

**Pre-Budget Submission to the Standing Committee on Finance –
Budget 2015**

**Presented by:
The Calgary Chamber of Voluntary Organizations (CCVO)**

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The Calgary Chamber of Voluntary Organizations (CCVO) is pleased to provide this submission on the Budget 2015.

The CCVO works to strengthen the nonprofit and voluntary sector and provides leadership on the critical issues that impact organizations in this sector. We have a diverse membership of over 350 organizations, many of which work in partnership with various levels of government.

Canada's nonprofits and charities fulfill a myriad of roles within our communities. They support the quality of life enjoyed by Canadians, supporting vulnerable people, providing recreational and leisure opportunities, delivering arts and cultural programs and stewarding our natural environment. Many organizations also provide services essential to support the labour force, from settlement services and ESL programs for new immigrants, to skills upgrading and the childcare and elder care programs that enable individuals to participate in the workforce. This sector touches virtually every Canadian, including our most vulnerable. Moreover Canada's nonprofits and charities are central to the health and prosperity of our communities. There are approximately 170,000 nonprofit organizations in Canada, 86,000 of which are registered charities.

The Calgary Chamber of Voluntary Organizations recommends the following:

1. Resource Statistics Canada to generate reliable and valid data to inform decision-making about Canada's nonprofit and charitable sector.
2. Introduce a blanket exemption from Section 6 of Canada's Anti-Spam legislation for Canada's charities and public benefit nonprofits.
3. Take action to reduce merchant fees paid when credit cards are used to make donations to, or purchase goods or services from, registered charities to ensure donors' dollars go to charitable causes rather than to credit card companies.



Recommendation 1. Resource Statistics Canada to generate reliable and valid data to inform decision-making about Canada's nonprofit and charitable sector.

Canada's nonprofit and charitable sector is estimated to employ two million Canadians and comprises 8.1% of Canada's GDP. However, we do not have reliable and up-to-date information. In 2003, Statistics Canada undertook the **National Survey of Nonprofit and Voluntary Sector Organizations (NSNVO)**. This resulted in a comprehensive account of the size and composition of Canada's nonprofit and charitable sector, its financing, workforce (paid and volunteer), needs, challenges and strengths. A lot has changed in Canada over the past decade and the NSNVO data no longer paints an accurate picture. However, it remains a valuable data set for comparative purposes, to help understand how the sector is evolving, how its workforce is changing, how it is financed, and how it is responding to society's shifting needs.

From 1997 to 2008, Statistics Canada maintained the **Satellite Account of Non-Profit Institutions in Canada**. The Satellite Account drew from multiple sources to "fill an important void, addressing important questions", including:

- *What is the economic contribution of the non-profit sector through its role as an employer or as a provider of goods and services in the economy?*
- *In what fields of activity are non-profit organizations contributing to Canadian society?*
- *What are the sources of revenue of non-profit organizations? To what extent are they funded by governments versus private donations?*
- *How healthy or vulnerable is the non-profit sector from a financial point of view?*¹

The Satellite Account program has not been active since 2008.

Given the scope of Canada's nonprofit and charitable sector, and the critical work it performs, it is essential to have reliable and valid data to inform decision-making. Despite past efforts to develop a fuller understanding of the sector, and to generate data to inform decision-making, there is now a dearth of reliable information. Imagine if we were to rely on pre-recession data to make economic decisions about Canada's oil and gas sector, or made workforce decisions in the absence of information on the state of the automotive sector. Yet, in terms of proportion of GDP, Canada's nonprofit and charitable sector is larger than both of these sectors.

It is imperative that we address this void in order to support decision making as it pertains to Canada's nonprofit and charitable sector. We need good data to make good decisions and to make the most efficient use of tax dollars and charitable donations. We strongly encourage the federal government to resource Statistics Canada so it can re-activate the Satellite Account and replicate the NSNVO at regular intervals.

¹ Statistics Canada. *About the satellite account of non-profit institutions and volunteering*, <http://www.statcan.gc.ca/nea-cen/about-apos/npiv-nblb-eng.htm>



Recommendation 2. Introduce a blanket exemption from Section 6 of Canada's Anti-Spam Legislation for Canada's charities and public benefit nonprofits.

The CCVO has been actively engaged in interpreting and disseminating information to nonprofits and charities about the coming into force of Canada's Anti-Spam Legislation. We applaud the Federal Government for including an exemption for charities sending electronic messages for the primary purpose of raising funds. We have learned; however, that there is much confusion about the nature of this exemption, to which revenue generating activities it applies, as well as the very definition of "commercial electronic message". Because of this many charities are attempting to introduce systems to track implied and express consent in order 'to be safe', or simply because they do not know how their messaging activities would be viewed by the CRTC. This comes at a cost, both in terms of information technology to support tracking, as well as ongoing staff time to update tracking systems. The vast majority of charities are small, often volunteer run organizations. It is our belief that CASL places a significant and unnecessary burden on these organizations, diverting public funds and donations from the important work they perform.

Moreover, there are many nonprofits that are not registered as charities, but that serve the public good, (versus providing a private benefit). Examples include community associations, sports groups and many arts organizations. This distinction forms the basis of an exemption granted to charities and nonprofits from Alberta's Lobbyists Act and could easily apply to a blanket exemption from section six of CASL.

Electronic messages represent a cost-effective, timely, and legitimate means by which charities and public benefit nonprofits communicate with their stakeholders. These organizations are trusted by Canadians and not a significant source of the "spam" this legislation is intended to curtail. A blanket exemption will allow nonprofits and charities to focus their efforts and resources on their work of enriching our communities.

Recommendation 3. Take action to reduce merchant fees paid when credit cards are used to make donations to, or purchase goods or services from, registered charities to ensure donors' dollars go to charitable causes rather than to credit card companies.

Lastly, we support Imagine Canada's recommendation to reduce the merchant fees charged to charities when donations and purchases are made with credit cards. As they have explained in their submission, the fees charged in Canada are some of the highest in the world.

More and more Canadians are making their charitable contributions online. While the capacity to donate online is a welcomed advance, it means that a higher proportion of donations are subject to merchant fees and more money is being diverted away from its intended purpose. Because we expect this practice to increase in the coming years, we commend Imagine Canada for raising this issue and fully support their recommendation.