

*Special Issue 2019-2
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2019 Election Finance Rules Q & A – Issue 2

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: What is the Election Period for the 2019 Federal Elections?

A: There seems to be some confusion as to the election period for the upcoming Federal Election. The election period will run from September 11, 2019 to October 21, 2019 inclusively, which means that the period in question will be 41 days.

Q2: How to become a confirmed candidate?

A: In order to become a confirmed candidate for the October 21 election, a nomination paper (EC 20010) or online nomination form must be completed, with all required information, and submitted to Elections Canada along with signatures from at least 100 electors residing in your electoral district that consent to your candidacy. Elections Canada will check and remove any non-registered electors. We suggest that candidates collect 10 to 20 more signatures over the minimum to ensure their candidacy is accepted.

Q3: What is the deadline for nominations?

A: The deadline for nomination is 2:00pm local time on the day that is 21 days before election date. For the 2019 Federal Elections, the deadline for nomination is September 30, 2019 at 2pm. The returning officers may reject the nomination if it is not in order (i.e. insufficient eligible voter signatures per Q1 above). We suggest you submit the papers ASAP with a time allowance to make corrections if necessary.

Q4: Can a candidate's immediate family provide services for the campaign for a fee?

A: There will be no conflict of interest for a candidate's family member to provide services to a campaign. The documentation required is the same as for any other campaign worker in that a written contract or invoice be provided which includes the job description, amounts, and date or period of the service provided.

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Q5: What is considered a Fundraising Expense?

A: Fundraising Expenses are direct costs related to a ticketed fundraising event and is considered an other campaign expense.

Promotional expenses such as:

- Producing and distributing invitations to a ticketed fundraiser
- Procuring and distributing promotional items, such as pens or t-shirts
- Producing and mailing a letter or pamphlet that solicits contributions
- Producing and using a script for telephone calls that solicit contributions

are not considered fundraising expense and are elections expenses.

Q6: Do fundraising expenses include amounts paid for HST and Gratuities?

A: All amounts paid, including HST and Gratuities, as part of the direct costs of a ticketed fundraising event should be reported as a fundraising expense.

Q7: How do you report the fees deducted from online contributions? (i.e. Paypal, Credit Card)

A: When contributions are received online, and a processing fee has been automatically deducted, the full amount of the contribution must be reported. This means that the tax receipt issued to the contributor should be for the full amount of their contribution. The processing fees that were deducted will be reported as an election expense. It should be

noted that, as per the Political Financing Handbook, processing fees relating to fundraising activities are not considered election expenses.

Q8: Are replacement goods purchased to replace vandalized or stolen goods considered new expenditures (election expense)?

A: When purchasing replacement goods, such as signs, the replacement order would be considered an election expense. However, Elections Canada has come up with a guide on this matter: "If the campaign has many affected signs, it may want to report the expense to replace vandalized or stolen signs as an other electoral campaign expense instead of an election expense. This can be done if the campaign:

1. Replaces the vandalized or stolen signs with signs of the same cost (Or if the replacements are more expensive, the difference is reported as an election expense)
2. Files a police report that includes a description of the signs, their location, and costs
3. Keeps the police report and evidence of the vandalism or theft in its reports (for example photographs, or statements from property owners)"

You would only want to do this if you will exceed the spending limit and be penalized. Otherwise keep it as an election expense and be entitled to the 60% reimbursement. You should file the police report to keep this option available.