

May 17, 2022

2022 Election Finance Rules Q & A – Issue 1

Dear candidates and CFOs:

With the Ontario Election called for June 2, 2022, we have been fielding several interesting questions regarding the finance rules pertaining to the campaign. We conducted a webinar for CFOs on April 10, 2022 and have posted it on our website – www.impactcpas.ca. This periodical newsletter is produced to share our response to questions from the webinar and any other finance related questions during the election period.

Q1: Who can issue campaign donation receipt other than the CFO?

A: The CFO of a registered candidate is responsible for issuing proper tax receipts for all eligible contributions.

If the Party has chosen to use an electronic database for issuing tax receipts, the candidate's campaign must also use the electronic database. In this case, it is recommended that the CFO of a candidate either obtain access to the Party's electronic database to record the contribution, or send supporting documents of the contribution to the Party, to ensure all contributions are recorded in the Party's database, as the CFO of the Party is responsible for issuing tax receipts for contributions recorded in the electronic database for the political party, its constituency associations, and its candidates.

If no electronic database is used, the CFO or authorized persons on record with Elections Ontario can request blank paper tax receipts from Elections Ontario.

Q2: What are campaign expenses and what expenses are subject to the limit?

A: Campaign expenses are expenses incurred for the benefit of a candidate's campaign.

A campaign expense subject to the expense limit is any expense incurred for goods or services related to an election by or on behalf of a registered candidate's campaign for use in whole or in part during the period beginning with the commencement of the campaign period and ending on polling day.

Campaign expenses subject to the limit do not include:

- expenses incurred by a candidate in seeking nomination in accordance with the *Election Act*;
- expenses incurred by a registered candidate with disabilities that are directly related to the candidate's disabilities;
- auditor's and accounting fees;
- interest on loans authorized under the *Act*;
- expenses incurred in holding a fund-raising event;
- expenses incurred for "victory parties" held and "thank you" advertising after polling day;
- expenses incurred relating to administration of the registered constituency association;
- transfers authorized under the *Act*;
- fees paid relating to using a credit card facility;
- expenses relating to a recount for the election;
- childcare expenses of a registered candidate;
- expenses relating to research and polling; and
- travel expenses.

The content of this newsletter is prepared by **IMPACT CPA LLP** for information only and is not intended to provide professional advice as specific situations may differ. Please email your queries to service@impactcpas.ca and we will reply within 1 business day. If it is a common query, we will include it in a future edition of this newsletter.