

*Special Issue 2019-3  
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## **2019 Election Finance Rules Q & A – Issue 3**

Dear candidates and official agents:

With the Federal Election call for October 21, 2019, we have been fielding several interesting questions regarding the finance rules pertaining to the campaign. The 2019 Canada Elections Act introduced many changes to the election rules and many existing sections were replaced. This periodical newsletter is produced to share our response to these questions with you. If you have any questions related to the financial aspects of the election, please contact us.

***Q1: Who can incur electoral campaign expenses?***

A: As per the Elections Canada Political Financing Handbook, only the Official Agent (OA), or those authorized by the OA may incur election expenses. The OA must authorize through writing, i.e through an e-mail, and the authorized party should submit the invoice/receipts along with a copy of the e-mail for record keeping.

***Q2: How to account for items loaned to the campaign?***

A: For items loaned to the campaign that have a commercial value of renting a similar item is less than \$200 there is no need to report any expenses relating to the item. However, if the commercial value of renting a similar item is greater than \$200, the campaign must pay the person who loaned the item and retain copies of the supporting documents of the payment so that the amount can be reported as an election expense.

***Q3: How to account for amounts earned off the sale of unused items?***

A: For all items sold, the amount received should be accounted for as Other Cash Inflows as “Proceeds from sales of assets” and it should not be netted against election expenses. If the items being sold are rented by the campaign from the Electoral District Association (EDA), the sale is proceeds to the EDA and not the campaign.

***Q4: What should a campaign do with regards to pre-writ expenses?***

A: Expenses incurred pre-writ, such as in the months of June and July, should be paid by the EDA. These amounts, even if paid out of the campaign bank account, would not count as election expenses. The exceptions to this include: Signs used during the campaign period, and Installation costs relating to the setup of telephones, internet... etc. These would be considered election expenses and will need to be paid for by the OA in order to receive the 60% reimbursement.

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***Q5: What records does the campaign need to keep for expenses?***

A: For expenses that are \$50 or greater, the official agent must keep a copy of the supplier invoice/receipt that sets out the nature of the expenses. For expenses incurred that were less than \$50, the official agent must keep a record of the nature of the expenses; for these items a credit card statement will suffice. For third party payments, the original supplier's invoice must be provided. (eg If the EDA purchased the signs and resold it to the campaign, the original sign supplier's invoice must be provided).

***Q6: How to account for amounts paid to staff of the campaign?***

A: If the staff are considered independent contractors, they should provide supporting invoices to the OA for payment. The invoices should include the name and address of the payee, the amount paid, job description, and the period of service provided. If the staff are considered employees, they should provide timesheets. The OA should keep pay calculations, make payroll remittances and issue T4s for the payroll.

***Q7: How should advertising costs incurred before the election period be reported?***

A: Advertising expenses incurred before the election period for the transmitting of advertising during the election period are considered election expenses.

***Q8: Should advertising costs incurred be pro-rated for the election period?***

A: If the advertising is done during the pre-writ period and continues into the election period, the entirety of the expenses incurred for the advertising will be considered election expenses. However, if the advertising is only shown during the pre-writ period, the amounts cannot be included as an election expense. The same would apply to expenses that overlap into the post-writ period.

***Q9: Are there any limitations on when the advertisements can be shown?***

A: There is a blackout period for campaign advertising during the Election Day until the polls close. This blackout period applies to all advertising except:

- Distribution of pamphlets
- Posting messages on signs, posters, or banners
- Internet messages that were placed before the blackout period began and was not changed (i.e. weekly online magazines)

However, for Internet advertisements that are actively transmitted to different users daily and where the third-party issuer is able to control the transmission dates, the blackout period must be respected.