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"ZERO" expenditures for political activity reported (2009) to Revenue Canada by Tides Canada

From: VIVIAN KRAUSE <vivian.krause@me.com>
To: Ross McMillan <ross.mcmillan@tidescanada.org>
Cc: joel@renewalpartners.com
Date: May 10, 2011 6:15:10 PM

Mr. McMillan,

Below, please find a draft post in which I have tried to present my concerns, my questions and my opinions about Tides Canada's reporting of expenditures for political activity.

If I have presented anything here that is factually incorrect, or if I have missed any important points, please let me know.

I am currently writing an op-ed submission that I will submit this week, so unfortunately, I will not be able to wait as long as I usually do, in the hopes of a response from you. If you would be so kind as to be willing to provide me with your feedback and/or input on this, I would need it tomorrow, Wednesday, by about 3:30 pm at the latest. I regret the short notice on this occasion.

I will call your office on Wednesday morning in order to request to speak with you or with someone from your office about this.

Alternatively, you can reach me at your convenience, at 604.618.8110.

Sincerely,
Vivian Krause

"ZERO" Expenditures for Political Activity Reported (2009) to Revenue Canada by Tides Canada

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In Canada, registered charities are allowed to conduct a certain amount of political activity but it must be non-partisan, and must be connected and subordinate to the charity's purposes.

Revenue Canada presumes that an activity is political if a charity:

- 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);
- 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
- 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.

For Revenue' Canada's Policy Statement on political activity, click [here](#).

As shown below, in the publicly available Canadian tax returns, Tides Canada reported **ZERO** expenditures for political activity, for 2009. Click on the image below for a larger, more legible version.

Excerpts from Publicly Available Tax Returns for Tides Canada (2009) Showing "ZERO" Expenditures Reported for Political Activity:

Tides Canada Foundation 2009		Tides Canada Initiatives Society 2009	
Advertising and promotion	4800 \$ 27,835	Advertising and promotion	4800 \$ 263,024
Travel and vehicle expenses	4810 \$ 58,166	Travel and vehicle expenses	4810 \$ 383,458
Interest and bank charges	4820 \$ 129,802	Interest and bank charges	4820 \$ 72,714
Licenses, memberships, and dues	4830 \$ 12,224	Licenses, memberships, and dues	4830 \$
Office supplies and expenses	4840 \$ 38,602	Office supplies and expenses	4840 \$ 865,708
Occupancy costs	4850 \$ 141,184	Occupancy costs	4850 \$ 264,339
Professional and consulting fees	4860 \$ 575,408	Professional and consulting fees	4860 \$ 5,013,402
Education and training for staff and volunteers	4870 \$ 17,029	Education and training for staff and volunteers	4870 \$ 17,963
Total expenditure on all compensation (enter the amount reported at line 390 in Schedule 3 if applicable)	4880 \$ 1,067,347	Total expenditure on all compensation (enter the amount reported at line 390 in Schedule 3 if applicable)	4880 \$ 3,677,206
Fair market value of all donated good used in charitable programs	4890 \$	Fair market value of all donated good used in charitable programs	4890 \$
Total cost of all purchased supplies and assets	4891 \$	Total cost of all purchased supplies and assets	4891 \$
Amortization of capitalized assets	4900 \$ 248,813	Amortization of capitalized assets	4900 \$ 27,066
Total expenditure for research grants and scholarships as part of charitable programs	4910 \$ 7,500	Total expenditure for research grants and scholarships as part of charitable programs	4910 \$ 44,485
Other expenditures not included in the amounts above	4920 \$	Other expenditures not included in the amounts above	4920 \$
Specify type(s) of expenditures included in the amount reported at 4920	4930 \$	Specify type(s) of expenditures included in the amount reported at 4920	4930 \$
Total expenditures before gifts to qualified donees (add lines 4800 to 4920)	4950 \$ 2,323,500	Total expenditures before gifts to qualified donees (add lines 4800 to 4920)	4950 \$ 10,649,305

Tides Canada Foundation 2009		Tides Canada Initiatives Society 2009	
Lines 5000 to 5030 represent a breakdown of the expenditures on lines 4800 to 4920. The total of lines 5000 to 5030 should equal line 4950.		Lines 5000 to 5030 represent a breakdown of the expenditures on lines 4800 to 4920. The total of lines 5000 to 5030 should equal line 4950.	
Total expenditures on charitable programs	5000 \$ 485,265	Total expenditures on charitable programs	5000 \$ 9,012,429
Total expenditures on management and administration	5010 \$ 1,838,645	Total expenditures on management and administration	5010 \$ 1,636,876
Total expenditures on fundraising	5020 \$	Total expenditures on fundraising	5020 \$
Total expenditures on political activities, inside or outside Canada	5030 \$ 0	Total expenditures on political activities, inside or outside Canada	5030 \$ 0
Total other expenditures included in line 4950	5040 \$	Total other expenditures included in line 4950	5040 \$
Total amount of gifts (excluding enduring property and specified gifts) made to all qualified donees	5050 \$ 11,034,384	Total amount of gifts (excluding enduring property and specified gifts) made to all qualified donees	5050 \$ 51,422
Total amount of enduring property transferred to qualified donees (excluding specified gifts of enduring property)	5060 \$	Total amount of enduring property transferred to qualified donees (excluding specified gifts of enduring property)	5060 \$
Total amount of specified gifts made to qualified donees (including specified gifts of enduring property)	5070 \$	Total amount of specified gifts made to qualified donees (including specified gifts of enduring property)	5070 \$
Total expenditures (add amount from line 4950 and the amounts from lines 5050, 5060 and 5070)	5100 \$ 13,358,294	Total expenditures (add amount from line 4950 and the amounts from lines 5050, 5060 and 5070)	5100 \$ 10,700,727

For the publicly available tax returns of Tides Canada where this information is reported, click [here](#) for Tides Canada Foundation, and [here](#) for Tides Canada Initiatives Society. See Line 5030.

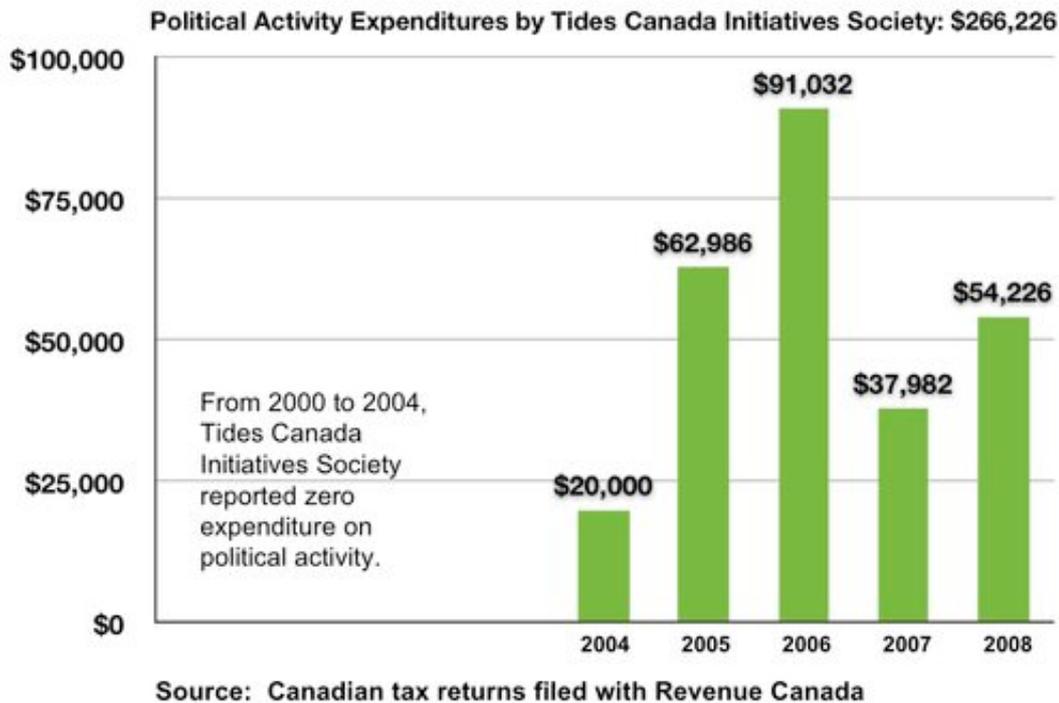
The idea that Tides Canada did not spend any money on political activity in 2009 is difficult for me to reconcile with what Tides Canada Foundation reported to the U.S. Internal Revenue Service in its U.S. tax return for 2009. Three reasons:

- One of Tides Canada's projects was [Organizing for Change](#) for which Tides Canada paid at least [\\$90,125](#) in 2008/2009. As I have described in [The National Post](#) and in [The Vancouver Sun](#), this project of Tides Canada sought to influence the leadership picks of both the Liberal and the NDP political parties in British Columbia.
- Tides Canada is a partner/supporter of [The Dogwood Initiative](#) which seeks to get the federal government to legislate a ban on oil tanker traffic on the north coast of B.C. Tides Canada paid at least [\\$46,639](#) for the Dogwood Initiative, in 2009.
- Open Media has referred to itself, at least that's how it seems to me, as a project of Tides Canada. Open Media mobilized nearly half a million Canadians to oppose user-based billing. ["You've moved politics!"](#), Open Media announced. Tides Canada's [lawyer has stated](#) that Tides Canada does not fund Open Media and that Open Media is not a project of Tides Canada. However, based on what was posted at the web-site of Open Media, I find that hard to believe. That information has since been removed but it can be seen here.

In addition to the above, I also note that in 2009, Tides Canada paid [\\$5.3 million to 25 organizations](#), many if not all of which appear to me to be involved in various forms of advocacy.

Tides Canada itself may not have been politically active, but as it appears to me, many of the organizations that are funded by Tides Canada are politically active. This raises a fair question: Does it make sense for a foundation that funds politically active organizations to claim that it is not politically active itself?

In previous years, Tides Canada Initiatives Society reported a total of \$266,226 on political activity. In my opinion, this raises another series of questions: Which political activities did Tides Canada support between 2004 and 2008? And why did Tides Canada report political activities during 2004 to 2008, but not in 2009?



Excerpts from Canadian Tax Returns:

2004

Total expenditures before gifts to qualified donees	4950	\$ 3,386,684
Total charitable programs expenditures included in line 4950	5000	\$ 2,167,857
Total management and administration expenditures included in line 4950	5010	\$ 1,198,827
Total fundraising expenditures included in line 4950	5020	
Total political activity expenditures included in line 4950	5030	\$ 20,000
Total other activity expenditures included in line 4950	5040	
Total gifts to qualified donees	5050	
Total expenditures	5100	\$ 3,386,684

2005

Total expenditures before gifts to qualified donees	4950	\$ 3,790,951
Total charitable programs expenditures included in line 4950	5000	\$ 3,441,611
Total management and administration expenditures included in line 4950	5010	\$ 286,354
Total fundraising expenditures included in line 4950	5020	
Total political activity expenditures included in line 4950	5030	\$ 62,986
Total other expenditures included in line 4950	5040	
Total gifts to qualified donees, excluding enduring property	5050	\$ 7,084
Total enduring property transferred to qualified donees	5060	
Total specified gifts to qualified donees	5070	
Total expenditures (add lines 4950, 5050, 5060 and 5070)	5100	\$ 3,798,035

2006

Total expenditures before gifts to qualified donees	4950	\$ 4,807,520
Total charitable programs expenditures included in line 4950	5000	\$ 4,375,619
Total management and administration expenditures included in line 4950	5010	\$ 335,889
Total fundraising expenditures included in line 4950	5020	\$ 4,979
Total political activity expenditures included in line 4950	5030	\$ 91,032
Total other expenditures included in line 4950	5040	
Total gifts to qualified donees, excluding enduring property	5050	
Total enduring property transferred to qualified donees	5060	
Total specified gifts to qualified donees	5070	
Total expenditures (add lines 4950, 5050, 5060 and 5070)	5100	\$ 4,807,520

2007

Total expenditures before gifts to qualified donees	4950	\$ 7,391,854
Total charitable programs expenditures included in line 4950	5000	\$ 6,934,656
Total management and administration expenditures included in line 4950	5010	\$ 410,615
Total fundraising expenditures included in line 4950	5020	\$ 8,601
Total political activity expenditures included in line 4950	5030	\$ 37,982
Total other expenditures included in line 4950	5040	
Total gifts to qualified donees, excluding enduring property	5050	
Total enduring property transferred to qualified donees	5060	
Total specified gifts to qualified donees	5070	
Total expenditures (add lines 4950, 5050, 5060 and 5070)	5100	\$ 7,391,854

2008

Total expenditures before gifts to qualified donees	4950	\$ 10,909,994
Total charitable programs expenditures included in line 4950	5000	\$ 10,108,081
Total management and administration expenditures included in line 4950	5010	\$ 682,936
Total fundraising expenditures included in line 4950	5020	
Total political activity expenditures included in line 4950	5030	\$ 54,226
Total other expenditures included in line 4950	5040	
Total gifts to qualified donees, excluding enduring property	5050	\$ 57,734
Total enduring property transferred to qualified donees	5060	
Total specified gifts to qualified donees	5070	
Total expenditures (add lines 4950, 5050, 5060 and 5070)	5100	\$ 10,967,728