

The Relationship between the CRA and the Charitable Sector Working Group has focused its work over its term on two key areas:

1) Review of the progress of the workplan of the CRA from the recommendations from the first ACCS and their three reports.

In this review, it was determined that it is challenging for the Working Group to review and advise on any further next steps, and that it is advisable for the ACCS to continue to receive reports from the CRA on progress over time. It was also noted that a number of the recommendations require inter-departmental coordination or additional budget resources, including possible political decisions. These are beyond the purview of what the ACCS can oversee and direct, but it may require future action by the charitable sector to pursue recommendations, including federal budget recommendations. The Working Group did not provide a report on the progress of the CRA on the three reports as we deemed it beyond our scope and capacity at this time.

2) Consulting with the charitable sector to understand how the relationship with the CRA can be improved, especially in administrative, support, and educational areas with the intent to provide summary recommendations for change or improvements.

The Working Group conducted three small, relatively informal focus groups to gather feedback, and is providing these summary recommendations. The remainder of this report focuses on the suggestions and feedback that was received and is being provided to the CRA for consideration.

Improving support

The discussion began by asking participants for feedback on what improvements could be made to the registration and reporting process for charitable organizations or organizations seeking registration. Several participants noted challenges with accessing the online portal:

- A participant noted that while using the online platform to complete T3010, they had to re-enter the information for each director by clicking the various fields for each entry (address, postal code, month, separate from day, separate from year for DOB, etc.) and that this was very time consuming. They suggested that CRA could use tombstone data from the previous year to capture director information and only add new information, or allow the platform to use the copy paste functionality from the prior year (without having to click each field to paste). Another participant noted that they faced challenges with using MyBA when a director is not listed as an authorized representative of the organization.
- It was noted that the registration process is very complicated which forces many organizations to hire a legal representative or professional. Recommended that the CRA review the registration process in more detail and work with the sector on ways it can be improved.

- A participant suggested that the CRA should include a completion tracker so that organizations would have an idea of where they are at in the registration process [NOTE: this service already exists for several CRA business lines, including the Registered charity information return: [Progress Tracker - Canada.ca](https://www.progress-tracker.ca)].

Educational Program

Consultations also focused on whether it is worthwhile to re-create an education program like the former Charities Partnership and Outreach Program (CPOP). CPOP was designed to provide funding to registered charities and non-profit organizations serving the charitable sector in Canada to assist in developing and delivering innovative compliance-related education and training projects to charities. Following this, the WG asked participants if they felt a similar initiative would be beneficial to sector today, and summarized these recommendations:

- It is recommended that the CRA offer educational tools related to allowable administrative expenses. Many organizations struggle with what can be included as part of management and administration expenses, and where these expenses should be recorded on the T3010. It was also noted that it would be helpful if the CRA offered webinars on completing the T3010. Given the high-turnover rate in the sector, organizations are having to invest time and resources to train new employees on how to complete this information. When organizations are providing this information, they are not always sure that they are providing the correct information and advising their staff appropriately. If CRA were to provide training on this, it would reduce the overall likelihood of errors and potentially lead to more accurate and consistent data.
- The importance of good governance is also critical, and it would be meaningful for employees and board members to receive the same information and training from the same source. Case studies and examples would be useful as part of the training and webinars. Often training focuses on theory, which can be helpful, but applying the learned theory to real-life examples often helps learners.

Engagement and supporting charities

The consultation also considered other engagement and ways the CRA could support charities. A number of comments and suggestions were made, including:

- Emulation or sharing of resources, such as a resource in British Columbia, [Law For Non-Profits](https://www.lawfor-nonprofits.ca), which is a free resource offered by Pacific Legal Education Society (PLEO), an organization that has been providing legal services to the non-profit and arts sector since 2005. It was noted that this is an interactive website where individuals can type in questions and receive responses. The CRA could be more innovative and use chatbots to create more interactive user experiences. Canadians have become accustomed to a more digital way of doing things, the CRA should consider updating its digital platforms and technology so they align with interactions that take place with non-government bodies.

- Organizations often have an inherent fear of contacting the CRA because many feel it will lead to their organization facing greater scrutiny. This hesitancy/fear (often with an associated financial burden) causes organizations to avoid interactions with the CRA, which can lead to information becoming very much out of date. We recommend the CRA develop a campaign or outreach activity advising charities that the Agency takes an education-first approach.
- The CRA might consider offering a mentorship program to guide organizations through the application process.

Miscellaneous Recommendations

- Given the complexity and difficulty of registration, it is recommended that the CRA consider a more simplified process for organizations seeking registration as the current process is very cumbersome and complex. For example, the CRA should examine the registration process from the lens/perspective of a grassroots level organizations and see if any improvements could be made so that organizations don't feel so hopeless during the process and feel they need to hire a legal representative.
- We also note that the process is complex - for example, if the digital platforms present challenges, organizations are asked to respond in writing (email not accepted) - the CRA needs to find a way to make accessing the digital platform easier for applicants.
- The CRA should especially find opportunities for efficiencies to help the smaller, grassroots organizations.
- The CRA should explore a partnership program that pairs organizations seeking registration with charity lawyers willing to offer legal services pro-bono. The CRA may wish to partner with the Canadian Bar Association to create a pro-bono registry that is accessible to organizations seeking registration that do not have the means.
- It may be beneficial to bring the CRA and the users closer together in a manner that would make organizations feel comfortable, such as having a booth at AGMs and conferences to increase visibility and allow participants to engage with a real human in a neutral environment (potentially dismantling the "fear" associated with the CRA). Using a case study approach also has a way of dismantling fears and it is recommended that the CRA could set up small group workshops to help charities work through critical issues.
- We also recommend developing live educational resources, such as webinars, during non-work hours, as many charities are run by volunteers who need to access educational resources in their off-work hours.
- Overall, some reimagining is required when considering how to reach small, volunteer run, grassroots organizations. For example, the CRA needs to develop a communications strategy specifically for these groups and needs a unique and tailored strategy for supporting them. In order to connect with these groups, the CRA should be making contacts and connecting with other community partners. It was also recommended that the CRA rethink its communications and outreach

offerings. For example, offering call centre services, webinars and information sessions outside of CRA working hours on evenings and weekends. It was noted that smaller, volunteer run organizations are either busy carrying out their mission or working at a full time job during the hours that CRA is available.

- In order to find and work with smaller charities and groups interested in registration the CRA needs to first identify where their programming is being delivered and connect with other community groups. For example, if CRA wanted to connect with grassroots health organizations, it should establish a connection and build a relationship with local community health centres or other community health hubs.

Overall, it participant also noted that the response and engagement from the CRA recently is much better than it's ever been and they are showing a keen interest on listening to the sector. They noted CRA is listening, developing solutions, and showing a willingness to collaborate with the sector; and added that this will help CRA and the sector work together towards common goals. We commend the CRA on their work to-date, and believe that addressing and considering these recommendations will improve the relations with the sector on an on-going basis.