



April 24, 2012

TO: Congregational Presidents, Ministers
FROM: Gary Groot, CUC President

In order for you to make a fully informed decision regarding the three resolutions being proposed at this year's annual meeting the Board of Trustees would like to provide you with the following information:

1. Please keep in mind that there are definable "costs" to each and every resolution, either in terms of commitments of time and energy for your congregation or for the staff of the CUC and factor these costs into your decision-making. For example the resolution to form a study group on active democracy demanded that congregations take the time and effort to explore this issue with the study group, a requirement that many congregations found that they were not in a position to meet. Resolutions that make demands on staff time will, by necessity, result in the Board having to direct the Executive Director to divert limited resources from the currently identified priority areas to meeting the requirements of the resolution.
 - ♦ It is anticipated that the lay chaplaincy resolution, if passed, will result in a moderate cost to the CUC arising from the need to replace existing material etc. with the new names.
 - ♦ The Criminal Justice resolution, if passed, should not incur any significant financial cost to the CUC.
 - ♦ The Environmental and Socially Responsible Investing resolution, if passed, is expected to result in a significant diversion of resources to support the portion of the resolution that requires us "to determine what measures other companies in which the CUC is invested are taking for the protection of the human rights of their local employees and citizens issues central to the CUC 1998 Policy". Currently the Board makes use of Share to do this work on our behalf. If we are to take this on directly we will need to divert staff time to do this work.

2. Revenue Canada Agency's (CRA) policy regarding the amount of political action charities are allowed to engaged in can be found at <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cps/cps-022-eng.html>. The recent budget included \$8,000,000 for the conduct of an audit of charities to monitor their compliance with these provisions. In summary the CRA policy states:
- ♦ that “a charity may not take part in an illegal activity or a partisan political activity. A partisan political activity is one that involves direct or indirect support of, or opposition to, any political party or candidate for public office”.
 - ♦ That no more than 10% of a charities resources (defined as “the total of a charity's financial assets, as well as everything the charity can use to further its purposes, such as its staff, volunteers, directors, and its premises and equipment”) can be used for political activities which are defined as when a charity:
 - i. explicitly communicates a call to political action (i.e., encourages the public to contact an elected representative or public official and urges them to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country);
 - ii. explicitly communicates to the public that the law, policy, or decision of any level of government in Canada or a foreign country should be retained (if the retention of the law, policy or decision is being reconsidered by a government), opposed, or changed; or
 - iii. explicitly indicates in its materials (whether internal or external) that the intention of the activity is to incite, or organize to put pressure on, an elected representative or public official to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country.

Given the emphasis that the federal government is putting on monitoring the political action of charitable organizations we will need to be careful to stay under the 10% radar. Historically, we have focused on the budget allocation of our charitable actions but the above clearly stipulates that the allowable 10% includes the total of a charity's financial assets, as well as everything the charity can use to further its purposes, such as its staff, volunteers, directors, and its premises and equipment.