
Chapter 5:

RULES OF ENGAGEMENT FOR NONPROFIT ADVOCACY

Before engaging in public policy advocacy, nonprofits should make sure they understand the rules and regulations around what they can and cannot do, so that they can engage with clarity and confidence. Knowing the rules can empower your organization to lead and provoke important discussions.

An election is a great opportunity to advocate for public benefit. As our friends at the [Ontario Nonprofit Network](#) say, “Don’t be intimidated by rules and regulations about what charities and nonprofits can do during elections. Get informed!”¹² The first steps to becoming informed, involve the understanding of three relevant regulatory areas:

1. Canada Revenue Agency’s Regulations
2. Lobbying in Alberta
3. Third-Party Advertising in Alberta

These areas may or may not apply to your nonprofit, depending on whether you are a registered charity, you have paid staff, and how much you spend on election-related activities.

Canada Revenue Agency's Regulations

Nonprofit organizations that are federally registered as charities must adhere to the Income Tax Act (ITA) regulations, as interpreted and applied by the Canada Revenue Agency (CRA). Recent Amendments to the ITA allow registered charities to engage in unlimited public policy dialogue and development activities (PPDDAs), so long as these activities are:

- related to and support the organization's stated charitable purpose(s) and,
- nonpartisan (this includes a ban on both direct and indirect partisanship).

PPDDAs generally involve seeking to influence the laws, policies or decisions of a government, whether in Canada or a foreign country. In light of the new changes, charities must still be created and operated exclusively for charitable purposes. Only nonprofit organizations that are registered charities need to adhere to these regulations.

Direct and Indirect Partisanship

A charity can publicly agree or disagree with a decision or position of government, but cannot directly or indirectly support or oppose any political party or candidate for public office. Thus, a charity's communications should focus on policy issues and should not refer to any candidate or political party.¹³

Nonpartisanship does not mean non-participation. There are many ways that registered charities can engage in nonpartisan election-related activities. Furthermore, the ability to engage in nonpartisan advocacy can be viewed as a strength for organizations, as it can work to:

- Create an environment of respect for the diversity of political opinions among staff, volunteers and people who your charity serves.
- Give you access to diverse community leaders and funding sources.
- Reaffirm charities' position as trusted sources that can engage with and give voice to underserved populations and topics, beyond party lines.¹⁴

As Canadian citizens, staff and volunteers have **a right to participate in the democratic process**.¹⁵ This means, as individuals, they are not bound to nonpartisan dialogue – as long as they are not acting in their official capacities as representatives of a registered charity. Check with your organization regarding any conflict of interest policies that may exist.

To avoid partisan engagement during your advocacy efforts, consider the following dos and don'ts.

Do:

- ✓ focus on the charitable purposes that your PPDDAs are meant to achieve.
- ✓ keep records that demonstrate your primary consideration in carrying on PPDDAs is to further your charitable purpose and provide a public benefit.¹⁶
- ✓ review legal requirements of other legislation such as Alberta Elections Act and Lobbying Act.
- ✓ give all political candidates and parties an equal opportunity to present their views and answer questions.

Don't:

- ✗ focus on, promote or oppose a political candidate or party publicly or internally.
- ✗ instruct or influence constituents to vote for a specific candidate or party.
- ✗ work with or coordinate with campaigns, political candidates or parties.
- ✗ transfer resources (ex. financial, human, or physical resources) to support or oppose a political party or candidate directly or through a third party, or allow a political party or candidate to use your charity's resources without compensation.
- ✗ refer to or identify a political party or candidate when supporting or opposing a law, policy, or decision of government.

For more information on CRA's draft guidance documents and examples of direct and indirect partisanship visit [here](#).¹⁷ Please click [here](#) for Explanatory Notes Relating to the Income Tax Act Legislation.¹⁸

Lobbying in Alberta

Lobbying is a legitimate activity in a free and democratic society. Lobbyist regulations across different levels of government are meant to balance free and open access to government with public transparency as to who is accessing and seeking to influence government.

The Alberta Government defines lobbying as communication with a public office holder in an attempt to influence matters relating to:

- Legislation (including legislative proposals, bills, resolutions, regulations and orders in council).
- Programs, policies, directives, or guidelines.
- The awarding of any grant or financial benefit.
- Decisions by the Executive Council to transfer assets from the Crown or to privatize goods and services.
- In the case of consultant lobbyists, arranging a meeting between a public office holder and any other individual; or communicating with a public office holder in an attempt to influence the awarding of a contract.¹⁹

Nonprofits are exempt from the Alberta Lobbyists Act and therefore are **not** required to register as lobbyists, except for:

- Nonprofits that are constituted to serve management, union or professional interests.
- Nonprofits that have a majority of members that are profit-seeking enterprises or representatives of profit-seeking enterprises.

By definition, lobbyists are **paid staff**. Nonprofits that fall under the exceptions above must only register if they have reached the **50-hour annual lobbyist threshold**, which includes both time spent lobbying and time spent preparing for lobbying.

[Click here](#) for more information on the different types of lobbyists and exemptions.²⁰

Third-Party Advertising in Alberta

Third-party advertising rules are meant to ensure that the public is aware of who is placing and paying for political and election advertising at the different levels of government.

In Alberta, “election advertising” refers to advertising that promotes or opposes a registered party or a registered candidate during an election advertising period (The election advertising period starts on December 1st, or from the issue of a writ for the election, until the end of polling day).

According to Elections Alberta, issue-based advertising that is not directly promoting or opposing a political candidate or party, can be included in third-party election advertising. This means if your nonprofit spends money on paid advertising that advocates for or against an issue that a registered party or candidate is merely associated with, you may need to register as a third-party advertiser.

A registered charity is not eligible to register as a third-party advertiser through Elections Alberta. However, nonprofits that are not registered charities are required to register as third-party advertisers if they have incurred or plan to incur expenses of at least \$1,000 for election advertising, or they have accepted, or plan to accept, at least \$1,000 in election advertising contributions. There are no advertising donation limits, but advertising expenses are limited to \$150,000 during the election advertising period.²¹

Please click [here](#) to view the full Elections Alberta Third-Party Advertiser Guide.²² In addition find some general information about Third-Party advertising [here](#)²³.

PROVINCIAL RULES OF ENGAGEMENT: POLICY ADVOCACY			
REGULATORY AREA	REGULATION	APPLIES TO	DOES NOT APPLY TO
CRA Regulations	Charities can engage in unlimited public policy dialogue and development activities, so long as these activities further their charitable purpose(s) and do not involve the direct or indirect support of, or opposition to, any political party or candidate for public office.	Registered charities.	All other nonprofits (not registered charities).
Alberta Lobbyist Act	Must register if 50 hours of lobbying has been reached.	Nonprofits that serve management, union or professional interests, or that have a majority of members or representatives that are profit-seeking enterprises.	All other nonprofits (not among the two listed exceptions).
Alberta Third-Party Act	Must register if have spent or plan to spend \$1,000 or more on political advertising.	All other nonprofits (not registered charities).	Registered charities.

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