

November 24, 2021

Tanya Fir, Associate Minister of Red Tape Reduction
131 Legislature Building
10800 - 97 Avenue
Edmonton, AB
T5K 2B6

Dear Associate Minister Fir:

The Calgary Chamber of Voluntary Organizations (CCVO) is pleased to provide this red tape reduction submission relating to the five-year review of the *Charitable Fund-raising Act*. This submission aims to support the goals of cutting red tape by outlining actions for the Government of Alberta and specifically the Ministry of Service Alberta to save time, money, and resources while upholding fiscal accountability in the nonprofit sector. CCVO is a member-based charitable organization that was established in 2004 to strengthen Calgary's vibrant nonprofit sector and provide strategic advice to government on sector-related public policy issues in Alberta.

Registered charities in Alberta are already operating under strict obligations through CRA that sets out clear guidelines and expectations of acceptable fundraising practices. As a result, the *Charitable Fund-raising Act* in Alberta creates unnecessary red tape for charities and nonprofits that are already held accountable through other pieces of legislation and regulatory requirements.

There are currently just over 900 charities and nonprofits in Alberta registered under the *Charitable Fund-raising Act*. Removing the requirement to register eliminates a minimum of 900 from the registration process. Considering the administrative burden of ongoing tracking and reporting requirements for each of those 900 organizations, creating an exemption for charities and nonprofits could significantly reduce red tape for Service Alberta in the thousands.

It is our recommendation that the *Charitable Fund-raising Act* is amended to exempt charities and nonprofits from being required to register under the Act.

Below we outline the analysis that led to this recommendation:

According to the Government of Canada, registered charities “must be established and operate exclusively for charitable purposes”.ⁱ Charities registered in Canada must also follow considerable reporting requirements such as “annual reporting, compliance obligations with respect to issuing of donation receipts, maintaining books and records and devoting all the entity’s resources to charitable work”.ⁱⁱ



According to their guidance document, “the CRA expects charities to be transparent and conduct all fundraising within acceptable legal parameters... [f]undraising is acceptable provided it is not:

- a purpose of the charity (a collateral, non-charitable purpose)
- delivering a more than incidental private benefit (a benefit that is not necessary, reasonable, or proportionate in relation to the resulting public benefit)
- illegal or contrary to public policy
- deceptive
- an unrelated business”.ⁱⁱⁱ

In addition to CRA guidelines, there is a long list of legislation that governs how charities operate within their province or territory, in addition to the *Charitable Fund-raising Act* in Alberta.^{iv}

Nonprofits in Alberta can incorporate under various pieces of legislation. Federally incorporation takes place under the *Canada Not-for-profit Corporations Act*.^v Under this Act, the Federal Government has reporting requirements for nonprofit corporations specifically stating, ““soliciting” not-for-profit corporations, which are generally those that receive public donations and/or government grants in excess of \$10,000 in a single financial year, must file financial statements and public accountant's report”.^{vi} Provincially, “incorporation can take place under the *Agricultural Societies Act*, *Companies Act*, *Religious Societies Lands Act*, *Societies Act*, and a small number of private acts”.^{vii} Each of these pieces of legislation have different requirements and regulations that must be followed by a nonprofit.

Requiring nonprofits to register under the *Charitable Fund-raising Act* may limit their fundraising efforts out of fear of the consequences, or the additional burden required to register. As a result, they have less resources to provide services to communities and may lean more heavily on government funding.

Although registration under the *Charitable Fund-raising Act* may be necessary for the regulation of for-profit organizations, the current lack of exemption for charities and nonprofits in Alberta creates unnecessary red tape. Creating an exemption for nonprofits and charities would benefit both community and government by reducing the administrative burden for government while also encouraging a supportive and well-functioning civil society. We thank you for accepting our submission. We would be pleased to meet with you or your staff and to provide any additional information.

Sincerely,

A handwritten signature in black ink that reads 'KBall'.

Karen Ball, CCVO President & CEO



CC: Ron Orr, Minister of Culture and Status of Women; Nate Glubish, Minister of Service Alberta; Jason Luan, Minister of Community and Social Services; Heather Caltagirone, Deputy Minister of Culture and Status of Women; David James, Deputy Minister of Service Alberta; Cynthia Farmer, Deputy Minister of Community and Social Services

ⁱ <https://www.canada.ca/en/revenue-agency/services/charities-giving/giving-charity-information-donors/about-registered-charities/what-difference-between-a-registered-charity-a-non-profit-organization.html>

ⁱⁱ <https://www.charitycentral.ca/wp-content/uploads/legalreq-en.pdf>

ⁱⁱⁱ <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/fundraising-registered-charities-guidance.html>

^{iv} <https://sectorsource.ca/managing-organization/working-cra/other-legislation-affecting-charities;>
<https://www.charitycentral.ca/wp-content/uploads/abstatutes-en.pdf>

^v <https://laws.justice.gc.ca/eng/acts/c-7.75/>

^{vi} <https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04956.html>

^{vii} <https://open.alberta.ca/opendata/alberta-non-profit-listing>