

# Charities not looking for fight with Revenue Canada

## 'CRA has the right to investigate charities to determine if you're following the rules'

By Kady O'Malley, [CBC News](#) Posted: Jul 25, 2014 4:33 PM ET Last Updated: Jul 25, 2014 10:35 PM ET

The head of the umbrella organization that represents Canadian charities says there are no plans to mount a collective defence in response to what some groups have alleged may be politically motivated audits to rout out partisan political activities.

- ['Preventing poverty' not a valid goal for tax purposes, CRA tells Oxfam Canada](#)
- [PEN Canada hit with political-activities tax audit](#)
- [Canadian charities in limbo as tax audits widen to new groups](#)
- [Study cites 'chill' from tax agency audits of charities' political activities](#)
- [List of charities undergoing tax audits related to political activities](#)

"Imagine Canada has not created a special plan or program for collective action that is different from the current belief that charitable organizations have an important and vibrant role to play in the identification of issues of importance to Canadians," newly installed president Bruce MacDonald told CBC News by email.

"Since renewed federal interest in charities' political activities first surfaced a few years back, Imagine Canada has been actively promoting the important role that charities play in public policy both domestically and internationally," he noted.

"We have also been working with charities across the country to ensure that they are aware of their rights and responsibilities regarding political activities reporting and public policy engagement more generally, [and] we plan to continue these efforts in the weeks and months to come."

Earlier this week, The Canadian Press reported that Toronto-based PEN Canada, a small organization that represents artists and writers concerned about freedom of expression, [was the latest charity targeted for special scrutiny](#) by the tax agency, which has spent the last two years investigating possible political activities at the government's behest.

More than 50 charities have gone under the CRA microscope since 2012.

Initially, the investigations seemed to be focused on environmental advocacy groups, but that list [has since expanded](#) to include international humanitarian and aid groups.

And it isn't just allegations of excessively political activism that appears to be catching the tax agency's official attention.

## Bureaucratic brawl

The Canadian Press reported earlier Friday that Oxfam Canada [had been forced to reword its mission statement](#) to remove a reference to "preventing poverty" after being informed that wasn't considered a valid goal, at least for tax purposes.

"We were told we had a broader definition of our mission, and they were only comfortable with the portion that spoke to relieving poverty," Oxfam director of international development Anthony Scoggins told CBC News on Friday.

Under the agency's direction, he said, "we withdrew the offending phrase, and have since received our registration."

But he doesn't seem to have come round entirely to the CRA's way of thinking.

"Obviously, if you're a charity working on cancer or HIV/AIDS, those charities aren't restricted to dealing only with those suffering with that, they also do a lot of work on prevention up front, because that's seen as a social benefit," he noted.

"The CRA has gotten itself caught up a little bit in a rather embarrassing snafu around this, which certainly doesn't help with their credibility, since it really is common sense for most Canadians."

## Oxfam 'offside,' says Christian charities group

Not all Canadians — or, as it turns out, even all charities — share that view, however.

Canadian Christian Charities Association CEO Rev. John Pellowe believes Oxfam was "clearly offside in this."

"They're expressing surprise, but prevention of poverty is not a charitable purpose, and should not have been put in their [mission] statement," he said.

"There are lots of grey areas — for instance, providing job training to people who don't have jobs is charitable, but providing job training to people who do is not," he explained.

"The same activity could be charitable or not charitable, depending on who you're serving. But CRA has the right to investigate charities to determine if you're following the rules."

Pellowe says his organization, which represents over 3,000 charities, doesn't have a problem with the tax agency's recent investigations.

"I only have information that I've read in the press, but we have 3,200 Christian charities that are members, so we do watch for issues like this where we think government is offside, and we're in consultation with CRA on a fairly regular basis," he told CBC News.

## 'CRA simply doing what it should be doing'

"What I'm reading ... seems to suggest that people think there's a political agenda here. In

actual fact, the cases that we're looking at, I don't see any evidence of a government agenda or interference in the operations of CRA."

The government has the right to ask the agency to look into specific issues or concerns, he notes.

"The CRA is simply doing what it should be doing with the cases I'm aware of."

The limits on political engagement are "very well and clearly defined" in the Income Tax Act, he noted.

"You can do political engagement, but you cannot engage in partisan politics, and in the cases I've heard about, that's exactly what they're doing—they've crossed the line."

As yet, he says, he hasn't heard from any member organizations concerned about the audits into political activities.

"On other issues — income tax-related issues or GST — we get people calling in and saying 'Hey, it looks like they're reinterpreting this,'" he noted.

"What typically happens is we sit down with CRA management, and it gets worked out. We've had them change their forms and documents based on our input."

In this case, he said, "I see the government saying they had an interest in how charities operate, which is within their prerogative. There's not a story here."