

Federal Election Finance

Presentation to Candidates and Official Agents

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AGENDA

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- Disposing of Surplus & Closing Campaign
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Introduction – IMPACT CPAs LLP

- Auditors of Federal Electoral District Associations (EDAs)
- Auditors of Ontario Constituency Associations (OCAs)
- Auditors for Federal, Ontario and Municipal Election Candidates
- Auditors for Federal and Ontario Leaderships Contestants
- Auditors for Nomination Contestants
- Trainers to EDAs, OCAs, Nomination Contestants and Candidates
- Members of CPA Canada Federal Election Audit Guides Advisory Committee



Bill C- 50 (December 21, 2018)

Regulated Fundraising Event is an event that:

- Organized to financially benefit a registered party with a seat in the House of Commons OR affiliated entities.
- Attended by one of these **prominent attendee**:
 - Party Leader or Interim Leader
 - Leadership Contestant
 - Federal Cabinet Minister (Minister of the Crown OR Minister of the State)
- At least one person had to pay or **contribute over \$200** to attend.

Regulated Fundraising Event excludes:

- A leadership debate
- A party or leadership convention
- A donor appreciation event at a party or leadership convention
- An event where at least one person paid over \$200 to attend but no part of the payment was a CONTRIBUTION.



Bill C-50

Disclosure requirements for regulated events:

- The party is responsible for disclosing the event to the public and Elections Canada.
**** Candidate and Association should inform the Party if there are any Regulated Fundraising Events, so the Party can fulfil their Obligations ****
- Information may be needed from organizers to meet the disclosure requirements.
- Disclosure requirements are different for fundraising events held outside and during a general election.

Campaign Process

Planning



Campaign



Post Election

Budget and Limits

Daily Tracking

Reporting/Filing to EC

Maintain Records

- Study Election Canada (EC) rules
- Appoint Official Agent and **Auditor** (if **contribution or expenses exceed \$10,000**)
- Submit nomination paper
- Develop budget within spending limits
- Establish controls
- Open bank account

- Set up accounts & books
- Track contributions and send receipts
- Track expenses against budgets
- Pay all bills and resolve all problems

- Candidate Electoral Campaign Return (EC20120)
- **Audit of returns** (if **contribution or expenses exceed \$10,000, or candidate receives 10% or more of the valid votes**)
- Filings to EC with all back up
- Final wrap up

Starting a Candidate's Campaign

- The **candidate** must appoint an Official Agent (OA) before receiving contributions, loan or transfer as well as incurring campaign expense
- OA has to open a bank account as the account holder exclusively used for campaign transactions. Naming convention as follows:
 - “(Official agent’s full name), Official agent”
 - “(Official agent’s full name), Official agent for (Candidate’s full name)”
- Establish internal controls to monitor the campaign expenses and ensure limits are not exceeded.
- Campaign may start incurring expenses, receiving contributions, loans or transfers once they have met all the above requirements before election is called.
- Tax Receipts cannot be issued until the Candidate is officially confirmed by the returning officer.

Official Agent Responsibilities

- Administers and reports all campaign financial transactions to Elections Canada (EFR).
- Official Agent's role continues until the candidate's campaign fulfills all the financial reporting requirements
- **Budget:** Get together with the campaign team, the EDA executive, and the Candidate to prepare a budget
 - The Budget is for writ, and post-writ activities
 - Develop controls and keep within the expense limit
 - Provide frequent updates on the spending of the campaign so adjustments can be made
- Deal with any unpaid claim or surplus

Official Agent Responsibilities

- Must maintain all books and records of contributions, loans and expenses, as well as other inflows and outflows of funds. Record all financial information for the preparation of the Candidate's Electoral Campaign Return (EC20120), and for the examination by the auditor and Election Canada
 - The necessary detailed forms to keep records and to submit returns are included in the candidate's kit provided by the returning officer at the time of the confirmation of the nomination

Official Agent Responsibilities

The official agent must provide the auditor and Elections Canada with access to all documents of the candidate, including:

- copies of receipts issued for contributions
- bank statements, deposit slips (including copy of cheque deposited / online payment transactions report, etc.) and record of payment issued (cheque copy, e-transfer confirmation, etc.)
- a list of cheques issued but not yet cashed at the bank
- copies of all bills, vouchers and pro forma invoices
- details of loans obtained
- details of the proceeds of fundraising functions and other miscellaneous revenues

Auditor



Candidate can appoint an auditor right away, but it is NOT a requirement.

An Auditor MUST be appointed without delay after:

- Contributions totaling \$10,000 or more are accepted
- Electoral campaign expenses totaling \$10,000 or more are incurred, or
- The candidate receives 10% more of the valid votes cast in their electoral district.

Auditor

Eligibility



- a person who is a member in good standing of a corporation, an association or an institute of professional accountants; or
- a partnership of which every partner is a member in good standing of a corporation, an association or an institute of professional accountants.

Other Roles

EDA's Financial Agent

- Responsible for all EDA expenses for pre-writ activities
- Must invoice the Official Agent for any goods or services which were purchased by the EDA but are consumed by the campaign during the writ (*and attach the original receipts*)
- On instruction from the EDA board, transfers EDA money to the campaign after Candidate's nomination is approved

Contributions

Monetary Contribution

- is an amount of money that is not repayable
- Forms – Cash, Cheques, money orders, Credit Card, Debit Card and online payment services

Non-Monetary Contribution

- is the commercial value of a service (except volunteer labour), or of property or the use of property or money to the extent that they are provided without charge or at less than their commercial value ***** illegal if contributor is a corporation – i.e. under market value of rent *****
- if the interest rate being charged is less than a commercial interest rate, OA must record a non-monetary contribution from the lender equal to the forgone interest on the loan
- also applies to use of assets such as desks, computers, etc.

Contributions

Commercial Value

- Non-monetary contributions are recorded at commercial value.
- It is the lowest amount charged at the time it was provided for the same kind and quantity of property or service, OR for the same use of property or money, provided by:
 - Person who provided the property or service (in the same line of business)
 - Another person who provides that property or service on a commercial basis in the area (Not in the same line of business)
- If the commercial value of a non-monetary contribution is **\$200 or less**, and is from an **individual not in that business**, the contribution will be considered **nil**.

Contributions

Eligible Contributors

**** Only an individual who is a Canadian citizen, or permanent resident of Canada ****

- Contributions can be accepted from minors, but political entities should consider if they are contribution willingly using their own property and money.
- Candidate's own fund is considered a contribution if it is used for the campaign. If a candidate obtains a loan from financial institution for the purpose of making a contribution to their own campaign, the loan must be guaranteed by the personal property of the candidate.
- Sponsorship/Advertising at a political event is a contribution.

Contributions

Ineligible Contributions

(either monetary or non-monetary)

- Cash contributions over \$20
- Contributions from individuals who are not Canadian citizens or permanent residents
- **Contributions from corporations ****
- **Contributions from trade unions ****
- Contributions from unincorporated associations
- Contributions in excess of the contribution limits
- Paid leave for a candidate
- Volunteer labour
- Contributions made as part of a an agreement to sell goods or services, directly or indirectly to the registered party or candidate

Contributions

Anonymous Contributions

- contributions exceeding \$20 for which the official agent does not have the name of the contributor
- contributions exceeding \$200 for which the OA does not have the name and address of contributor
- OA must pay the amount of any anonymous contribution (or in case of an anonymous non-monetary contribution, an amount equal to its value) to the Chief Electoral Officer, who will forward the amount to the Receiver General for Canada.

Contributions

Anonymous Contributions

- Anonymous contributions of **\$20 or less** may be solicited at a meeting through a “collection plate” or by “passing the hat”. Where this occurs, the OA must record the following:
 - a description of the function at which the contributions were collected
 - the date of the function
 - the approximate number of people at the function
 - the total amount of anonymous contributions accepted
- The official agent may wish to use the *General Solicitation Contributions Record Keeping – Anonymous Contributions of \$20 or Less (EC 20154)* document to record this information

Contributions

Fund raising dinners & merchandise

- only amount exceeding FMV is a contribution

Unpaid claims

- with some exceptions, claims unpaid after 18 months deemed a contribution on date expense was incurred

Contributions by the Candidate

- candidate is permitted to contribute to his or her own campaign through the official agent

***** Transfers DO NOT count*****



Contributions

Remitting or Returning Ineligible Contributions

- An official agent must return an ineligible contribution unused to the contributor within 30 days after becoming aware of the ineligibility.
- If it is not possible for OA to return an ineligible contribution to the contributor, OA must pay the amount of it (or in the case of a non-monetary contribution, an amount equal to its commercial value) to the Chief Electoral Officer, who will forward the amount to the Receiver General for Canada.

Contributions

Issuing Contribution Receipts:

- Receipt has to be issued for both monetary and non-monetary contributions over \$20.
- Only the Official Agent can provide official receipts for the contributions, including tax receipts
- Tax receipts have to be issued on prescribed forms, either paper or electronic.
- Official Agent has the option to issue paper tax receipts by requesting from Elections Canada as well as using Electronic Financial Return (EFR).
- If an Official Agent requests paper tax receipts, these must all be returned (copies of used pages, unused and cancelled receipts) to Elections Canada **no later than one month after election day.**

Contribution, Loans and Loan Guarantee Limits

Political Entity	2019 Annual Limit*	Limit per election called between Jan 1 – Dec. 31, 2019
To each registered party	\$1,600*	N/A
Total of all registered associations, nomination contestants and candidates of each registered party.	\$1,600*	N/A
In total to all leadership contestants in a particular contest	\$1,600*	N/A
To each independent candidate	N/A	\$1,600*

* Limits increase by \$25 on January 1 in each subsequent year.

Contribution, Loans and Loan Guarantee Limits

- Contribution limits applies to total contributions, unpaid loan balances and any amount of loan guarantees made during the contribution period that an individual is liable for. **Sum of these amounts at any time CANNOT exceed the contribution limit.**
- A **nomination contestant** can give an additional \$1,000 in total per contest to their campaign.
- A **candidate** can contribute in the form of loans, contributions, and guarantees:
 - A total of \$5,000 to their campaign
 - An additional \$1,600 in total per year to other candidates, registered associations and nomination contestants of each party.
- A **leadership contestant** can contribute in the form of loans, contributions, and guarantees:
 - A total of \$25,000 to their campaign.
 - An additional \$1,600 in total per year to other leadership contestants.

Contributions

Official Tax Receipts valid for income tax purpose

- 75% on first \$400
- 50% of the next \$350
- 33 1/3% over \$750, and
- to a maximum credit of \$650
- Transmission to Returning Officer (if using paper tax receipts)
 - Used, Unused and Cancelled Receipts
 - Record of Official Receipts
- Submission to Canada Revenue Agency within four months after election day

Loans

Getting a Loan

- **It is both the candidate's and Official agent's responsibility to ensure all loans are repaid.**
- **May receive loans from:**
 - **Financial Institutions**
 - No limits in borrowing
 - Must Charge fair market interest rate on loans made to candidates
 - Forgone interest resulting from lower interest rates would constitute as a non-monetary contribution from an ineligible contributor
 - **Individual who is a Canadian Citizen or Permanent Resident**
 - Can provide guarantee for the loan
 - Guaranteed loan amounts are subject to contribution limit
 - **Registered Party or a Registered Association of the party**
 - Can provide guarantee for the loan
 - No limits in borrowing

Transfers

Transfer is a provision of funds (monetary) , property or services (non-monetary) between specified political entities of the same political affiliation.

Transfers are permitted between related political parties such as:

- Registered Party
- Electoral District Association
- Candidate
- Leadership and Nomination contestant

***** A transfer is not a Contribution.
Contribution rules do not apply*****

Fundraising

A benefit (T-shirt, dinner) may be provided to a contributor in exchange for a contribution as part of a fundraising.

- Fair Market Value (FMV) is generally the retail price the Candidate's campaign paid to the commercial provider.
- When receiving multiple benefits, FMV is added together to determine whether the overall **benefit is significant**
- If the benefit is not commercially available, or value cannot be determined, then it has not FMV.

Fundraising

- A benefit is considered significant only when the FMV of the benefit exceeds 10% of the amount given or \$75, whichever is less
- This *de minimis* threshold does not apply to:
 - Cash or near-cash benefits, such as gift certificates.
 - Value of an activity that is central to the fundraising event. (E.g. meal provided at a ticketed dinner)

****This threshold is aligned with the CRA to determine the eligible amount and the amount of an advantage for both political and charitable contributions.****

Fundraising

Election expenses are the expenses incurred by the candidate's campaign for the property and services used during the election period. Exceptions include:

- Contribution processing fee
- Expenses for fundraising except promotional expenses.

Processing fee includes :

- Bank and credit card processing fees
- PayPal charges
- Salaries of fundraising staff
- Salaries for data entry when contributions are received



Fundraising

Fundraising activities

Auctions

- Sale of property and services are sold to the highest bidder that generates contributions from both the donor of the property and winning bidder.
- If the auctioned property or service is donated, its commercial value is a non-monetary contribution.
- The contribution is always the winning bid amount less the FMV of the item
- If the item is not available on a commercial basis, the contribution amount is the total winning bid amount which is not eligible for a tax receipt because the value of the advantage is indeterminable.

Fundraising

Fundraising activities

Ticketed fundraising events

- Purchaser's monetary contribution is the ticket price less the FMV of the benefit that the bearer is entitled to receive. Some benefits of fundraising dinner include:
 - Complimentary items (pens, keychains)
 - FMV of rented room and catering charges (pro-rated based on no of attendees)
 - FMV of meal if meeting is held in a private venue

**** Sales tax and gratuities from the cost of food and beverage when calculating the benefit received at a ticketed fundraiser.****



Fundraising

Fundraising activities

Ticketed fundraising events

- Benefit is calculated based on expected attendance
 - The expected number of attendees used in the calculation has to be reasonable and supported by evidence. (Size of room rented, number of meals ordered, etc.).
- Any expenses incurred before or during the fundraising event and is related to producing and distributing promotional materials are considered as election expense.

Fundraising

Fundraising activities

Non-Ticketed fundraising events

- These are events where no tickets are sold and no entrance fee is charged.
- Contributions and provision of benefit by the candidate are separate transactions.
- Any expenses incurred during the non-ticketed event are considered as election expenses because they are not directly related to receiving contributions.

Fundraising

Fundraising activities

Draws

- An individual who purchases a ticket for a chance to win a property or a service is considered a **contribution** under the Canada Elections Act which is equal to the ticket price.
- No tax receipt is issued as the value advantage cannot be determined per CRA rules.
- Expenses related to promotion a draw during the election period, regardless of when the draw occurs, it should be considered as an election expense.

Electoral Campaign Expenses

The *Canada Elections Act* defines an election campaign expense of a candidate as an expense reasonably incurred as an incidence of election.

Six categories of Electoral Campaign Expenses:

- Election expenses
- Candidate's personal expenses
- Candidate's travel and living expenses
- Candidate's litigation expenses
- Accessibility expenses
- Other electoral campaign expenses

Electoral Campaign Expenses

Qualifications of an electoral campaign expense:

- Amounts paid
- Liabilities incurred
- Commercial value of the donated property and service
- Difference between an amount paid or liability incurred as well as the commercial value of the property or service (when provided at less than their commercial value)

Commercial value is generally the amount charged in a store for an item or service.

Electoral Expenses

- Any cost incurred or non-monetary contribution received by a candidate to the extent that property or service that the cost was incurred for, or that was received as a non-monetary contribution, is used to directly promote or oppose a candidate during an election period.
- Any non-monetary transfer received from a registered party or a registered association of the registered party to extent that the property or services are used to directly promote or oppose a candidate during an election period.

**** Election Expenses are subject to Spending Limit.**

Electoral Expenses

Capital Assets

- If campaign purchases a capital asset and use during the election period, the election expense is the lower of the commercial value of renting a similar asset for the same period or the purchase price.
- Low-value items such as office supplies, the full purchase price must be recorded
- The commercial value of the asset is a non-monetary contribution or transfer if it is received during the campaign from an individual or a transfer from a registered party/association.
- Amortization is not required
- Capital assets purchased during campaign must be disposed off at the end of the campaign. They **MUST** be sold at FMV, or else transferred to the party or registered association in the candidate's electoral district.

Electoral Expenses

Rental of Campaign Office

- The portion of rent incurred before and after the election period is an other electoral campaign expense.
- ONLY the portion used during the election period is considered as an election expense.

Example:

A campaign rents an office on **March 1**, a month before the election is called. Rental agreement is for **3 months** for **\$300/month**. Election period is **37 days**.

Election's rental expenses = Rent for April + 7 days in May
= $300 + (7/31 * 300) = \$367.74$ as election expense

Other electoral campaign expense
= Total Rent Expense – Election's rental Expense
= $900 - 367.74$
= **\$532.26** as other electoral campaign expense



Electoral Expenses

Expenses of volunteers

- Actual incidental expenses of volunteers for things such as meals, lodging and transportation, if paid by the campaign, are considered election expenses if incurred during the election period.
- Travelling costs of volunteers, supported by a log, accounted for on a kilometer basis are also considered election expenses.
- However, **if less than \$200**, the Act considers to have no commercial value and need not be reported

Electoral Expenses

Use of existing resources

Used signs – If the campaign uses signs in a subsequent election, the current commercial value of equivalent signs should be recorded as the election expense.

Reused signs also have to be recorded as a non-monetary transfer/contribution received from an entity or individual that had the possession of the signs.

Billboards – Cost incurred in terms of commercial value for installation, design, production of any pre-existing billboards that remain in place during the election period are considered as election expenses.

Candidate's Personal Expenses

Personal expenses of the candidate incurred in relation to the Candidate's campaign, both during and outside the election period:

- Childcare expenses
- Care for Physical or Mentally Incapacitated
- Disability expenses
- Pay candidate's representatives at a polling station or at the office of a returning officer, up to a limit of \$5,000 set by Elections Canada (amounts over the limit are other electoral campaign expenses)
- Other personal expenses, up to limit of \$200 set by Elections Canada (amounts over the limit are other electoral campaign expenses)

*** Candidate's personal expenses DO NOT count against the election expenses limit.

Candidate's Travel and Living Expenses

Candidate's travel and living expenses (including transportation, temporary lodging, meals and incidentals) reasonably incurred in relation to the campaign, both during and outside the election period.

*** Candidate's travel and living expenses DO NOT count against the election expenses limit.

Candidate using their personal vehicle for travel can submit receipts for gas and other expenses, or a mileage log. Mileage log must contain the following information: Point of origin, destination, km travelled and the purpose of travel.

Travel claim has to be either for actual expenses, such as fuel and rental costs, or else for mileage. It cannot be both

Candidate's Litigation Expenses

Litigation expenses of a candidate are expenses:

- A request or application related to a judicial recount
- An application to a judge related to the financial administration of the campaign (extension requests, relief from the obligation to file a corrected return, payment authorizations, etc.)
- An application to contest the election in the candidate's electoral district
- An appeal or judicial review related to the requests or applications above

*** Candidate's litigation expenses DO NOT count against the election expenses limit.

*** They are NOT eligible for reimbursement.

Accessibility Expenses

Accessibility expenses to accommodate persons with disabilities are:

- Any cost incurred for property or a service (or non-monetary contribution or transfer received) that is used solely to make materials used or activities held during an election period accessible
- The cost difference incurred for the property or service (or non-monetary contribution or transfer received) to make the materials or activities accessible, and value of not been accessible

*** Accessibility expenses DO NOT count against the election expenses limit.

*** They may be eligible for partial reimbursement (Maximum reimbursement - \$5,000)



Other Electoral Campaign Expenses

These are expenses that are reasonably incurred as an incidence of the election which are not to be included as election expenses or a candidate's personal expense and **are not subject to limit**. It includes:

- Compensation paid to the candidate to replace revenue
- Expenses for ticketed fundraising events
 - Contribution processing fees (e.g. credit card processing fees, salaries of fundraising staff and salaries for data entry when contributions are received)
 - Expenses for a fundraising activity, other than promotional expenses
- Unused inventory
- Interest on loans before and after the election period
- Cost of preparing reports.
- An expenses for property or service used before the calling of the election and after the election day.

Reporting Requirements

Official Tax receipts:

Only applies to paper tax receipts obtained from Elections Canada. Does not apply to receipts generated by EFR software.

Deadline – 1 Month after election day

Responsibility – Official agent

Submitted to – Elections Canada

Candidate's Statement of Expenses (EC 20220)

Statement lists candidate's personal expenses (signed and with all supporting documents) which are reasonably incurred in relation to the campaign and have NOT been reimbursed by the campaign. It must be completed even if expenses are nil.

Deadline – 3 months after election day

Responsibility – Candidate

Submitted to – Official agent

Reporting Requirements

Candidate Electoral Campaign Return (EC 20120)

Candidate's return including:

- Part 1 – Declaration
- Part 2a – Statement of contributions received
- Part 2b – Statement of operating loans
- Part 2c – Statement of contributions returned to contributors or remitted to the Chief Electoral Officer
- Part 2d – Statement of transfers received
- Part 2e – Statement of cash inflows other than contributions, loans and transfers
- Part 2f – Summary of contributions, loans, transfers and other cash inflows
- Part 3a – Statement of electoral campaign expenses and other outflows
- Part 3b – Statement of litigation and candidate's personal expenses not funded by the campaign
- Part 3c – Summary of electoral campaign expenses and other outflows
- Part 4 – Statement of non-monetary transfers sent to affiliated political entities
- Part 5 – Statement of unpaid loans and claims, from Parts 2b and 3a
- Part 6 – Campaign bank reconciliation

Must be signed by the candidate and OA, file with all supporting documents (invoices, bank statements, deposit slips, cancelled cheques, loan agreements including all terms and conditions and repayment schedules, copies of contribution cheques, copies of contribution receipts, and other pertinent documents.)

Deadline – 4 months after election day

Responsibility – Official Agent to Elections Canada



Reporting Requirements

NEW on Candidate Electoral Campaign Return (EC 20120)

Part 3a – Statement of electoral campaign expenses and other outflows

- If original supplier is difference from intermediary supplier, MUST be enter the name of both intermediary supplier and original supplies.
- Expenses where the individual amounts are immaterial, it is no necessary to record each expenses separately. If the total amount of expenses is \$200 or less, enter the name of the individual as the supplier and “Various” as the name of original supplier, and select the appropriate expenses type and expenses category and subcategory.

Part 6 – Campaign Bank Reconciliation

- Detail listing of outstanding deposits (date, deposit information and the amount for each deposit) and outstanding cheques (cheque number, the payee and the amount for each cheque).

Reporting Requirements

Auditor's report (if applicable)

After OA completes the candidate return, Auditor has to examine the financial records and give an opinion in a report as to whether the candidate's return presents fairly the information contained based on financial records.

Deadline – 4 months after election day

Responsibility – Official agent

Submitted to – Elections Canada

Auditor's Invoice (if applicable)

This is prepared and signed by the auditor.

Deadline – 4 months after election day

Responsibility – Auditor and Official Agent

Submitted to – Elections Canada

Reporting Requirements

Checklist for Audits (EC 20011)

Auditor's report must include the completed checklist for audits.

Deadline – 4 months after election day

Responsibility – Auditor and Official agent

Submitted to – Elections Canada

Candidate's Statement of Expenses (EC20220)

OA must submit the candidate's statement of expenses (with supporting documents) along with the Candidate's Electoral Campaign Return.

Deadline – 4 months after election day

Responsibility – Official Agent

Submitted to – Elections Canada

Reporting Requirements

Contributions to a Candidate at an Election Info Return (T2093-CRA):

OA must use CRA prescribed form to report the contributions received and receipted.

Deadline – 4 months after election day

Responsibility – Official agent

Submitted to – Canada Revenue Agency (CRA)

Candidate's Statement of Gifts or Other Advantage Received (EC 20053) – If applicable

Candidate has to submit this report if they had received any gifts or other advantages during the prescribed period.

Deadline – 4 months after election day

Responsibility – Candidate

Submitted to – Elections Canada

Additional Reporting Requirements

Candidate's Electoral Campaign Return – (Corrected/Revised)

Requested by Candidate or Official Agent (OA)

The candidate or Official agent must submit a written request for authorization to file a corrected or revised return to a return that had been filed.

Deadline – 30 days after the correction or revision was authorized

Responsibility – Official Agent or Candidate

Submitted to – Elections Canada

Candidate's Electoral Campaign Return (Updated)

After the final payment of a claim or loan, the OA must send an updated Candidate's Electoral Campaign Return.

Deadline – 30 days after a claim or loan is paid

Responsibility – Official Agent

Submitted to – Elections Canada

Additional Reporting Requirements

Filing Deadline Extensions

- If the official agent or candidate cannot submit report by the deadline, they may apply for an extension with Elections Canada.
- “Request for Extension of Filing Deadline Form” must be received by Elections Canada no later than two weeks after the filing deadline.
- If a request is not submitted before the deadline the only way to obtain an extension is through a judge.
- If the electoral campaign return is submitted late with no approved extension, the Official Agent will not receive their reimbursement.
- An elected member who does not file the required documentation, including the declaration of the candidate, or fails to make a required correction, will not be allowed to sit or vote in the House of Commons until it is provided or made.

Reimbursements and Subsidies

Reimbursements and Overpayments

The Canada Elections Act provides for partial reimbursement of **paid election expenses** and **paid candidate's personal expenses** on the following conditions:

- Candidate was elected and received 10% of the valid votes
- Filed the *Candidate's Electoral Campaign Return*, the auditor report and the Checklist for Audits within the original or extend filing deadline.

Entitled to receive a reimbursement, expenses must have been **PAID** either **from the campaign bank account** or, in the case of some **personal expenses**, **from the candidate's own funds or another source of funds**.

Reimbursements and Subsidies

Reimbursable:

Expenses category	Reimbursement rate	Maximum reimbursement
Election expenses	60%	60% of the election expenses limit in the electoral district
Personal expenses <ul style="list-style-type: none"> • Childcare, care for a person with a physical or mental incapacity, or expenses related to a candidate's disability • Remuneration of candidate's representatives • Other personal expenses 	90% 60% 60%	No maximum \$3,000 (60% of \$5,000, which is the limit set by the Chief Electoral Officer for these expenses) \$120 (60% of \$200, which is the limit set by the Chief Electoral Officer for these expenses)
Travel and living expenses for us during the election period	60%	No maximum
Accessibility expenses	90%	\$5,000



Reimbursements and Subsidies

- Elections Canada reimburses in two installments:
 - Initial reimbursement of **15%** of the election expenses limit is paid after the election day and once it has been confirmed that the **candidate received at least 10% of the valid votes or was elected**.
 - Final reimbursement after Elections Canada has reviewed the **candidate's return and confirmed it complies with the Canada Elections Act**, all remaining amounts are paid.
- Reimbursement cheque is payable to the **Official Agent (OA)** and **MUST** be deposited to the **campaign's bank account**.
- If total of expenses eligible for reimbursement is **less** than the initial reimbursement, the **Official Agent (OA)** is responsible for returning the overpayment to Elections Canada by cheque from the campaign bank account, payable to Receiver General for Canada.

Reimbursements and Subsidies

Auditor's Subsidy

- The Candidate's Auditor is entitled a subsidy from Elections Canada, paid directly to the auditor.
- Elections Canada will authorize the auditor's subsidy payment after:
 - Receiving the Candidate's Electoral Campaign Return, the auditor's report, the checklist for Audits and the auditor's invoice
 - Reviewing the Candidate's Electoral Campaign Return

Subsidy entitlement is calculated as follows:

- Amount indicated on the Auditor's invoice, to a **maximum of \$2,193, or 3% of candidate's election expenses – whichever is less**
- A **minimum of \$365.50**

****If the auditor's subsidy is less than the total auditor fee, the difference is treated as an electoral campaign expense, and the candidate's campaign is responsible to pay the remaining amount.****

Managing Unpaid Claims and Loans

Claims and loans should be paid within 36 months after the election day. If the claim remains unpaid from the time the original return is filed to 36 months after the election day:

- The official agent does not require authorization from Elections Canada or a Judge before paying it
- After final payment of the claim or loan, OA has to file and updated Candidate return within 30 days of payment
- Updated return must indicate the source used to pay for the claim or loan.

Disposing of Surplus & Closing Campaign

Surplus = Campaign's Electoral Revenue – (Electoral Campaign Expense + Transfers)

Electoral Revenue

- Monetary Contributions
- Reimbursements
- Transfers

Electoral Campaign Expense

- Election Expense
- Candidate's Personal Expense
- Other Electoral Campaign Expense

Transfers made Candidate's campaign transfer to :

- Registered party/association
- Candidate themselves as a nomination contestant in the same election

**** OA must submit the "Candidate's Statement of Surplus/Amended Campaign Return" form within seven days after disposing the surplus****

Dos - Before Election Day

- Official agent must be appointed before initiating any financial transactions;
- Official agent must open a separate bank account for the sole purpose of the campaign, name in accordance in the Act (“name of official agent”, official agent);
- Auditor must be appointed when accepting contributions totaling \$10,000 or more, or incurring electoral campaign expenses totaling \$10,000 or more;
- A budget is established based on the spending limit;
- Study the manuals and related materials before the Campaign begins
- Only accepts contributions by the official agent;
- Contributions must be deposited in the bank account and expenses must be paid through the bank account;
- Issue receipts for all contributions in excess of \$20;
- Place election advertising, with a mention that it is authorized by the official agent;
- Keep copy of invoices and proof of payment for expenses \$50 and over. Expenses under \$50, keep proof of payment plus record of nature of expenses;
- Official agent keeps all supporting documentation.

DOs – After Election Day

- Auditor must be appointed if the candidate received 10% or more of the valid votes cast in their electoral district;
- Provide the Candidate's Statement of Personal Expenses to the official agent no later than 3 months after election day even if it is NIL;
- Ensure all claims and loans pay within 36 months after election day. An authorization from Elections Canada or judge will be required for late payment after 36 months.
- Ensure the Candidate's Electoral Campaign Return and related documents are submitted within 4 months after election day;
- Submit all loan, overdraft and line of credit conditions, including repayment schedules, with the candidate's return.
- Allow auditor sufficient time before the submission deadline to review financial documents and prepare the audit report;
- File update return within 30 days of paying a claim or loan in full;
- After the campaign has met all of its financial obligations, dispose of any surplus in compliance with the Act and notify the Chief Electoral Officer within 7 days of disposal;
- Close the campaign bank account after all financial obligations are met and any surplus is disposal of. Provide Elections Canada with the final statement.

DON'Ts – Before Election Day

- Do not allow anyone other than the official agent, candidate or a person authorized in writing by the official to incur electoral campaign expenses;
- Do not issue tax receipts for contributions received before the candidate is officially confirmed by returning officer;
- Do not allow anyone other than the official agent to pay for electoral campaign expenses;
- Do not accept contributions other than from an individual;
- Do not accept any contributions from individuals in excess of \$1,600;
- Do not accept cash contributions exceeding \$20;
- Do not accept loans from any source other than a financial institution, the registered party or registered association;
- Do not accept loan guarantees from any source other than the registered party, a registered association, or an individual who is a Canadian citizen or a permanent resident of Canada;
- Do not accept a loan or loan guarantee from an individual if it exceeds the individual's contribution limit;
- Do not go over spending limit.

DON'Ts – After Election Day

- Do not pay unpaid claims or loans later than 36 months after election day without first obtaining Elections Canada's or a judge's authorization;
- Do not close campaign bank account until all financial obligations are met, the final reimbursement has been received (if applicable) and any surplus have been disposed of.
- Do not procrastinate after the election. **There is about 100 hours of serious work to do after the election to get everything ready for the Audit and the Filing.** Start immediately while have momentum.

Top Ten errors from Past Federal Election

10. Wrong person as Official Agent

- Accepting position as favour to candidate
- Consider hiring professional to perform role
- Ask for help early and often

9. No budget – no control over expenses

- Risk of going over spending limit
- Wild spending with no results
- Maintain books as you go

8. Procrastinate

- Don't wait until last minutes to do work
- Allow auditor sufficient time to do the audit
- File extension if deadline cannot be met
- File for longest extension possible (ask for 90 days and you might 60 days)

7. Not using available resources

- US – at IMPACT CPAs
- CPC resources
- Elections Canada

6. Bank account opened under wrong name

- As per Act – “Jane Smith, Official Agent”. It is also acceptable “Jane Smith, Official Agent for Anne Thomas”
- We are required to disclose any variation to Elections Canada



Top Ten errors from Past Federal Election

5. No support for election expenses

- Need invoices from original suppliers
- Invoice from EDA or Expenses vouchers from volunteers do not count
- Visa statements do not count

4. Salaries/Fees paid to campaign workers

- If salaries or wages, should issue T4s and do payroll deductions
- If fee or honourarium, should have detail invoices or contracts
- Concern about CRA audits.

3. Incorrect receipting

- Should be issued to signatory on cheque
- Election Canada started looking at cheque copies
- No receipt sharing allowed between spouses
- Separate cheques should be issued and signed by each spouse

2. Missing contributor information

- If address is missing, the contributor would not get tax receipt
- If contribution over \$200, address is required
- Ineligible or anonymous contributions will be forfeited to Elections Canada

1. Election Expenses – unpaid or not paid for by Official Agent

- Not eligible for rebate
- Expenses paid by EDA must be “bought” by the Official Agent

Questions and Answers

ELECTIONS CANADA

www.elections.ca

Email: info@elections.ca

Elections Canada Support Hotline

Phone: 1-800-486-6563

IMPACT CPAs

www.impactcpas.ca

service@impactcpas.ca

905-513-7773

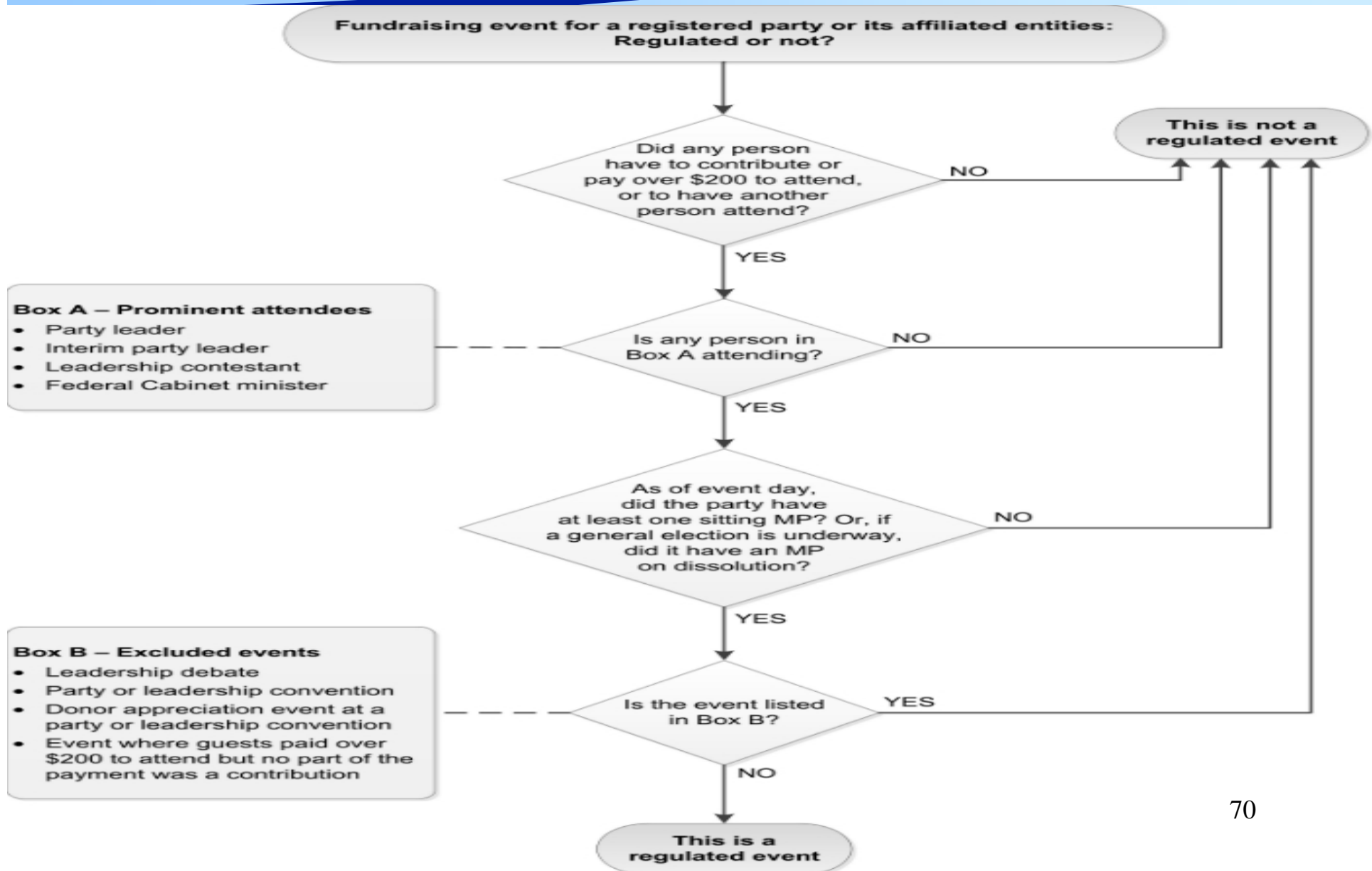


The End
Thank You



Bill C-50

Flowchart 1 – Regulated Fundraising events



Bill C-50

Reporting Timeline:

Deadline	Mandatory Document	Description	Responsible Party
5 Days before regulated event held outside General Election	Notice of a Regulated Fundraising Event (EC 20092)	This notice provides basic information on a regulated fundraising event held outside a general election	Registered Party
30 Days after a regulated event held outside a General Election	Regulated Fundraising Event Report (EC 20093)	This report provides information on a regulated fundraising event held outside a general election, including beneficiaries, organizers, attendees	Chief Agent
60 Days after election day (Event held during a General Election) ** No Notice of a Regulated before the fundraising event	Regulated Fundraising Event Report (EC 20093)	This report provides information on all regulated fundraising event held during a general election, including beneficiaries, organizers, attendees	Chief Agent

Bill C-50

Requesting a filing deadline extension

- If the registered party is not able to submit the Regulated Fundraising Event Report by the deadline, the chief agent may apply to submit the report within an extended period. The application must be received by Elections Canada **no later than two weeks** after the filing deadline.
- Elections Canada **will grant an extension** unless the chief agent's failure to provide the document was deliberate or was the result of a failure to exercise due diligence.
- If Elections Canada **refuses to authorize an extension** for the original submission of the report, or if the chief agent is unable to file the report within the extended period, the chief agent may apply to a judge for an extension

If the disclosure rules are not followed:

- the political entity that received contributions as part of the regulated fundraising event must **return** them to the contributors or remit the amount to Elections Canada.

Official Agent Qualifications

Persons **NOT** eligible

- an election officer or a member of the staff of a returning officer
- a candidate
- corporation or partnership
- an auditor appointed under the Canada Elections Act
- an undischarged bankrupt
- a person with no capacity to enter into contracts in province of residence (e.g. person with mental disability)

Auditor Qualifications

Persons **NOT** eligible

- Candidates and Official Agents of Candidates
- Chief agent of a registered or an eligible party
- Election officer or staff of a returning officer
- Registered agent of a registered party
- Electoral district agent of a registered association
- Leadership contestants and their financial agents or a leadership campaign agent.
- Nomination contestants or their financial agents
- Financial agents of registered third parties

Auditor Responsibilities

- Provide a statement accepting appointment
- Examine books, records, invoices, bank statements and cheques issued.
- Perform necessary tests and verifications to enable auditor's opinion and prepare the auditor's report.
- Prepare report to Official Agent stating that return to Elections Canada accurately presents fairly the information contained in the financial books and records.
- Prepare the auditor's report which has to include a completed checklist for the audits (EC2011) in the prescribed form.

Contributions

Accepting and Recording Contributions

Contribution Received	Pointers
Cheque from Joint Bank Accounts	<ul style="list-style-type: none">- Generally reported under the individual who signed the cheque.- If cheque is accompanied by written instructions signed by both accounts holders indicating the allocation of contribution, the contribution are to be reported in accordance with that agreement.
Before confirmation of a Candidate's nomination	Tax receipts are not eligible to be issued.
From online payment source	<ul style="list-style-type: none">- Full amount has to be recorded.- The processing fee must be recorded as an electoral campaign expense.
From partnerships	<p>The partnership has to provide in writing:</p> <ul style="list-style-type: none">- Name & Address of each contributor- Voluntary nature of the contributions- Amount and who is it intended for <p>Instructions much be signed and dated by each contributor</p>
From Unincorporated Sole Proprietorships	Must be recorded under the individual (not business name) using the contributors home address.

Contributions

Determining the date a contribution is made

Method of contribution	Date contribution is made
In Person	The date when the contribution is in the hands of the Official Agent.
By Regular Mail	The date of the postmark on the envelope. If postmark is not legible, then it will be the date when the Official agent receives the mail.
Post-dated cheque by any means	The date on the cheque.
Electronically (E-transfer, credit card, Paypal, etc.)	The date when the contributor initiates the transaction. If postdated, the contribution is made on the date specified by the contributor.

www.impactcpas.ca



Contributions

- No tax receipts for Non-monetary contributions
- Tax receipts can only be issued begin on the day the nomination of the candidate is confirmed by the returning officer to 30 days after polling date
 - You can still accept contributions before confirmation, however, no tax receipts may be issued for those contributions
- Donations can arrive up to 30 days after election day as long as they were in transit on or before polling day - eligible for a tax receipt
 - If donations were sent after Election Day, contact the donor and ask if they will substitute a donation to the EDA

Loans

Payment of Loans

- Loan repayments may be made any time up to 36 months after election day. Authorization is not required from Elections Canada or a judge before making these payments.
- If loan is still unpaid 36 months after election day, the official agent or the candidate has to seek authorization from Elections Canada or a judge before paying it.
- After the final payment of the claim or loan, the official agent has to file an updated Candidate's Electoral Campaign Return within 30 days of the payment.
- The updated return must indicate the source of funds used to pay the loan.

Loans

Reporting of loans

- Official agent of Candidate shall provide the Chief Electoral Officer with a report in the prescribed form on every loan. The report shall make full disclosure of the loan's terms and conditions, including
 - The amount of the loan;
 - The interest rate;
 - The lender's name and address; and
 - If there is a guarantor, the guarantor's name and address and the amount guaranteed
- The report shall be provided at the same time as the financial transactions return

Other Cash Receipts

- Transfers from registered parties, constituency associations
- Non contribution portion of fundraisers and merchandise sales
- Bank interest earned
- Refunds from suppliers
- Returned portion of advances
- Proceeds from sale of residual assets
- Initial reimbursement of expenses

Transfers

- Any **non-monetary transfer** has to be reported even if the commercial value is **\$200 or less**
- Transfer of expenses is **not permitted** per the *Canada Elections Act*.
 - The Act prohibits transfer of expenses without accompanying property or services.
 - Each political party has to report the expenses it incurred for the property and service it used during the election campaign.

Transfers

Transfers before an election

- Registered party or association may transfer when:
 - Candidate has appointed an OA
 - Candidate has appointed an Auditor
 - OA has opened a campaign bank account in case of monetary transfers

Transfers

Transfers after an election

Registered party, association or nomination contestant **is not allowed to** transfer funds to a candidate after the election day except when they have to pay claims or loans related to the campaign.

Transfers

Transfers **sent to** the candidate's campaign:

- Property, services or funds from registered party/associations.
- Funds from nomination contestant who participated in the nomination contest in the same electoral district.
- Funds from the candidate's own nomination campaign

Transfers **sent by** the candidate's campaign:

- Property, services or funds to their own nomination contestant campaign for the same election
- Property, services or funds to a registered EDA of the same party or to a registered party.

Fundraising

Any expenses related to promoting fundraising activity is an election expense. These include:

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

Fundraising

Fundraising activities

Sale of branded goods

- Candidates sell branded goods to promote themselves and general contribution revenue
- If sale prices is more than the cost price of the good, it should be recorded as a contribution by the purchaser.
- Expenses incurred during the election period to produce and distribute the branded products are considered as an election expense.

Electoral Campaign Expenses

Non-Monetary Contributions and transfers

Property/Service	Implications
<ul style="list-style-type: none">Received from an individual at no change	Full commercial value is non-monetary contribution
<ul style="list-style-type: none">Purchased from an individual for less than commercial value	Difference between the purchase price and the commercial value is non-monetary contribution.
<ul style="list-style-type: none">Received from an affiliated political entity at no change	Full commercial value is non-monetary contribution
<ul style="list-style-type: none">Purchased from an affiliated political entity for less than commercial value	Difference between the purchase price and the commercial value is a non-monetary transfer.

**** All non-monetary contributions by either the registered party or associations must be reported regardless of commercial value****

Electoral Campaign Expenses

Invoices

- All invoices has to be submitted to the Official Agent (OA)
- If expenses of **\$50 or more** was incurred and paid on behalf of the candidate, the OA must:
 - Keep a copy of the supplier invoice
 - Record the nature of the expenses
 - Proof of Payment
- If expenses of **less than \$50** was incurred and paid on behalf of the candidate, the OA must:
 - Record the nature of the expenses
 - Proof of Payment

Electoral Expenses

Traditional Election advertising:

- The transmission to the public of an advertising message promoting or opposing the election of a candidate during the election period.
- Advertisements distributed through traditional means such as signs, billboards, flyers, pamphlets, radio, television, newspaper or magazines during an election period are election advertising and have to be authorized by the official agent (authorization has to be mentioned in or on the message as “Authorized by the Official Agent of (name of candidate)”).

Election advertising is prohibited on Election Day

Electoral Expenses

Websites and Web Content

- Campaign's website and social media account
 - Expenses incurred for the campaign website itself – including its design, hosting and maintenance – are **election expenses**.
 - If content was produced entirely or in part using volunteer labour, only the actual expenses incurred by the candidate is an **election expenses**. This may include materials, equipment rental or paid labour.

Electoral Expenses

Websites and Web Content

- Registered Association's website and social media account
 - If association's website promotes the candidate and stays online during the campaign period, it is an **election expense** of the candidate.
 - Elections Canada will accept the current commercial value of an equivalent website as the commercial value of a pre-existing website.
 - The official agent must approve this transfer from association to the campaign.
 - If the official agent **DOES NOT** wish to have this expense count toward the limit, the website **MUST GO OFFLINE** during the election period.

Electoral Expenses

Websites and Web Content

- Candidate's personal website and social media accounts.
 - A candidate's pre-existing personal website is an **election expense** if it is used of the purpose of the campaign.
 - Elections Canada will accept the current commercial value of an equivalent website as the commercial value of a pre-existing website.
 - The expenses are also non-monetary contributions from the candidate.
 - If the candidate DID NOT incur any expenses for the website or web content, there is no expenses or contribution to report.

Electoral Expenses

Voter Contact Calling Services

Calls made during an election period for any of the following purposes related to an election:

- Promoting or opposing a candidate
- Encouraging electors to vote or refrain from voting
- Providing information about the election
- Raising funds for a candidate
- Gathering information related to how electors voted in past elections or will vote in the election.

Surveys

- Expenses related to surveys or research conducted during the election period are **election expenses**.
- Expenses related to surveys or research conducted outside the election period are **NOT election expenses**, even if the results of the survey are used during the election.

Electoral Expenses

Installation and other office expenses

- Expense incurred to install items used during the election period is an **election expenses**.
- If installation takes place BEFORE the election is call, as long as the item itself is an **election expenses**. Installation expenses CANNOT be prorated.
- Other office expenses include the cost of buying office supplies, such as paper or toner cartridges, or supplying refreshments during meetings.

Electoral Expenses

Compensation paid to the official agent or other campaign workers

- The compensation related to work performed **during the election period** is an **election expense**. The compensation related to work performed **after the election period** is an **other electoral campaign expense**.
- Work performed **prior to the election period** may also be an **election expense** if the output of that work is used during the election period (e.g. signs are installed by campaign workers prior to election being called, any compensation paid would be an election expense).

Electoral Expenses

Compensation paid to the official agent or other campaign workers

- Compensation may include travel and living expenses.
- If paying to relocate workers to the electoral district and return them home after the election, the travel costs incurred are **other electoral campaign expenses** (NOT election expense).
- Per diems or lodging period by the campaign for days during the election period are **election expenses**.
- It is advisable to include a written contract or other documentation with the candidate's return about any compensation paid.
- In the absence of evidence, the payments may be considered an inappropriate use of campaign funds that would need to be returned.

Electoral Expenses

Holiday greeting cards and receptions

- If the greeting cards are distributed during the election period, they are election advertising and have to be reported as **election expense**.
- If these expenses are not paid by campaign, then they could be either non-monetary contributions if paid by an individual, or non-monetary transfers if paid by the registered party or a registered association.
- Holiday season receptions held during the election period are **election expenses**.

Electoral Expenses

Use of parliamentary resources and other existing resources

- If a member of Parliament uses parliamentary resources during their election campaign, it is an **election expenses**.
- If these resources are not paid by the campaign, their use is a non-monetary contribution from the member and is subject to the contribution limit.
- If the candidate uses the website and social media accounts of a parliamentarian for purpose of their campaign, its commercial value (including design, maintenance and hosting) is an **election expense**.

Electoral Expenses

Staff of a Member of Parliament (MP)

- If a staff member of a MP engages in political activities to support a candidate during normal business hours in the election period, the staff member's salary is an election expenses of the candidate.
- If they are not paid by the campaign, they are considered a non-monetary contribution from the MP.
- Activities outside normal business hours or if a leave is taken by the staff of the MP to work on a candidate's campaign are considered to be volunteer labour and is considered neither an election expense nor a non-monetary contribution.

Candidate Personal Expenses

- Only Candidate, OA, or a person authorized in writing by the OA **can incur** a candidate's personal expenses.
- Only Candidate using their own funds or their OA using the campaign's bank account **can pay** the candidate's personal expenses.
- Candidate's own funds used to pay for personal expenses is a non-monetary contribution to the campaign from the candidate if he/she is not repaid from the campaign bank. Thus contribution rules apply.
- If there is intention of being repaid, the payments has to be made **within 36 months** after election day.

Working with Other Entities

Shared Expenses

- Campaigns can decide to share expenses for certain events during an election period (Speaking tour of a senator or of another candidate)
- The expenses must be authorized in advance by the OA
- Each campaign that participates must pay a reasonable allocation of the expense and report the share as an election expense.

** The Canada Elections Act **prohibits the transfer of expenses** without accompanying property or services. Each entity has to report the expenses that it incurred for property and services used to promote the entity of the campaign.**

Working with Other Entities

Property or services provided by the party or registered association

- Candidate may receive property or services from their registered party/association of the party such as signs and riding service packages.
- Can be received as non-monetary transfers or paid by the candidate's campaign
- If property or service is being paid by the candidate's campaign, an invoice from the original supplier as well as from the party or association must be included in the candidate's return

Working with Other Entities

Typical Shared Activities

Leader's tour

- Tour expenses of the party leader are election expenses of the Party and not the election expenses of the candidate.
- It includes transportation, meals, refreshments, salaries of party staff assigned to the tour as well as communication equipment rented for the media.
- If the leader attends a candidate's event unrelated to the leader's tour, then the expenses are for the candidate and not for the party.

Working with Other Entities

Typical Shared Activities

Campaigning by senators, ministers or other candidates

- Senator, minister or another candidate campaigns on behalf of the candidate, the expenses related to that person's involvement in the campaign are election expenses
- These campaigns have to be authorized by the OA, the candidate or a person authorized in writing by the OA.
- Any expense incurred in relations to the campaign has to be reimbursed using the campaign funds or accepted as non-monetary transfer if paid by the party or a registered association of the party.

Working with Other Entities

Typical Shared Activities

Use of the registered association's office and assets

- Candidate campaign may use the registered association's office and asset during the election period and be considered an election expense.
- For office use, the registered association must send an invoice to the candidate's campaign together with the association's original rent agreement.
- For use of assets (computers, printers etc.), the association must send an invoice equivalent to the commercial value of renting similar assets for the same period.
- If the use of these assets are not charged, they have to be treated as a non-monetary transfer from the registered association

(no reimbursement to be received on non-monetary goods and service)

Working with Other Entities

Typical Shared Activities

Use of the registered association's online contribution system

- Candidate may use the website of the registered association to process online contributions since they have the necessary resources in place.
- Contribution is processed to the association's bank account as a contribution made to the registered association. The tax return will be issued by association and this amount is then transferred to the candidate's campaign as transfer.
- Website for registered association considered as an election expense of the candidate if it stays online during the election period.

Gift and other advantages**

Reporting

Candidate is required to report gift between:

- The date of winning the nomination contest or the day when the election is called (whichever is earlier)
- The day when the elected candidate become a member of the Parliament or withdraws from the election, or election day (if not elected)

In the report, the candidate is required to set out:

- The nature of each gift or other advantage, its commercial value (and cost if any)
- The name and address of the person or entity giving the gift or advantage
- The circumstances under which the gift or other advantage was give.

If Candidate accepts gifts or other advantages and total benefit **exceeds \$500** during the period of his or her candidacy, must file the “**Candidate’s Statement of Gifts or Other Advantages Received (EC 20053)**” directly to Elections Canada **within four months** after the election day.

Gift and other advantages**

“Gift and other advantage” is:

- An amount of money if there is no obligation to repay it
- A service or property, or the use of property or money, that is provided without charge or at less than its commercial value
- Either of the above, given by a “relative”: or as a normal expression of courtesy or protocol

That excludes a monetary or non-monetary contribution or a transfer received in relation to the candidate’s electoral campaign.

- Once a person becomes a candidate, there are restrictions on the gifts or other advantages that he or she can accept.
- Gift or other advantages received from any one entity that exceeds a total of \$500 have to be disclosed.
- Candidate may not accept a gift or advantage given that might seem to be given to influence them as a M.P.
- Candidates can receive gifts/advantages given to them to by a relative as a normal expression of courtesy or protocol (expressing thanks or politeness)

Managing Unpaid Claims and Loans

Payment of account and unpaid claims

If a claim or loan is still unpaid 36 months after the election day:

- The OA has to seek authorization from Elections Canada or a judge before paying it.
- After final payment of the claim or loan, the OA has to file and updated Candidate Electoral Campaign Return within 30 days of the payment.

A written “*Request for Authorization to Pay an Unpaid Claim or Loan*” can be submitted by:

- Claimant or lender
- Official Agent
- Candidate

**** Must submit the campaign’s bank account statement****

Disposing of Surplus & Closing Campaign

- After review and payment of the Auditor's subsidy, Elections Canada sends a notice about the estimated amount of surplus to the candidate's official agent. The OA has to **dispose of the surplus within 60 days of receiving the notice.**
- If the OA is aware of the surplus but has **not yet received a notice** from Elections Canada, he/she has to **dispose of the estimated surplus within 60 days after:**
 - Receiving the final reimbursement, or
 - Filing the candidate's return, if candidate did not receive a reimbursement
- If **endorsed by a registered party**, surplus must be **transferred to the registered party/association of the electoral district**
- The **independent candidates** have to transfer surplus funds to Elections Canada by issuing a **cheque payable to the Receiver General of Canada.**

Disposing of Surplus & Closing Campaign

- Close the campaign bank account
 - After unpaid claims and surplus is paid, close bank account
 - Send bank statements, deposit slips and cancelled cheques to EC
- File update to original return, if necessary

Maintaining books and records

The official agent must maintain proper books and records if he or she is to monitor and report on contributions and expenses.

The official agent must provide the auditor with access to all documents for the candidate.

The Income Tax Act requires that Official Agent keep records and books of accounts for all amounts contributed and all expenditures made, so that these amounts can be verified.

The financial records must be kept for a minimum of six years as recommended by CRA.

Compliance and Enforcement

Commissioner of Elections Canada enforces the Act

Offences and Punishment

- Strict liability offences - due diligence defence available.
- Offences that prove intent to commit offence.
- Penalties vary based on seriousness includes fines and imprisonment.

Additional penalties can include

- Community service
- Pay an amount to the Receiver General if the offence resulted in a financial benefit
- Compensation to injured person(s)
- Performance of obligation that gave rise to offence
- Corrupt practices attract further penalties

Compliance and Enforcement

Other consequences of being found guilty of offences - for 5 years (7 years in the case of corrupt practices)

- Cannot be candidate in a federal election
- Cannot be an MP
- Cannot be appointed to an office of the Crown or by Governor in Council

Reimbursements and Subsidies

Reduction of reimbursement amount

If the candidate's election expenses exceeds the elections expense limit, the reimbursement amount is reduced as follows:

- By \$1 for every dollar that exceeds the limit by less than 5%
- By \$2 for every dollar that exceeds the limit by 5% > 10%
- By \$3 for every dollar that exceeds the limit by 10% > 12.5%
- By \$4 for every dollar that exceeds the limit by 12.5% or more