1.1 Some Unitarian-Universalists have recently become concerned with the potential views of the Canada Revenue Agency (CRA) on the advocacy and political activities of UU (Unitarian Universalist) congregations or their groups or members. In particular, some became alarmed by two recent developments: the change in the CRA form for 2013 annual returns requiring a description of political activities; and the identification of "political activities" as a CRA audit priority for 2014 and subsequent years.¹



1.2 Concern was initially heightened by information (and misinformation or misunderstandings) about a CRA communication to a Mennonite magazine a few years ago after it criticized new (regressive) criminal justice legislation, the more recent suspension of charitable status for the National Council on Canada-Arab Relations (this, it has now been revealed, was for the failure to file annual returns), public "threats" by government ministers to envi-

ronmental organizations, and earlier withdrawal of CIDA funding for KAIROS, an ecumenical international aid organization. These actions, as well as 2012 statements by federal Cabinet ministers concerning environmental groups, led to a concern that environmental and social justice (including religious) groups

¹ The CRA received funding of \$8 M to audit charities for political activities in 2013. This was increased to \$13.4 M for 2012-16 for audits and educational materials related to political activities.

were being targeted by the CRA for their advocacy about climate change, the environment and other concerns of religious communities, such as the poor and disadvantaged. These actions, among others, have led many to conclude that the current government has an interest in quieting voices that disagree with its policies or the desires of certain corporate interests.

1.3 In July and August 2014, news coverage revealed that 50 or so charitable organizations are being audited for political activities—from the very small PEN Canada (2 staff members and annual expenses of about \$237,000) to much larger organizations such as Amnesty International Canada, the Canadian Centre for Policy Alternatives, the David Suzuki Foundation, and Canada Without Poverty.² These audits are exceedingly time consuming for both the organizations being audited (particularly small organizations) and the CRA and may take several years to complete. Moreover, on July 25, 2014, CBC reported that the CRA, in commenting on the revised incorporation documents of Oxfam International Canada, took the position that “prevention of poverty” was not a charitable purpose. (Oxfam’s mission statement included “prevention and alleviation of poverty.”) Although not in agreement, perhaps to avoid a drawn-out litigious situation, Oxfam deleted the “prevention” concept. This concept may, however, become a problem for other anti-poverty and social justice organizations.

1.4 As free-thinking Unitarian-Universalists, we tend to regard our activities (whether personal or in conjunction with our fellowships and congregations) as being constrained only by our UU principles, rather than by seemingly arbitrary or unfair dictates of others. At the same time, reflecting our UU commitment to democracy, we want to respect the rule of law within Canada. However, there are

times when we feel called upon to challenge the laws of our country, and we recognize that we may experience sanctions—at least in the short-term—for so doing.

1.5 This discussion paper seeks to clarify CRA requirements in relation to UU education, public awareness and advocacy activities and to alleviate some concerns about these. This should help UU congregations and their social justice committees to feel confident about their activities and to document them in a manner that can withstand scrutiny by the CRA and others, should it occur.³ (The paper does not deal with other CRA requirements that might affect a congregation’s charitable status.) Although written with UU congregations in mind, other religious organizations may find the paper relevant. However, it may be less relevant to non-religious social justice organizations to the extent that they may have significantly different charitable purposes or use a greater proportion of their resources for activities with a political flavour.



2. Charitable Status and its Benefits

2.1 When congregations apply to the CRA for charitable registration, they are seeking preferential tax treatment both for their congregation and for those whose donations support them. The *Income Tax Act* (ITA) provides relief from taxation for donations to organizations that have charitable registration (status). The benefits of this relief to con-

gregations and their donors are significant. Congregations can entice larger donations through their ability to issue charitable donation receipts that will allow donors to claim a refundable tax credit on their income tax return—about 29% of the donation for donated amounts greater than \$200, with the option to carry unused credits forward. Charitable status may also allow congregations to retain (and invest) surplus revenues tax-free, support relief from municipal taxes and allow for refund of GST (Goods and Services Tax) amounts paid on goods

² David Beeby, Canadian Press, in a July 21/14 article in the *Globe and Mail* (and elsewhere). See also Beeby’s Timeline of CRA Political Activity Audits at Canadian Press (Aug. 10, 2014):

<http://www.thecanadianpress.com/english/online/OnlineFullStory.aspx?filename=DOR-MNN-CP.66349b91d0624fd2a9fd26739086be99.CPKEY2008111303&newsitemid=29365574&languageid=1>.

³ “This Discussion Paper was written prior to Terrance S. Carter’s 50-minute webinar for “Imagine Canada” on Sept. 23, 2014, entitled, “Political Activities by Charities—If You Do It, Do It Smart,” which is of great value, and referenced in Appendix I of this paper. The presenter underlines the importance of maintaining excellent records, as well as explaining “the rules” and suggesting practical implications of these.

and services purchased by the congregation. Unless congregants and congregations are prepared to forego these benefits, it makes sense to understand the constraints congregations have accepted by obtaining and seeking to maintain charitable status.

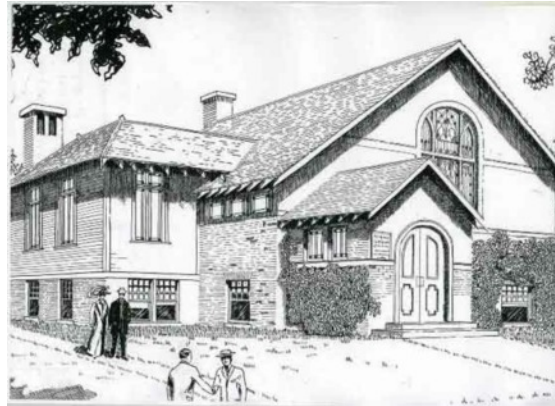
2.2 None of which is to suggest that congregations, particularly in collaboration with others, should not appeal to the Minister of Revenue or Parliament in general to narrow the definition of “political activities” or to take other action to relieve the current burden on, and apprehensions of, religious organizations if this seems necessary. Such an appeal might be framed in the context of religious, ethical principles that compel religious organizations and their members to promote the common good and that such promotion necessarily involves actions that seek to influence legislators on a wide range of matters, whether or not these have been specifically identified in their application for charitable status or corporate purposes. Or it might be framed more broadly to cover environmental and social justice organizations.

2.3 In April 2014, the Canadian Council of Churches (CCC) wrote to the Prime Minister (PM), with a copy to the Minister of National Revenue and opposition party leaders, about the importance of advocating for changes that remove barriers to the full participation of persons living in poverty and of speaking up for systemic changes in public policies that damage the “creation” (some of us would say “environment”), stating these were integral parts of exercising responsibility as a Christian citizen. The letter also stressed that donations for these activities deserve recognition as contributions to the public good that warrant eligibility for charitable tax receipts. The letter expressed concern about the increasingly narrow interpretation of charitable activity that can exclude organizations that speak up for justice and care for creation. It proposed more public discussion about these matters rather than the chilling effect of threats to revoke the charitable status of organizations that draw attention to policies that harm our world. It asked what leadership role the Prime Minister would take to review the current definitions of charitable activity used by the CRA to ensure that donors and organizations exercising their calling to care for creation and their neighbours through advocacy are treated no differ-

ently than those who provide direct services. No response had been received as of July 30, 2014.

2.4 Such action might be combined with recommendations that corporations not be permitted to deduct any of the following from their income:

- fees for industry associations that lobby for corporate interests that may sometimes be harmful to the public good, or as the CCC might say, to the creation; nor
- expenses for advertising designed to influence public opinion about the nature of their activities or products (other than simply for sale).



Original Unitarian Church of Edmonton, Alberta, 1914.

3. Role of the Canada Revenue Agency (CRA)

3.1 The CRA administers the “charities program” for the federal government—providing information to the public about charities and about how to apply for charitable status, reviewing applications for charitable status and granting or denying same, developing and publishing forms for annual reports that charities must file, and ultimately monitoring and auditing such returns for compli-

ance with the *Income Tax Act*.

3.2 Eligibility for charitable status in Canada is based on four main factors, one of which is the advancement of religion. Another is the advancement of education. A third is the alleviation of poverty. The fourth is a somewhat more general catch-all—other purposes beneficial to the community.⁴ These factors have been established in common law (court decisions), not in legislation. Over the years, the courts have determined what activities or purposes are, and are not, “charitable.” **An organization is not eligible for charitable status if it carries on activities that support an unstated non-charitable purpose** (source: paragraph 42, CG-019: *How to Draft Purposes for Charitable Registration*). This includes political activities that are not sufficiently connected to the organization’s charitable purpose(s). Additionally, **illegal activities and partisan political activities are not charitable purposes. All these are cause**

⁴ One might think that Oxfam’s objective to “prevent poverty” would be a “purpose beneficial to the community” that courts would recognize if requested to do so, even if not incorporated within “alleviation of poverty.”

for denial of an application for registration or for revocation of charitable status if they are detected after registration.

3.3 For ease of effective and consistent administration and for public education, the CRA has published guidelines describing these factors, how to fill out applications and annual returns, and policy guidance with respect to the conduct of activities by organizations that have been granted charitable status or that seek it, and with respect to the suspension or cancellation of charitable status. The CRA also establishes audit priorities annually for the charities program, much as it does for the personal and corporate income tax programs, as obviously there are insufficient CRA resources to monitor all 85,000 charitable organizations and many more taxpayers each year.

3.4 While the CRA policies and guidelines provide a good indication of how the CRA will view the activities and annual returns of charities, one should remember that government policies and guidelines may:

- explicitly quote current legislation or jurisprudence (court decisions); and/or
- the department's/agency's interpretation of legislation or jurisprudence.

A seemingly restrictive interpretation may or may not be upheld by the Minister of the department/agency if subsequently lobbied, or in a court of law if challenged. Furthermore, it is not always easy to “connect the dots” when reading administrative policies. Sometimes it is clear how a policy relates to specific elements of the law (legislation and court decisions); other times it may be less clear, particularly if the legislation itself is ambiguous or perhaps contains gaps. And this may well be the case for the CRA policies discussed in this paper. It should be noted also that some policies may offer interpretations of law that are more beneficial to clients than the legislation and court decisions might otherwise suggest. And this may be true in some situations involving charities.

4. “Political activities” and how they Affect a Congregation’s Status

4.1 It has long been understood that charitable organizations cannot participate in partisan political activities, i.e., directly or indirectly supporting or opposing a particular political candidate or party.⁵ (Comment-

⁵ Recent CRA publications (see Appendix I of this Discussion Paper) give examples of activities, particularly in relation to websites, that the CRA will consider to be partisan. Organizations with charitable registration need to be mindful of what they post on-line, including hyperlinks to statements of third party websites.

ing on proposed legislation introduced by the government of the day—whether positively or negatively—is not in and of itself a partisan political activity.) **The definition of political activities is, in fact, broader than the concept of partisan political activities. And it appears that some seemingly political activities may themselves be considered charitable activities.** This paper refers to the latter as “activities with a political flavour.”

4.2 Non-partisan political activities that are ancillary and incidental to the organization’s charitable purposes have always been permitted provided that the charity devotes substantially all of its resources to its charitable purposes. (This is currently reflected, in part, in subsection (ss.) 149.1(6.2) of the *Income Tax Act* (ITA), as well as throughout the court decisions and CRA’s *Charities Policy Statement, CPS-022, Political Activities* (CPS-022).)⁶ However, **political activities that are not connected to the organization’s charitable purpose or that consume more than the amount of resources described in the next paragraph are not permitted.**

4.3 Court decisions and CRA guidelines suggest that using less than 10% of a charity’s resources for political activities is acceptable. (Moreover, the CRA allows charitable organizations with less than \$50,000 in annual revenue in the previous year may use up to 20% of their resources for “acceptable” and/or “permitted” political activities (these terms will be discussed further in sections 5-7 of this paper); those with more than \$50,000 and less than \$100,000 may use up to 15%; those with more than \$100,000 and less than \$200,000 may use up to 12%. Source: sections 9 & 9.1 of CPS-022.) The policy describes resources broadly (discussed in section 7, below), but there is no policy guidance on how to “monetize” the work of volunteers. Paragraph 7.18, below, suggests how volunteer time should be reported internally.

⁶ The relevant extracts of the ITA except for the definition of “charitable organization” are found in Appendix II of CPS-022. The full Act is located on the Justice Canada website under “Laws.” Subsection 149.1(1) of the ITA defines “charitable organization” for our purposes as, “at any particular time, means an organization, whether or not incorporated, (a) all the the resources of which are devoted to charitable activities carried on by the organization itself, (b) ...” This must be read in conjunction with ss.149.1(6.2), where it is indicated that certain political activities do not detract from the requirements to devote all resources to charitable activities. Yes, this is confusing!

5. “Acceptable” Political Activities

5.1 A charitable organization may engage in political activities and activities with a political flavour⁷ provided that:

- the activities are non-partisan, as described in paragraph 4.1, above (sources: case law, parag. 149.1(6.2)(c) of the ITA & sections 6.1 & 14.2.1-14.2.4 of CPS-022);
- the issue in question is ancillary (i.e., connected) to the charity’s purposes (sources: case law, parag. 149.1(6.2)(b) of the ITA and section 7.3 & definition of “ancillary” in App. I of CPS-022);
- the activities are incidental (i.e., subordinate) to the charity’s purposes (sources: case law, parag. 149.1(6.2)(b) of the ITA and section 7.3 & definition of “incidental” in App. I of CPS-022);
- the charity’s views are based on a well-reasoned position and do not contain information that the charity knows or ought to know is false, inaccurate or misleading (source: sections 2 & 7.3 of CPS-022). This is not an ITA requirement, but may reflect court decisions about a charitable educational activity (see section 8 of CPS-022) or the CRA’s interpretation that some activities of a seemingly political nature are actually charitable (see the examples in sections 14.1.1 - 14.1.8 of CPS-022) and therefore not reportable permitted political activities (see the examples in sections 14.3.1-14.3.6 of CPS-022); and
- the activities fall within the expenditure limits described in paragraph 4.3, above (source: ss.149.1(6.2) of the ITA).

These requirements are discussed further in sections 6 and 7 of this paper and are reflected in Appendix III. In section 7, the reader will see that the basic distinction between charitable activities with a political flavour and permitted and reportable political activities

⁷ The writer uses the expression of “activities with a political flavour” to refer to those activities that seem to be political in nature but that subsection 149.1(6.2) of the ITA permits to be considered as charitable activities. The distinction between permitted and reportable political activities and charitable activities with a political flavour is considered later in this Discussion Paper.

seems to be linked to whether an element of the activity involves a direct or indirect “call to political action.”

6. Obligations and Duties of Charitable Organizations

6.1 That non-partisan political activities and activities with a political flavour using little of a charity’s resources must be ancillary and incidental to an organization’s charitable purpose(s) to be “acceptable”



A non-partisan political activity that is connected to the fifth Unitarian principle “to affirm and promote the right of conscience and the use of the democratic process within our congregations and in society at large.”

raises the question of **what is the charitable purpose of a particular UU congregation**. Most of us are confident that our congregation’s “political activities” are reflected in UU principles. The CRA will look at the stated purpose of an organization and, as the courts have directed, the organization’s current activities (source: sections 4 & 5 of CPS-022). So it is important for a UU congregation to look at what purpose(s) and/or activities it identified or described in:

- its application for charitable status (sadly these documents are not always readily found in a congregation’s filing system—while the CRA will have a copy, one may be reluctant to ask for it unless already under audit, as doing so could draw the CRA’s attention to the organization, which one may wish to avoid);
- its previous annual CRA returns; and
- its articles of incorporation (if incorporated) and by-laws. If these cannot be found in the congregation’s files, a copy may be obtained from the provincial or federal ministry responsible for the incorporation. Most congregations have recently revised or now are in the process of revising their incorporation documents to take account of recent provincial and federal legislative requirements.

6.2 One hopes that such documentation indicates something more than the advancement of the UU religion or the provision of a place of worship, etc. Perhaps something along the following lines in a congregation’s charitable purpose(s) or corporate objectives, subject to the opinion of the congregation’s legal counsel, might be useful:

- to promote Unitarian-Universalism [or Unitarianism and Universalism] in [name of city, region, province/territory, etc];
- to teach Unitarian-Universalist principles to members, children and the public at large and

to encourage community participation that reflects these principles;

- to cooperate with like-minded individuals and organizations in the furtherance of these principles and on mutual concerns for the benefit of the community in the [geographic area named above], in Canada and in the world; and
- to provide a place of worship, contemplation, discernment, music, celebration, fellowship and meeting for Unitarian-Universalists and others.

6.3 It seems unlikely that there would be any risk to the congregation's charitable status if:

- a congregation's charitable and corporate objectives have been broadly stated, preferably reflecting or referencing the UU principles in some manner;
- the congregation's political activities and activities with a political flavour each relate to those objectives; and,
- in the case of political activities:
 - the activities are properly reported to the CRA annually; and
 - use less than 10% of the congregation's resources (e.g., revenue, property, staff time, volunteer time).

6.4 While the intensity of political-activity audits is new, in the past the CRA has either denied charitable registration and revoked registration for:

- political activities that were unconnected to the organization's charitable purpose or to any charitable purpose;
- activities that failed to meet a charitable objective in educational or research because they promoted a particular point of view that was more narrow or biased than an acceptable charitable objective;⁸

or

- exceeded the resource limitations that may be utilized for acceptable political activities.

While the CRA cannot release audit or review documents related to particular organizations, a lawyer has pulled together and posted on the Internet some that are instructive.⁹

⁸ Education is one of the four charitable purposes referred to in paragraph 3.2 of this Discussion Paper. Court decisions, such as *Southwood*, which is summarized in Appendix II to CPS-022, and those referenced in the next footnote suggest that bias and promotion of a single point of view when others may be viable cannot be considered "educational."

⁹ See Blumberg's Aug. 7, 2014, posting on CRA revocation letters associated with political activities, particularly the

7. Annual Reporting Requirements

7.1 Section C.5 and Schedule 7 of the CRA's 2013 annual report (Form T3010, *Registered Charity Information Return*) requires two new pieces of information about a congregation's political activities:

- one is a list of the political activities carried out over the fiscal year; and
- the other is the nature of the congregational resources used.

Schedule 7 asks for this information and for an explanation of how the political activities relate to the charity's charitable purpose. These new requirements arise from statements in the federal government's 2012 budget documents and possibly in relation to some concerns expressed in the 2010 report of the Auditor-General of Canada, which found that the CRA's charities' audit program could use more oversight. The form also asks for the total amount spent on political activities (this is also reported on the financial information on Schedule 5)—this is not new, and is different than the amount of resources used.

7.2 The form may not clearly distinguish between **"non-reportable" activities with a political flavour**, i.e., those that are described as "charitable activities" in the examples in sections 7, 8 & 14.1.1-14.1.8 of CPS-022, and those that are the **"reportable and permitted" political activities** in the examples in sections 6.2 & 14.3.1-14.3.6, i.e., those that involve an explicit or implicit "call to political action." However, it seems that only the latter need be reported at this time. This may be quite advantageous for charities that have a large public awareness and educational mandate within their charitable purposes (see sections 7 & 8 of CPS-022), including informing their members and the public of their representations to legislative officials when such activities fall short of a "call for political action" and are clearly linked to their charitable purposes. These would seem to be charitable (not political) activities. Therefore it may be important to record in congregational records all the activities of a political nature, whether or not it seems necessary to report them on the CRA form at the time of annual filing, because both reportable permitted political activities and non-reportable activities of a political nature that are considered to be charitable activities are each limited

⁹ cont.

correspondence associated with Physicians for Global Survival whose charitable status was revoked in 2012 after an audit that began in 2004:

http://www.canadiancharitylaw.ca/blog/revocation_letters_by_cra_for_charities_and_political_activities_over_the_1

to the 10% rule described in paragraph 4.3, above. **What is less clear for UU congregations, depending on our governing documents and CRA applications for charitable status is the aspect of connection to our charitable purpose**, as all activities of a political nature (whether or not they involve a call to political action) must relate to the organization's charitable purpose(s). This is made all the more difficult for religious organizations for which the charitable purposes may be described in more general and abstract terms than those of some service-related charities.

7.3 Nevertheless, the fact that the CRA requires congregations to report certain information annually does not mean that it will actually review it annually. (Consider, for example, that the CRA does not actually review many personal or corporate tax returns each year.) Requiring charitable organizations to provide this information annually serves two purposes:

- it encourages a charity to review its organization's political activities annually to ensure they comply with the legislative and policy requirements (both with respect to the connection with the organization's charitable purpose and with respect to the 10% limit on use of resources); and
- it creates a data base of information about a particular charity should it come up for review in the future, whether through random selection, the issue selected for verification, or complaint.

7.4 Section 6.2 of CSP022 indicates that the CRA considers each of the following actions of a charity to be a **reportable political activity**:

- a. it explicitly communicates a *call to political action* (that is, encourages the public to contact an elected representative or public official to urge them to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country);
- b. it 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 (if the retention of the law, policy or decision is being reconsidered by a government), opposed, or changed;
- c. it explicitly indicates in its materials (whether 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; or

- d. it makes a donation to a qualified donee (the CRA's word for "recipient") to carry out political activities (discussed further in paragraph 8.3, below).

7.5 In its definitions section (App. I), CPS-022 defines a "call to political action" as "an appeal to *the members of the charity or to the general public, or to segments of the general public*, to contact an elected representative or public official" So petitions signed at coffee hour or requests that congregants write to elected officials could constitute calls to political action and as such are probably reportable permitted political activities, provided they are non-partisan and linked to the congregation's charitable purpose(s).

7.6 Prior to 2013, the wording on the annual return form was:

A registered charity may pursue political activities to retain, oppose, or change the law, policy, or decision of any level of government inside or outside Canada **provided the activities are non-partisan, related to its charitable purposes, and limited in extent.**

7.7 The CRA's 2013 annual return for charities uses the following seemingly more limited definition in describing what must currently be *reported* as political activities:

any activity that **explicitly communicates to the public** that a law, policy or decision of any level of government inside or outside Canada should be retained, opposed or changed.

(As before, it also indicates: a registered charity may pursue political activities only if the activities are non-partisan, **related to its charitable purposes**, and limited in extent.) The inclusion of "explicit communication" seems to relate to the concept of a "call to political action" and therefore to distinguish between activities that are political in nature but considered to be charitable activities (not reportable—see paragraph 7.2, above) and the "reportable political activities."

7.8 The definition on the form may give the impression, therefore, that a letter-writing or petition campaign directed only to a member of a legislative body, but not to the public at large, does not constitute a political activity as long as it meets the requirements of paragraph 7.3 of CPS-022 referred to earlier (i.e., is connected to the organization's charitable purpose). However, *it is not the communication with the member of a legislative body that is reportable* in and of itself, *rather* the call to political action is likely to be *the request that members or*

others sign the petition or letters. And this seems evident from its inclusion in the list of activities on the form (see paragraph 7.14, below).

7.9 Interestingly, if the issue or message may be outside the requirements of paragraph 7.3 of CPS-022 (i.e., if the connection with the congregation's charitable purpose may not be clear), it may be possible that an activity is political (e.g., a letter expressing the congregation's position on a particular issue before the legislature), but that the CRA has not required on its form that it be reported, i.e., because there is no explicit call to political action. However, congregations should avoid activities that are not connected to their charitable purpose.

7.10 A Unitarian congregation may make its views known to politicians on same sex marriage when it makes a connection with religious freedom (i.e., the right of UU ministers or lay chaplains to perform such marriages) or with the human rights aspects of the UU principles. Through these principles, our congregations covenant to promote "the inherent worth and dignity of every person" and "justice, equity and compassion in human relations." When this occurs without an explicit call to political action (to members or the public), it may constitute part of the congregation's charitable activities and as such is not reportable on the annual return. When it includes an explicit call to political action, it would be a reportable political activity.

7.11 With respect to the human rights aspects of UU principles, a congregation might therefore also seek to influence politicians on gay rights generally or on the treatment of welfare recipients, such as the claw-back on earnings, provided that the representations are well reasoned, and free of false, or inaccurate information (source: paragraph 7.3 of CPS-022). Again, without an explicit call to political action, it may constitute a charitable activity; with an explicit call to political action, it would be a reportable political activity.

7.12 Whether a speaker addressing a political situation or a film on a political subject constitutes a

political activity cannot be answered without a lot of information. It may be a charitable educational activity if the subject is closely enough aligned to the congregation's charitable educational purpose. Such events may be thought to take on the characteristics of a political activity when they encourage members or the public to contact politicians, whether by letter, e-mail or petition, to maintain or change a law, policy or aspect of political administration. Even if there is no "call to political action," if such a film is presented from a particular point of view or bias (and therefore ineligible for classification as a charitable educational activity¹⁰), it might fall within the

"political flavour" category. While not reportable as a political activity, it would fall within the revenue limitations for that type of charitable activity.

7.13 The fact that a panellist at a public forum held in a congregation's building is a politician would not in and of itself make the event a political activity. For example, a congregation presenting a

forum on the environment and spirituality at which Elizabeth May is one of four panellists may not constitute a political activity. While May is a Member of Parliament, she is also known to have strong spiritual commitments. Consideration should, however, be given to the example of a prohibited (i.e., partisan) political activity in section 14.2.4 of CPS-022.

¹⁰ Section 8 of CPS-022 indicates that the degree of bias in an activity (e.g., film presentation) will determine if it can still be considered to be educational. This interpretation arises from several UK and Canadian court decisions (see footnote 8, above). In September 2014, CP journalist David Beeby revealed that CRA documentation responding to an access to information request by the Canadian Centre for Policy Alternatives (CCPA) indicated that the CCPA was identified as a target for an audit on political activities because a "review of the organization's websites as well as previous audit findings, suggests...that much of its research/education materials may be biased/one-sided." (Interestingly, Beeby has not been able to find any evidence of political audits of right-wing think-tanks.)



Unitarian Church of Montreal, Quebec

7.14 With respect to the **resources used for political activities**, Schedule 7 of the CRA annual return requires an indication about which of the following resources¹¹ were used for each of the potential activities listed in the Schedule:

- staff
- volunteers
- financial
- property.

The types of activities listed are:

- media releases and advertisements
- conferences, workshops, speeches or lectures
- publications (printed or electronic)
- rallies, demonstrations or public meetings
- petitions, boycotts (calls to action)
- letter-writing campaigns (printed or electronic)
- internet (website, social media).

These seem more related to the “call to political action” concept than to the “charitable activities” described in sections 14.1.1-14.1.8 of CPS-022. However, not all media releases, conferences, publications, etc., are associated with reportable political activities.

7.15 A reportable letter-writing activity that occurs during or after coffee hour or some evening on the congregation’s premises might involve the following resources:

- property
- paper and envelopes;
- stamps (if applicable, e.g., for provincial or municipal politicians or to newspapers);
- meeting room where the activity takes place; and
- volunteers.

7.16 While the current form does not require the reporting of quantifiable information, the CRA policy itself limits the amount of resources that can be used for permitted political activities (see paragraph 4.3, above). It seems unlikely that any UU congregations would come close to approaching the limit, particularly since volunteers may wish to consider any time in preparing for the activity from home as personal, rather than congregational, volunteerism. (That is, most UU social justice folks have a personal (citizenship) as well as a spiritual interest in political activities.)

¹¹ The list of resources on the form is based on those in paragraph 9 of CPS-022.

Recommendation

7.17 While it is not a current reporting requirement to quantify the amount of resources, it would be prudent to maintain a congregational record of quantifiable data (see Appendix III. Part B, this Discussion Paper). It also means that such information would be readily available if the CRA were to ask for supplementary information in the course of a compliance review or audit. In any event, it would be a useful exercise for a social responsibility committee to keep track of this information for a year so that the board can be satisfied that the use of resources is nowhere near the limit.

7.18 In relation to the resources referred to in paragraph 7.14, above, such tracking for a letter-writing activity might involve, for example, the following:

- property:
 - number of pages of paper & envelopes (estimated cost);
 - number and cost of stamps, if applicable;
 - number of hours the room was used in preparation for and carrying out of the activity, and which room;
- number of volunteer hours on the congregation's premises preparing or doing the activity;
- number of staff hours, if any, involved in, e.g.,
 - placing announcements in congregational communications or website, if applicable; and
 - extra custodial time, if any.

For participation in a public rally *under a congregational banner*, you might include:

- cost of bus rental, if any, to get participants to the rally;
- number of volunteer hours spent at the rally.

7.19 Many charitable organizations already track volunteer hours as these tend to be required in grant applications. Religious organizations have generally not developed this habit, nor of distinguishing the volunteer hours that support the direct service to its members (e.g., caring committee tasks) from those that support external causes/concerns and may be political in nature. Nevertheless, a congregation’s social justice committee should be able to provide a good estimate if records are not currently being kept.

7.20 The CRA provides Resources for Charities about Political Activities at:

<http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltbl-ctvts/menu-eng.html> .
These are well worth reviewing.

8. Congregational Donations to other Charities or Social Justice Organizations

8.1 Organizations with charitable status may make gifts (transfers) to other organizations with charitable status (qualified donees) provided these transfers constitute less than 50% of the donor's revenues—such transfers are considered to be an aspect of the donor's charitable activities. However, congregations may not make transfers to organizations without charitable status except in very limited circumstances, which would rarely apply to UU congregations. This "rule" essentially prohibits donations to almost all foreign organizations.¹²

8.2 The general long-standing prohibition of transfers to non-qualifying donees is presumably to ensure that a charity's activities are for its charitable purposes and to prevent the donee organizations from gaining benefit from the original donor's charitable donation, i.e., doing indirectly what it cannot do directly—giving a charitable donation receipt. The latter raises the question of whether donations can be made to non-qualifying donees from non-receipted donations, such as cash donations collected in Sunday service plates or proceeds from the sale of goods or services. However, subsection 149.1(1) of the ITA defines a "charitable organization" as one in which *all* the resources are devoted to charitable activities carried on by the organization itself and includes transfers to qualified donees in the definition of "charitable purpose."

8.3 And since the passage of Bill C-38 (2012 federal budget), if any portion of a transfer to a qualified donee is for a political purpose, the *whole amount* must be considered as a donation for political activity and accounted for, and reported to the CRA, as a political activity of the *donor* (UU congregation). This may have an impact on the amount of resources a charitable organization may be able to use for its own political activities (see definitions of "political activities" and "charitable purposes" in ss.149.1(1) of the ITA and sections 10 & 11 of CPS-022). This is not likely to have an impact on UU congregations, all or most of which probably devote 90+% of their resources to their own non-political, charitable activities.

8.4 Congregations may only make financial transfers to non-qualified donees or individuals when these recipients are intermediaries (or participants

in a joint venture) carrying out the charitable activities of the congregation, whether within or outside Canada. In such cases, there would normally need to be a formal agreement or contract defining what the intermediary is to do, and it would have to be monitored by the donor congregation, which is responsible to direct and control the use of its resources. Paying an intermediary's expenses in carrying out its own programs, for example, draws into question whether the activity is really that of the donor charity. The rules related to such situations are set out in Charities Guidance, *Using an Intermediary to Carry Out a Charity's Activities Within Canada* (CG-004) and *Canadian Registered Charities Carrying Out Activities Outside Canada* (CG-002), which are referenced in Appendix I to this Discussion Paper.

8.5 The CRA annual return has long required charities to answer whether they have transferred funds to qualified donees and to non-qualified donees (including foreign charities) and to list both. Either in error or because such transfers have been small, it is possible that some congregations may have answered "no" to the latter or to both when in fact small donations had been made to non-qualified donees. Previous returns can be corrected on CRA Form T1240, *Registered Charity Adjustment Request*.

8.6 Therefore, general donations or transfers to organizations such as the Council of Canadians, which does not have a charitable number, cannot be made. If made, they must be declared on the CRA annual return of the donor charitable organization (UU congregation) as a transfer to a non-qualified donee—perhaps with an explanation and commitment to avoid this in the future. This would seem to be true, even if some of the organization's revenues arise from sales of goods, rather than tax-receiptable donations (source: s.149.1(1) ITA). While a transfer may be made to the Canadian Civil Liberties *Foundation* (a research body with a charitable number), a transfer may not be made to the Canadian Civil Liberties Association itself (the latter being an advocacy organization which does not have a charitable number, either by choice or otherwise). It is easy to check whether an organization has a charitable number—one can simply look it up on the CRA Charities website.

8.7 The making of a gift to a non-qualified donee should be distinguished from the purchase of goods or services from an organization without

¹² See definition of "qualified donee" in App. I of CPS-022. It references a small number of international organizations.

charitable status. Congregations purchase all sorts of goods and services to carry on their activities from organizations that do not have charitable numbers, frequently private sector organizations or individuals. Congregations purchase desks, chairs, tables, pews, office equipment and supplies and books, etc. Similarly, it has been suggested that CUSJ¹³ (Canadian Unitarians for Social Justice—a non-profit organization without a charitable number) invoice congregations for its publications, as these are an aid to the education or discussion of congregants about matters related to UU principles, even though it may not be acceptable for congregations to make donations to CUSJ. There may also be situations where a congregation might pay an honorarium to a speaker personally for a speaking engagement, whether for a Sunday service or some other gathering. This is essentially an expense for services provided. It is not clear, however, whether one can pay a speaker's honorarium to a non-qualified donee organization, even one designated by the speaker or in which the speaker is employed.

9. Repercussions of Non-Compliance

9.1 The CRA's audit approach tends to be education first. One should expect that a nominal donation made before a congregation fully understood its obligation, or failure to report a political activity involving minimal time (particularly prior to 2013), would warrant a warning letter and an expectation that the congregation implement some procedures for avoiding the same in the future. In some cases, the CRA may require a congregation to enter into a compliance agreement with the CRA and/or impose more serious sanctions.

9.2 Where a congregation exceeds the limits for political activities (described earlier), the CRA can now impose a 1-year suspension of tax receipting privileges (source: paragraph 188.2(2)(f) of the ITA). **If a congregation fails to report any information that is required to be included on the annual return, the CRA can suspend its tax receipting privileges** until the CRA notifies the congregation that it has received the required information. (Prior to the introduction of these sanctions

¹³ Canadian Unitarians for Social Justice (CUSJ) is a national, liberal non-charitable religious organization of Unitarians that works to promote Unitarian and Universalist values through social action (see back page of this Discussion Paper).

The Canadian Unitarian Council (CUC) is the national association of UU member congregations, and on occasion partners with CUSJ to promote social action.

with the 2012 budget, the CRA's only sanction was revocation of the charitable registration.)

9.3 The larger or more significant the transgression, and the repetitiveness of such, are factors that influence the seriousness of the sanctions that the CRA applies, including ultimately recommending to the Minister of National Revenue that the congregation have its charitable status revoked. Such a decision might be reviewable in Federal Court, but better to avoid the revocation altogether. Where revocation is likely to occur, the Minister advises the charity in advance so it may make submissions.

10. How Church Boards and their Congregations Can Comply

10.1 Fundamentally, boards of directors have fiduciary responsibilities to their members and their staff. Compliance with the laws related to charities is part of that responsibility. Where there are social justice activities that may have a "political flavour" or are recognized as "political activities," congregational boards and administrators should conduct the necessary due diligence by reading all the relevant materials on the CRA website concerning political activities and, when necessary, consult with legal counsel. This may seem like a tall order for small organizations. While this paper is intended to help navigate these treacherous waters, it is really only an introduction and is based on the law and policy as it is understood by the writer at the time of publication. Congregational boards may wish to contact the Canadian Unitarian Council (CUC) or their legal counsel if they are unclear about their obligations.

10.2 A fellowship or congregation just at the stage of incorporating or amending its incorporation or bylaws and applying for charitable status would be wise to include the UU principles (or reference to them) in such documents to provide a direct "connection" between the charitable purposes of the congregation and social justice activities it or its social justice committee(s) may undertake in the future. This should assist in determining whether some future activities:

- may have a political "flavour" but are clearly charitable activities; or
- are permitted political activities that are reportable but allowed because substantially all the congregation's resources are used for charitable purposes.

10.3 A congregation's board could entirely ban all political activities in its congregation and all fund-

transfers to (and fund-raising for) other organizations. However, this would be inconsistent with UU principles and would probably cause internal friction and risk some members leaving the congregation.

10.4 A more suitable (albeit cumbersome) approach might involve the following:

- have the treasurer and administrator “subscribe” to the CRA Charities bulletins (e-mail notices);
- have the treasurer and minister, with or without the assistance of the auditor or legal counsel, orient the board annually to the CRA requirements associated with charitable status, some of which may affect social justice activities;
- ensure that at least one member of the board is active on its social justice committee to support a suitable communication flow and accountability;
- make available to its social justice committee a copy of the congregation’s charitable and corporate purposes (ideally, these should be included and reviewed annually in a board and social justice committee manual—see paragraph 12.2, below, and App. II of this Discussion Paper);
- ensure that the reporting requirements for the CRA annual return and any supplementary reports/records the board may require that relate to social justice activities (i.e., fund-transfers and political activities) are reflected in the terms of reference and/or manual for the social justice committee; and
- ensure all fund-transfers to other organizations include the recipient organization’s charitable number on the congregation’s donations records and the purpose for which the gift (transfer) was being made—include specifically whether any component of the purpose was for political activities.



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10.5 Some have suggested that a congregation should have a board policy on “political activities,” spelling out what is and isn’t acceptable and how activities are to be documented. If such an approach is taken, it might be desirable for the board to consult empathetically with the social justice committee of the congregation. If the CUC were to develop a model policy, it might like to do so in partnership or consultation with CUSJ and/or representatives of its monitoring groups. In both cases, such a document should be reviewed annually by the party drafting it (or otherwise responsible) to ensure it is kept up-to-date.

10.6 In light of the complexity of the law and policies described earlier and the burden they place on religious congregations, some congregations may wish to convey these concerns to the Commissioner of the CRA and the Minister of National Revenue (and/or other members of Parliament).

11. How Social Justice Groups Can Avoid Jeopardizing their Congregations’ Charitable Status

11.1 Social justice committees should:

- familiarize themselves with CRA requirements related to charitable organizations as they relate to political activities and fund transfers—these may change over time, so it is useful to “subscribe” to the CRA charities bulletins;
- ensure that the reporting and fund-transfer requirements are well understood by all social justice working groups (if there is more than one);
- plan, structure and report on their activities in a manner that is lawful and responsive to any board requirements (see paragraph 12.3, below, and App. III and IV of this Discussion Paper);
- maintain appropriate records on an ongoing basis to support the congregation’s annual CRA reporting obligations and potential CRA audits, so requests for information don’t arise as a surprise sometime in the future;
- cooperate with the treasurer and congregation administrators in fulfilling the congrega-

gation's annual reporting obligations—perhaps propose to these parties how the committee plans to do so;

- when making or recommending donations to another organization, record that organization's charitable number on the cheque requisition and explicitly whether or not any of the donation is intended for political activities;
- run all social justice fund-raising monies (receipts and disbursements) through the congregation's accounts so that there is an audit trail; and
- provide covering letters with transfers to qualified donees indicating explicitly whether the funds (gift) may be used for political activities of the donee.

11.2 Many social justice members prefer to conduct their activities under the “banner” (actual or imaginary) of the CUSJ, assuming this protects their congregation or the CUC from being seen as conducting political activities. Some are of the opinion that the small group of Unitarians who organized CUSJ in 1995 could see the right-wing shift in provincial and federal politics and realized that it was only a matter of time before governments would use their taxation powers to silence any criticism of government. Others might argue, whether alternatively or in addition, that these people recognized that it would also be difficult to get national (or even congregational) consensus on many issues of the day in any sort of timely fashion. One of the challenges in this approach is that CUSJ members may at times be using congregational resources (photocopiers, meeting rooms, fellowship hour, etc) to carry out what would otherwise be reportable political activities or activities in relation to unstated purposes. The former would probably need to be reported on the congregation's annual CRA return and the latter avoided.

11.3 Framing political activities as CUSJ activities (and not using congregational resources), rather than congregational activities, may also relieve members of social justice groups from having to spend time doing internal audits, bookkeeping volunteer hours and writing reports instead of taking the public actions our UU spiritual and other moral beliefs tell us we should be doing. There has also been some discussion about UU social justice committees becoming formal members (chapters) of CUSJ and conducting their public activities under the CUSJ (rather than congregational) banner. It

may be useful to reflect further on the pros and cons of this. (CUSJ Chapter Guidelines can be found at <http://cusj.org/get-involved/start-a-cusj-chapter/>.) In any event, some would say, being audited is much less painful than, for example, leaving our kids a legacy of runaway global warming, so let's not be pushed away or distracted from our mission by fear.

12. Available Resources

12.1 Appendix I to this Discussion Paper identifies some of the CRA and other on-line resources that are likely to be of greatest interest to congregational boards of directors, administrators and social justice committees concerning possible political activities of, and donations to other organizations by, the congregation or its social justice committee.

12.2 Appendix II to this Discussion Paper contains an outline for the text about charitable purpose(s) that might be suitable for inclusion in a board and/or social justice manual (see paragraph 10.4, above).

12.3 Appendix III contains sample templates that social justice committees might use to report to the board, minister or oversight committee on their plans, where this may be required or desired, and will help satisfy such committees that their planned social justice activities will be in compliance with CRA requirements.

12.4 Appendix IV contains sample templates for social justice committees to use in annual reporting on their activities to support congregations in completing their CRA annual returns and being satisfied that their social justice activities have complied with CRA requirements.



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APPENDIX I. RESOURCES

The following CRA on-line resources are likely to be of greatest interest to congregations regarding political activities and donations/transfers to other organizations:

- Charities Guidance, *How to Draft Purposes for Charitable Registration (CG-019)*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/drftprpss-eng.html>
- Charities Guidance, *How to Draft Purposes for Charitable Registration (CG-019)*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/drftprpss-eng.html> (published July 25, 2013)
- *Model [Charitable] Purposes*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/pplyng/mdl/mdl-bjcts-eng.html> (July 23, 2013)
- *Resources for Charities about Political Activities*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltel-ctvts/menu-eng.html> (March 12, 2013), including
 - Charities Video Series (3, about 3 minutes each), *Charities and their participation in political activities*: <http://www.cra-arc.gc.ca/vdglly/chrts-gvng/srs-pltelctvts-eng.html> (April 2014)
 - Overview of political activities for charities
 - What is a political activity
 - Charities must always be non-partisan
 - Representations to Government as a Charitable Activity: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltel-ctvts/rprsntns-eng.html>
 - *Political Activities Rules or Basic Requirements*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltel-ctvts/bscrqrmnts-eng.html> (March 12, 2013)
 - *Distinguishing between Charitable and Political Activities*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltel-ctvts/chrtblpltel-eng.html> (March 12, 2013)
 - *Accountability for the Use of Resources for Political Activities*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltel-ctvts/ccntblty-eng.html>
 - *Questions and Answers about political activities*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltel-ctvts/qstns-eng.html> (March 13, 2013)
 - Charities Policy Statement, *Political Activities* (CPS-022): <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cps/cps-022-eng.html> (published/effective Sept.2, 2003, modified Dec.11/12 and Apr.23/14)
 - Charities *Webinar* (4 segments, about 1 hour) on *Political Activities* (CPS-022): <http://www.cra-arc.gc.ca/vdglly/chrts-gvng/pltelctvts-eng.html> (June 2013)
 - *Political activities self-assessment tool*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltel-ctvts/slf-ssmnt-tl-eng.html> (published Oct.10, 2013)
 - *Information about Regulating the Political Activities of Charities*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltel-ctvts/nfrmtn-eng.html> (July 21/14)
- Charities Program Update 2014 (see sections on Compliance): http://www.cra-arc.gc.ca/chrts-gvng/chrts/bt/chrtspgrm_pdt-2014-eng.html (published Feb. 26, 2014)
- *Representatives of a Charity Involved in Political Activities on Their Own Time*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltel-ctvts/ndvdl-eng.html>
- Charities Policy Commentary, *Political Party's Use of Charity's Premises* (CPC-007): <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cpc/cpc-007-eng.html> (issued Oct.14, 1992, modified Dec.3, 2002)
- Charities Guidance, *Using an Intermediary to Carry Out a Charities Activities Within Canada* (CG-004): <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/ntrmdry-eng.html> (issued June 20, 2011, modified Aug.18, 2014)
- Charities Guidance, *Canadian Registered Charities Carrying Out Activities Outside Canada* (CG-002): <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/tsd-cnd-eng.html> (issued July 8, 2010, modified June 20, 2014)
- Charities Director General's Speech at the CBA Charity Law Symposium, May 23 2014 : *The importance of an independent and effective charities regulator in Canada*: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/bt/2014-lwsympsm-eng.html> (posted June 17/14)
- Charities Director General's Speech at the National Charity Law Symposium, May 4, 2012: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/bdgt/2012/dgspch-eng.html>

- *Charities-related forms and publications:* <http://www.cra-arc.gc.ca/chrts-gvng/chrts/formspubs/menu-eng.html>
- *Toolbox for directors, officers and volunteers:* <http://www.cra-arc.gc.ca/chrts-gvng/chrts/prtng/tlbx/menu-eng.html>
- *Engaging in allowable activities:* <http://www.cra-arc.gc.ca/chrts-gvng/chrts/chcklsts/ctvts-eng.html>

Other useful resources are:

- Carter's Professional Corporation, "Political Activities by Charities – If You Do It, Do It Smart!" on Imagine Canada website at <http://sectorsource.ca/resource/video/political-activities-charities-if-you-do-it-do-it-smart>
 - Carter's Charity Law website: <http://www.carters.ca/charity/index.php>
 - Blumberg's Charity Law website: <http://www.canadiancharitylaw.ca/> “
-

APPENDIX II. SAMPLE OUTLINE FOR CONGREGATIONAL STATEMENTS OF CHARITABLE PURPOSES IN BOARD & SOCIAL JUSTICE MANUALS

The Board of Directors of, or senior administrator for, a congregation/fellowship could prepare and update annually for its Board Manual and for a Social Justice Manual a document along the following lines.

The Congregation's/Fellowship's *charitable purpose(s)* on its **CRA application for charitable status**, submitted on [date] OR accepted/registered by CRA on [date] was stated as follows:

...

IF APPLICABLE: These were revised on [date] as:

...

OR, IF APPLICABLE: These have never been revised.

On its application (and revisions, if applicable), the Congregation/Fellowship described its *charitable activities* as:

...

On its 2 most recent **CRA annual returns**, the Congregation/Fellowship described its *charitable activities* as:

For the year [date of most recent year]:

...

...

For the year [date of previous year]:

...

...

The Congregation/Fellowship described its objectives in its most recent incorporation documents and/or by-laws as:

In the **incorporation document** ([date]):

...

In by-law # ..., [date]:

...

APPENDIX III. TEMPLATES FOR SOCIAL JUSTICE COMMITTEES—ANNUAL WORK-PLANS (OPTIONAL)

Social justice activities may be planned annually and formally recorded in a suitable manner that uses the information in the tables set out below. The plan may be updated throughout the year if activities not initially envisioned emerge. Whether or not the board or congregation requires the social justice committee to formally report on its plans, developing a plan with the appropriate considerations will be useful for the committee to ensure it operates within the requirements of the Income Tax Act, court decisions on charities law and the administrative requirements of the CRA.

PLANNED/PROPOSED/POSSIBLE SOCIAL JUSTICE ACTIVITIES FOR [COMING YEAR]

The social justice committee does not plan to engage in any partisan political activities, nor any activities that might be considered to be partisan. Nor does it intend to transfer any funds to other organizations for such purposes.

Attached as Appendix A is the information the Board or church administrator has provided regarding the Congregation's/Fellowship's charitable purpose(s) (CRA application or charitable registration), objectives (incorporation documents) and activities (recent CRA annual returns).

The activities and donations we have planned [OR, are considering] for the coming year can be described and categorized as follows.

PART A DONATIONS

DONATIONS/TRANSFERS TO QUALIFIED DONEES FOR CHARITABLE PURPOSES (reportable to CRA annually when made)

Proposed date of donation/transfer	Amount (\$) of congregational funds	Name of qualified donee (Recipient Organization)	Charitable registration number or nature of qualified donee w/o charitable registration (see App. I of CPS-022)	Purpose of donation/transfer and/or what donee does

OR The social justice committee does not plan to make any donations to qualified donees for charitable purposes. Nor will it make any donations to non-qualified donees.

DONATIONS TO QUALIFIED DONEES FOR POLITICAL PURPOSES (reportable to CRA annually by both parties when made)

Proposed date of donation/transfer]	Amount (\$) of congregational funds	Name of qualified donee (Recipient Organization)	Charitable registration number or nature of qualified donee w/o charitable registration (see App. I of CPS-022)	Purpose of donation and/or what political activity/ies donee will engage in with these funds. Explain how it is non-partisan

OR The social justice committee does not plan to make any donations to qualified or non-qualified donees for the donee organization to carry out “political activities.”

PART B ACTIVITIES

CHARITABLE ACTIVITIES WITHOUT “POLITICAL FLAVOUR” (i.e., strictly service-oriented or possibly educational) (when carried out, these may be covered in the Congregation's description of its charitable activities in its annual CRA report)

JAN-MAR	APR-JUNE	SUMMER	SEPT-DEC
[Name & describe activity 1]	[Name & describe activity 3 or subsequent]	[Name & describe activity 5, if any]	[Name & describe activity 7]
[Explain link of activity 1 with charitable purpose]	[Explain link of activity 3 with charitable purpose]	[Explain link of activity 5 with charitable purpose]	[Explain link of activity 7 with charitable purpose]
[Name & describe activity 2]	[Name & describe activity 4]	[Name & describe activity 6]	[Name & describe activity 8]
[Explain link of activity 2 with charitable status]	[Explain link of activity 4 with charitable purpose]	[Explain link of activity 6 with charitable purpose]	[Explain link of activity 8 with charitable purpose]
Etc.	Etc.	Etc.	Etc.

CHARITABLE ACTIVITIES THAT HAVE A “POLITICAL FLAVOUR” BUT INVOLVE NO EXPLICIT OR IMPLICIT CALL TO POLITICAL ACTION & ARE NON-PARTISAN (not reportable to CRA as “political activities” when carried out, but could be reviewed in an audit)

Activity 1

Proposed Month or Period	Describe the activity (who? What? Where?). Explain how it is non-partisan (focus on the issues, not the political parties or individuals involved); state that any representations to elected representatives or public officials will be well-reasoned and will not contain information that the committee knows or ought to know is false, inaccurate or misleading & will not be used to support a call to UU members or the public-at-large to political action.
Estimate resources to be used and quantify, e.g., <ul style="list-style-type: none"> • Congregational equipment, stationary, etc., • Congregational space • Congregation’s website • Staff time • Volunteer time 	Explain link of activity with Congregation's charitable purpose and/or charitable activities – why? (see App. A.)

Activity 2, 3, etc., construct tables as for Activity 1.

POLITICAL ACTIVITIES REPORTABLE AS SUCH TO CRA ANNUALLY (when carried out), i.e., involving an explicit call to political action (petitions, letter writing campaigns, rallies, etc) but are non-partisan

Activity 1

Proposed Month or Period	Describe the activity (who? What? Where?). Explain how it is non-partisan (focus on the issues, not the political parties or individuals involved); state).
Estimate resources to be used and quantify, e.g., <ul style="list-style-type: none"> • Congregational equipment, stationary, etc., • Congregational space • Congregation's website • Staff time • Volunteer time 	Explain link of activity with Congregation's charitable purpose and/or charitable activities – why? (see App. A.)

Activity 2, 3, etc., construct tables as for 1st table.

OR The social justice committee does not plan to conduct any activities that the CRA considers to be “political activities”.

APPENDIX A [based on App. II to this discussion paper]

APPENDIX IV. TEMPLATES FOR SOCIAL JUSTICE COMMITTEES—ANNUAL WORK-PLANS (MANDATORY)

Social justice activities may be formally reported annually in a suitable manner that uses the information in the tables set out below.

CONGREGATIONAL SOCIAL JUSTICE ACTIVITIES FOR [PAST YEAR]

Attached as Appendix A is the information the Board or church administrator has provided regarding the Congregation's/Fellowship's charitable purpose (CRA application or charitable registration), objectives (incorporation documents) and activities (recent CRA annual returns).

The social justice committee did not participate in any partisan political activities, nor any activities that could be considered to be partisan. Nor did it transfer any funds to other organizations for such purposes.

The activities we have engaged in during the last year can be described and categorized as follows:

PART A DONATIONS

DONATIONS TO QUALIFIED DONEES FOR CHARITABLE PURPOSES (reportable to CRA annually)

Date of donation/transfer	Amount (\$) of congregational funds	Name of qualified donee (Recipient Organization)	Charitable registration number or nature of qualified donee w/o charitable registration (see App. I of CPS-022)	Purpose of donation and/or what donee was expected to do with the donation

OR The social justice committee did not make any donations to qualified donees for charitable purposes, nor to non-qualified donees.

DONATIONS/TRANSFERS TO QUALIFIED DONEES FOR POLITICAL PURPOSES (reportable by both parties to CRA annually)

Date of donation/transfer	Amount (\$) of congregational funds	Name of qualified donee (Recipient Organization)	Charitable registration number or nature of qualified donee w/o charitable registration (see App. I of CPS-022)	Purpose of donation and/or what political activity/ies donee was expected to engage in with these funds. Explain how it is non-partisan.

OR The social justice committee did not make any donations to qualified or non-qualified donees for the donee organization to carry out “political activities.”

PART B ACTIVITIES

CHARITABLE ACTIVITIES WITHOUT “POLITICAL FLAVOUR” (i.e., strictly service-oriented or possibly educational) (these may be covered by the Congregation's description of its charitable activities in its annual CRA report)

DATE	Description of Activity	How Activity is Linked with Congregation's Charitable Purpose

CHARITABLE ACTIVITIES THAT HAVE A “POLITICAL FLAVOUR” BUT INVOLVED NO EXPLICIT OR IMPLICIT CALL TO POLITICAL ACTION & WERE NON-PARTISAN (not reportable to CRA annually as “political activities”, but could be reviewed in an audit)

Activity 1

Date of activity	Describe the activity (who? What? Where?). Explain how it is non-partisan (focus on the issues, not the political parties or individuals involved); state that any representations to elected representatives or public officials were well-reasoned and did not contain information that the committee knows or ought to know is false, inaccurate or misleading was not & will not be used to support a call to UU members or the public-at-large to political action.
Resources used (quantified), e.g., <ul style="list-style-type: none"> ● Congregational equipment, stationary, etc., ● Congregational space ● Congregation's website ● Staff time ● Volunteer time 	Explain link of activity with Congregation's charitable purpose and/or charitable activities – why? (see App. A.)

Activities 2, 3, etc., construct tables as for Activity 1.

POLITICAL ACTIVITIES REPORTABLE AS SUCH TO CRA ANNUALLY, i.e., involving an explicit or implicit call to political action (petitions, letter writing campaigns, rallies, etc) but were non-partisan

Activity 1, create a table similar to that above, and the same for activities 2, 3, etc.

OR The social justice committee did not carry out any activities that the CRA considers to be “political activities”.

APPENDIX A [based on App. II to this discussion paper]

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The views published herein do not necessarily reflect views and opinions of the Canadian Unitarian Council, Canadian Unitarians for Social Justice or all Canadian Unitarian Universalists.

STATEMENT OF PURPOSE

The CUSJ purposes are:

- to develop and maintain a vibrant network of Unitarian social action in Canada and elsewhere and to proactively represent Unitarian principles and values in matters of social justice and in particular
- to provide opportunities, including through publication of newsletters, for Unitarians and friends to apply their religious, humanistic and spiritual values to social action aimed at the relief of (1) poverty and economic injustice, (2) discrimination based on religious, racial or other grounds, (3) abuses of human rights whether of individuals or peoples, (4) abuses of democratic process, and
- to promote peace and security, environmental protection, education, and literacy in keeping with the spirit of Unitarian values.

These purposes are an integral part of the Constitution of CUSJ, adopted at the CUSJ Annual Meeting in Mississauga, ON, May 19, 1999, and amended at the 2003 AGM.

I agree with the above Statement of Purpose, and wish to
☐ join or ☐ renew membership in CUSJ.

Enclosed please find my donation of \$_____

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I would like to receive my JUSTnews Newsletter by:

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