



This document is Elections Canada's guideline OGI 2019-06.

# Political Financing Handbook

for Registered Parties and Chief Agents

June 2019

EC 20231





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## About This Document

### Introduction to the handbook

This handbook is designed to assist eligible and registered parties, chief agents and registered agents. It is a tool that will help in the financial administration of the registered party.

This document is a general guideline issued pursuant to section 16.1 of the *Canada Elections Act*. It is provided for information and is not intended to replace the Act.

Elections Canada will review the contents of this handbook on a regular basis and make updates as required.

**Note:** The term "individual" used in this handbook refers to a Canadian citizen or permanent resident.

### What's new in this release?

Release	Where	Title	Summary
June 2019	All	n/a	New contribution limits for 2019 updated in tables and examples.
	Chapter 1	n/a	New registration requirements added in relation to the party's policy for the protection of personal information.
	Chapter 2	Volunteer labour is not a contribution	New content and examples added as per OGI 2019-01, <i>Volunteer Labour</i> .
		Accepting contributions of cryptocurrency	New content added as per OGI 2018-10, <i>Cryptocurrencies</i> .
		Activities conducted by others in coordination with the party may be contributions	New content to clarify that a third party may be making a contribution when it acts to benefit the registered party.
		Collecting online contributions on behalf of candidates	New section on conditions for parties to collect contributions on behalf of candidates, as per OGI 2018-06.
	Chapter 3	Types of loans	New way to report a line of credit in some circumstances.
	Chapter 6	Regulated fundraising events	Concept of regulated events (definition, requirements and examples) introduced, as per Bill C-50.
		Ticketed fundraising events	Clarified what is included in the benefit for a ticketed fundraiser.
		Other ticketed events	New section on calculating the benefit when a ticketed event is held for promotional purposes rather than to raise funds.

Release	Where	Title	Summary
	Chapter 7	Partisan advertising expenses for the pre-election period	New chapter on partisan advertising expenses of political parties and related rules, as per Bill C-76.
	Chapter 8	Limits on election expenses	Election expenses limit no longer prorated for elections over 37 days, as per Bill C-76.
		Election advertising on the Internet	Blackout rule clarified for Internet advertising on election day. New text on the ad registry maintained by online platforms.
		Election signs	Uninstalled signs no longer discounted from election expenses, as per court ruling.
			New text on treatment of expenses related to vandalized signs.
		Websites and web content	New content and examples added on election expenses associated with websites, web content and pre-existing material, as per OGI 2018-04.
		Travel expenses	New content on expenses incurred to relocate campaign workers.
		Communications during a by-election	New content and examples added on when communication expenses are by-election expenses, as per OGI 2018-05.
	Chapter 9	Accessibility expenses	New chapter on accessibility expenses of registered parties, as per Bill C-76.
	Chapter 11	Interacting with third parties in the pre-election and election periods	New chapter on prohibited collusion with third parties in the pre-election and election periods, as per Bill C-76.
	Chapter 13	Reporting	Tables updated to include reporting on regulated fundraising events.
	Chapter 14	Reimbursements	New reimbursement of accessibility expenses, as per Bill C-76.



## Contact information

<b>Internet</b>	elections.ca
<b>Telephone</b>	<p><b>Political Entities Support Network</b> 1-800-486-6563</p> <p><b>Regular Hours</b> Monday to Friday, 9:00 a.m. to 5:00 p.m. (Eastern time)</p> <p><b>Elections Canada General Enquiries</b> 1-800-463-6868</p>
<b>Fax</b>	<p><b>Political Financing</b> 1-888-523-9333 (toll-free) 1-819-939-1803</p>
<b>Mail</b>	<p><b>Elections Canada</b> 30 Victoria Street Gatineau, Quebec K1A 0M6</p>
<b>Email</b>	<p><b>General Enquiries</b> info@elections.ca</p> <p><b>Political Financing Enquiries</b> political.financing@elections.ca</p> <p><b>Electronic Financial Return (EFR)—Enquiries and Submissions</b> efr-rfe@elections.ca</p>



## 1. Reference Tables and Timelines

*This chapter presents quick reference tools for eligible and registered parties, chief agents and registered agents. It covers the following topics:*

- *Becoming a registered political party*
- *Merger of registered parties*
- *Voluntary and involuntary deregistration of a registered party*
- *Reporting timeline*
- *Role and appointment process—party leader, party officers, chief agent, registered agents and auditor*
- *Limits on contributions, loans and loan guarantees*
- *Transfers—types and rules*

## Becoming a registered political party

### Why become a registered political party?

A political party is an organization with the following as one of its fundamental purposes: to participate in public affairs by endorsing one or more of its members as candidates and supporting their election.

A party has to register with Elections Canada if it would like to:

- have the party's name appear on ballots under the names of its confirmed candidates
- issue tax receipts
- be eligible for a reimbursement of paid election expenses and paid accessibility expenses after a general election
- purchase an allocated amount of prime broadcasting time in a general election
- obtain voters lists from Elections Canada for electoral districts where it ran candidates in the last general election
- transfer funds, property or services to other political entities (see the transfer rules later in this chapter)
- accept surplus funds from a candidate, a leadership contestant or a nomination contestant
- register electoral district associations (maximum of one in each electoral district)
- sit on the Advisory Committee of Political Parties, which provides Elections Canada with advice and recommendations relating to elections and political financing

## Becoming a registered political party (continued)

### Three steps to registration

Apply for registration > Become an eligible party > Become a registered party

### Step 1: Applying for registration

To apply for registration, the party has to fill out the *General Form—Political Party* and send it to Elections Canada.

The form explains what information and signatures to include, notably:

- the party's full name and, optionally, its logo and abbreviation or short-form name (which may be subject to a maximum length set by the Chief Electoral Officer)
- the party leader's contact information and a copy of the party's resolution to appoint the leader
- contact information and signed consent to act in that role for the following positions:
  - at least three party officers other than the party leader
  - the chief agent
  - the auditor
- names and addresses of at least 250 electors and their declarations in the prescribed form that they are members of the party and support the party's application for registration
- the party's policy for the protection of personal information that it collects and the address of the exact web page where the policy is published on the party's website

**Note:** It is advisable to provide contact information and declarations of more than 250 party members to ensure that there are at least 250 valid declarations after the information is verified.

## Becoming a registered political party (continued)

### Step 2: Becoming an eligible party

#### Elections Canada's review of the application

Elections Canada will review the application for registration and inform the party leader of whether or not the party is eligible for registration.

A political party becomes an eligible party if:

- the party's name, short-form name, abbreviation or logo does not so resemble another eligible or registered party's name, short-form name, abbreviation or logo as to be confused with it
- the party's name does not include the word "independent"
- at least 250 declarations have been received from party members and verified by Elections Canada
- the party has at least three officers in addition to its leader
- the party has appointed a chief agent and an auditor
- Elections Canada is satisfied that the party has provided all the information required and that the information is accurate

If the party did not meet all requirements, Elections Canada will inform the party leader of which requirements were not met.

#### Maintaining eligible party status

An eligible party cannot become registered until a general election or a by-election is called. To keep its eligible status in the meantime, an eligible party must provide:

- a statement confirming the validity of the party's registry information by June 30 each year
- a declaration by the party leader, submitted by June 30 each year, regarding the party's fundamental purpose to participate in public affairs
- any document required to inform Elections Canada about a change in the party's registry information or any new appointment within 30 days of the event
- within 10 days after a general election is called, a statement confirming the validity of the party's registry information and a list of the party's designated representatives for the purpose of endorsing candidates in the election
- the names, addresses and declarations of 250 party members every third year

## Becoming a registered political party (continued)

### Step 3: Becoming a registered party

An eligible party becomes a registered party during a general election or by-election if:

- it has at least one candidate whose nomination has been confirmed for the election, and
- its application for registration was made at least 60 days before the election was called

**Note:** An eligible party that makes an application after the 60-day deadline can become a registered party only for the next general election or by-election.

Elections Canada will check whether an eligible party has any confirmed candidates after nominations close. It then notifies the party leader that:

- the party has been registered in the Registry of Political Parties, or
- the party has lost its eligibility for registration because it has no confirmed candidates (in the case of a general election only)

A party remains registered as long as it continues to meet the requirements for staying registered, including mandatory reporting. The party does not need to reapply at each election.

**Note:** An eligible party that becomes registered is deemed to have been registered from the first day of the pre-election period, if any, or from the day a general election or by-election was called.

### Establishing the first fiscal period after registration

A registered party's fiscal year must be a calendar year (January 1 to December 31).

Depending on the date of registration, the length of a registered party's first fiscal period must be modified to end on December 31. The first fiscal period may not be less than 6 months or more than 18 months.

#### Examples

1. If a party is registered on October 1, the party's first fiscal period will end on December 31 in the following year, 15 months after registration.
2. If a party is registered on March 1, the party's first fiscal period will end on December 31 in the same year, 10 months after registration.

### Registering provincial or territorial divisions of the party

Registered parties may choose to register provincial or territorial divisions with Elections Canada.

A provincial or territorial division of the registered party is a division of the party for which Elections Canada has received the following information:

- the name of the party, the division and the province or territory
- the address of the party office where records are kept
- the names and addresses of the chief executive officer, other officers of the division and any registered agent appointed by the division
- a declaration signed by the party leader
- updates about changes to registry information

## Merger of registered parties

### Applying to merge two or more registered parties

Two or more registered parties may apply to Elections Canada to become a single registered party. An application for a merger can be submitted at any time, except during an election period or 30 days before it.

The application for a merger must include:

- certifications from the leaders of the merging parties
- a resolution from each of the merging parties, approving the proposed merger
- the information normally required to register a party, except for the names, addresses and signed declarations of 250 members

Elections Canada updates the Registry of Political Parties if the following conditions are met:

- The application for a merger was not made in an election period or 30 days before it.
- The merged party is eligible for registration as defined in the *Canada Elections Act*.
- The merging parties have discharged their reporting obligations.

Elections Canada then notifies the officers of the merging parties in writing that the parties have been merged and publishes the information about the merger in the *Canada Gazette*.

**Note:** The effective date of the merger is the day on which Elections Canada amends the Registry of Political Parties.

### Consequences for registered parties and registered associations involved in the merger

#### Registered parties

The following happens when two or more registered parties merge:

- The merged party is the successor of each merging party.
- The merged party becomes a registered party.
- The assets of each merging party belong to the merged party.
- The merged party is responsible for the liabilities of each merging party.
- The merged party is responsible for the obligations of each merging party to report financial transactions and election expenses for any period before the merger.
- The merged party replaces a merging party in any legal proceedings.
- Any decision involving a merging party may be enforced by or against the merged party.

#### Registered associations

Any registered association of a merging party is deregistered. It may transfer funds or property to the merged party or to a registered association of the merged party within six months after the merger.

Electoral district associations of the merged party must register with Elections Canada.



## Merger of registered parties (continued)

### Obligations after a merger

Within six months after the date of the merger, the merging parties must provide:

- financial returns not provided for any earlier fiscal period
- audit reports not provided for any earlier fiscal period

Within six months after the date of the merger, the merged party must provide:

- a statement of assets and liabilities as of the date of the merger, accompanied by an audit report and a declaration from the chief agent

## Voluntary and involuntary deregistration of a registered party

### Reasons for the deregistration of a registered party

#### VOLUNTARY

- 1 The registered party asks to be deregistered (the request must be made in writing, signed by the leader and two officers of the party)

**Note:** Elections Canada cannot process a request for voluntary deregistration during the election period of a general election.

#### INVOLUNTARY

- 2 The registered party fails to endorse a candidate in a general election
- 3 A court orders Elections Canada to deregister the party because the party, its chief agent, a registered agent or one of its officers has been convicted of an offence referred to in subsection 501(3) of the *Canada Elections Act*
- 4 A court orders Elections Canada to deregister the party, after a judicial application by the Commissioner of Canada Elections, if the court is satisfied that the party does not have as one of its fundamental purposes to participate in public affairs by endorsing one or more of its members as candidates and supporting their election
- 5 The registered party fails to submit reports or financial returns (see below)
- 6 The registered party fails to meet its obligations with respect to officers or members (see below)

### Failure to submit reports or financial returns: risk of deregistration

Elections Canada may deregister a registered party if it fails to provide:

- the party's policy for the protection of personal information and the web page address on the party's website where it is published (the party must have a policy at all times)
- the *Statement of Registered Party Assets and Liabilities* within six months after the effective date of registration
- a statement confirming the validity of its registry information by June 30 each year
- a declaration by the party leader, submitted by June 30 each year, regarding the party's fundamental purpose to participate in public affairs
- any document required to inform Elections Canada about a change in the party's registry information or any new appointment within 30 days of the event
- within 10 days after a general election is called, a statement confirming the validity of the party's registry information and a list of the party's designated representatives for the purpose of endorsing candidates in the election
- the names, addresses and declarations of 250 party members every third year
- the party's annual financial report, accompanied by an audit report
- the party's expenses report after a general election, accompanied by an audit report
- a nomination contest report within 30 days after the contest selection date
- a leadership contest report

## Voluntary and involuntary deregistration of a registered party (continued)

### Failure to submit reports or financial returns: risk of deregistration (continued)

If a registered party fails in its reporting obligations, Elections Canada will notify the party and its officers in writing of the failure. It will ask the party to:

- within five days of receiving a notice about confirming the registry information during an election period, send the required statement
- within 30 days of receiving a notice about a reporting omission, submit the required report, or
- satisfy Elections Canada that the omission was not the result of negligence or a lack of good faith

If the party does not correct the omission but instead satisfies Elections Canada that the omission was not the result of negligence or a lack of good faith, Elections Canada may:

- exempt the party in whole or in part from complying with the obligation, or
- specify a new deadline to comply with the obligation

**Note:** Failure to comply with notices from Elections Canada may lead to deregistration of the party.

### Failure to meet obligations with respect to officers and members: risk of deregistration

If a registered party fails to perform its obligations with respect to officers or members, Elections Canada will notify the party of the failure. It will ask the party to:

- within 60 days after receiving a notice about party officers, appoint at least three officers in addition to the leader
- within 90 days after receiving a notice about party members, submit the names, addresses and declarations of 250 party members

If Elections Canada is satisfied that the registered party made reasonable efforts to comply with the request, it may grant an extension to comply.

**Note:** Failure to comply with notices from Elections Canada may lead to deregistration of the party.

## Voluntary and involuntary deregistration of a registered party (continued)

### Deregistration process

If a registered party is deregistered:

- Elections Canada sends a notice to the party and its registered associations with the effective date of deregistration.
- The effective date of deregistration will be at least 15 days after the notice date.
- The notice is published on Elections Canada's website and in the *Canada Gazette*.

**Note:** If a registered party is deregistered, its registered associations are also deregistered.

### Restrictions and obligations after deregistration

After the effective date of deregistration, the party is no longer allowed to:

- issue tax receipts
- transfer funds, property or services to a candidate endorsed by the registered party
- accept surplus funds from a candidate, leadership contestant or nomination contestant

The party remains responsible for filing financial returns within six months after deregistration. The following returns must be filed:

- the return for the fiscal period in which the party became deregistered
- the return for any other fiscal period for which the party has not filed a return
- any general election return not yet filed
- any audit reports, as required

## Reporting deadlines for key events and during the fiscal year

Reporting deadlines for key events			
<b>Registration</b>  <i>Statement of Registered Party's Assets and Liabilities</i>  Due: 6 months after the effective date of registration	<b>Leadership contest</b>  <i>General Form — Registered Party Leadership Contest</i>  Due: if the party plans to hold a leadership contest  ----- <i>Statement of Directed Contributions Received and Transferred to a Leadership Contestant</i>  Due: when directed contributions are transferred to a leadership contestant  Submit to: leadership contestant	<b>Nomination contest</b>  <i>General Form — Nomination Contest</i>  Due: 30 days after a nomination contest held by the party	<b>General election</b>  <i>General Form — Political Party Endorsement of Candidates</i>  Due: 10 days after a general election is called  ----- <i>Registered Party's General Election Return</i>  Due: 8 months after election day
<b>Regulated fundraising event held outside a general election</b>  <i>Notice of a Regulated Fundraising Event</i>  Publish a notice on the party website  Due: 5 days before the event  ----- <i>Regulated Fundraising Event Report</i>  Due: 30 days after the event	<b>Regulated fundraising event held during a general election</b>  <i>Regulated Fundraising Event Report</i>  Due: 60 days after election day	<b>Deregistration</b>  All outstanding returns  Due: 6 months after the effective date of deregistration	
Reporting deadlines during the fiscal year			
<b>Change in registry information</b>  <i>General Form — Political Party</i>  Due: 30 days after a change in registry information	<b>Quarterly returns</b>  <i>Registered Party's Quarterly Financial Transactions Return, if required</i>  Due: 30 days after the end of a quarter	<b>Annual reports on June 30</b>  <i>Contributions to a Registered Party or to a Registered Association — Information Return</i>  Submit to: Canada Revenue Agency  <i>Registered Party's Annual Financial Transactions Return</i>  <i>General Form — Political Party:</i> <ul style="list-style-type: none"> <li>• registry updates</li> <li>• declaration of the party leader</li> <li>• declarations of 250 party members (every third year; next due in 2019)</li> </ul>	

**Note:** Reports in this table must be submitted to Elections Canada, unless otherwise noted. See Chapter 13, **Reporting**, for a description of the reports and obligations.

## Role and appointment process—party leader

Party leader		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>• The party leader is responsible for certifying these forms:               <ul style="list-style-type: none"> <li>– <i>General Form—Political Party</i> when the party applies to register, when there is a change in the party's registry information and to confirm its registry information annually</li> <li>– <i>General Form—Provincial and Territorial Divisions of a Registered Party</i></li> </ul> </li> <li>• If a registered association of the party wishes to issue tax receipts, the party leader signs the authorization that allows the association to issue the receipts.</li> <li>• The party leader co-signs the application for deregistration of the party or one of the party's registered associations.</li> <li>• The party leader co-signs the application for a merger with one or more other registered parties.</li> </ul>		
<b>Who is eligible?</b>		<b>Yes</b> <b>No</b>
Canadian citizen who is at least 18 years old and resides in Canada		<input checked="" type="checkbox"/>
Any other person or group not mentioned above		<input type="checkbox"/>
<b>Appointment process</b>		
<ul style="list-style-type: none"> <li>• The party has to appoint a leader before applying for registration.</li> <li>• If for any reason the leader is not able to continue in that role, the party must select a new leader.</li> <li>• If a registered party chooses to hold a leadership contest, the chief agent of the party must notify Elections Canada of the start and end dates of the contest.</li> <li>• The party must notify Elections Canada of a new appointment within 30 days after the appointment. The notice must include a copy of the party resolution appointing the new leader, certified by the new leader and another party officer.</li> </ul>		

## Role and appointment process—party officers

Party officers		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>• A party officer co-signs the party's resolution to appoint a leader.</li> <li>• Party officers co-sign the application for deregistration of the party or one of the party's registered associations.</li> </ul>		
<b>Who is eligible?</b>	<b>Yes</b>	<b>No</b>
Canadian citizen who is at least 18 years old and resides in Canada	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other person or group not mentioned above	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Appointment process</b>		
<ul style="list-style-type: none"> <li>• The party has to appoint at least three officers, in addition to the party leader, before applying for registration.</li> <li>• Party officers have to sign a statement consenting to act in that capacity.</li> <li>• If for any reason an officer is no longer able to continue in that role, and the number of officers including the party leader is less than four, the party must appoint a new officer within 30 days. The party must notify Elections Canada of the new appointment within 30 days after the appointment. The notice has to include a signed consent from the new officer.</li> </ul>		

## Role and appointment process—chief agent

Party's chief agent		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>The chief agent is responsible for administering the party's financial transactions and reporting those transactions to Elections Canada as required by the <i>Canada Elections Act</i>.</li> <li>It is strongly recommended that the chief agent put in place controls to monitor election expenses so that the spending limit is not exceeded. For example, the chief agent could:               <ul style="list-style-type: none"> <li>introduce a purchase requisition form that requires every purchase to be authorized by the chief agent</li> <li>create a campaign budget and insist on being kept informed of financial transactions</li> <li>intervene with campaign workers to address non-compliance in a timely fashion</li> </ul> </li> <li>The chief agent may apply to Elections Canada for a written opinion, guideline or interpretation note on political financing rules in the <i>Canada Elections Act</i>.</li> <li>After deregistration, the chief agent's role continues until the party fulfills all financial reporting requirements.</li> </ul>		
<b>Who is eligible?</b>	<b>Yes</b>	<b>No</b>
Canadian citizen who is at least 18 years old and resides in Canada	<input checked="" type="checkbox"/>	
Corporation incorporated under the laws of Canada or a province	<input checked="" type="checkbox"/>	
Candidate		<input checked="" type="checkbox"/>
Election officer or member of the staff of a returning officer		<input checked="" type="checkbox"/>
Undischarged bankrupt		<input checked="" type="checkbox"/>
Auditor appointed as required by the <i>Canada Elections Act</i>		<input checked="" type="checkbox"/>
Person who does not have the full capacity to enter into contracts in the province or territory in which the person ordinarily resides (e.g. a dissolved corporation or a person with a diminished mental capacity)		<input checked="" type="checkbox"/>
Any other person or group not mentioned above		<input checked="" type="checkbox"/>
<b>Appointment process</b>		
<ul style="list-style-type: none"> <li>The party has to appoint a chief agent before applying for registration.</li> <li>The chief agent has to sign a statement consenting to act in that capacity.</li> <li>If for any reason the chief agent is no longer able to continue in that role, the party must appoint a new chief agent without delay and notify Elections Canada within 30 days. The notice has to include a signed consent from the new chief agent.</li> <li>The party may have only one chief agent at a time.</li> </ul>		



## Role and appointment process—registered agents

Party's registered agents		
Role summary		
<ul style="list-style-type: none"> <li>• Registered agents may be authorized by the registered party to do one or more of the following:               <ul style="list-style-type: none"> <li>– accept contributions or loans on the registered party's behalf</li> <li>– accept or send transfers on the registered party's behalf</li> <li>– issue contribution receipts, including tax receipts</li> <li>– incur or pay the registered party's expenses</li> </ul> </li> </ul>		
Who is eligible?*	Yes	No
Canadian citizen who is at least 18 years old and resides in Canada	✓	
Corporation incorporated under the laws of Canada or a province	✓	
Candidate		✗
Election officer or member of the staff of a returning officer		✗
Undischarged bankrupt		✗
Auditor appointed as required by the <i>Canada Elections Act</i>		✗
Person who does not have the full capacity to enter into contracts in the province or territory in which the person ordinarily resides (e.g. a dissolved corporation or a person with a diminished mental capacity)		✗
Any other person or group not mentioned above		✗
Appointment process*		
<ul style="list-style-type: none"> <li>• The appointment of registered agents is optional.</li> <li>• The registered party may appoint any number of registered agents at any time.</li> <li>• Within 30 days after appointing one or more registered agents, the registered party has to send Elections Canada a written report that:               <ul style="list-style-type: none"> <li>– lists the names and addresses of the new agents</li> <li>– specifies the terms and conditions of the appointments (as a best practice, the party may wish to set limits on the amounts registered agents are authorized to incur)</li> <li>– is certified by the party leader or the chief agent</li> </ul> </li> <li>• An eligible party that has appointed agents must send the report described above within 30 days after being informed that it is eligible for registration.</li> </ul>		

\*The same eligibility criteria and appointment process apply to the agents of an eligible party, except where otherwise noted.

## Role and appointment process—auditor

Party's auditor		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>• In accordance with generally accepted auditing standards, the auditor has to examine the party's financial records and give an opinion in a report as to whether the party's return presents fairly the information contained in the financial records on which it is based.</li> <li>• An auditor's report is required for the party's statement of assets and liabilities on registration, its annual financial return and its general election return.</li> <li>• The auditor has a right to access all documents of the party, and may require the chief agent to provide any information or explanation that is necessary to enable the auditor to prepare the report.</li> <li>• When preparing a report on the <i>Registered Party's General Election Return</i>, the auditor must include a statement if it appears that the registered party and the chief agent have not complied with sections 363 to 445 of the <i>Canada Elections Act</i>.</li> </ul>		
<b>Who is eligible?</b>	<b>Yes</b>	<b>No</b>
Person who is a member in good standing of a corporation, an association or an institute of provincially incorporated professional accountants (CPA designation)*	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Partnership of which every partner is a member in good standing of a corporation, an association or an institute of provincially incorporated professional accountants (CPA designation)*	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any candidate or official agent	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Election officer or member of the staff of a returning officer	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chief agent of a registered party or an eligible party	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Officer of a registered party or an eligible party	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Registered agent of a registered party	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Electoral district agent of a registered association	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Leadership contestant, their financial agent or a leadership campaign agent	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nomination contestant or their financial agent	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial agent of a registered third party	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Any other person or group not mentioned above	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Appointment process</b>		
<ul style="list-style-type: none"> <li>• The party has to appoint an auditor before applying for registration.</li> <li>• The auditor has to sign a statement consenting to act in that capacity.</li> <li>• If for any reason the auditor is no longer able to continue in that role, the party must appoint a new auditor without delay and notify Elections Canada within 30 days. The notice has to include a signed consent from the new auditor.</li> </ul>		

\*Provincial and territorial auditing bodies may require auditors to meet other professional criteria in order to perform this role.

## Limits on contributions, loans and loan guarantees

Limits on contributions, loans and loan guarantees		
Political entity	2019 annual limit	Limit per election called between Jan. 1 and Dec. 31, 2019
To each registered party	\$1,600*	n/a
In total to all the 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*
<b>Notes</b> <ul style="list-style-type: none"> <li>The contribution limits apply to total contributions, the unpaid balance of loans made during the contribution period, and the amount of any loan guarantees made during the contribution period that an individual is still liable for. The sum of these three amounts cannot at any time exceed the contribution limit.</li> <li>A nomination contestant is permitted to give an additional \$1,000 in total per contest in contributions, loans and loan guarantees to their own campaign.</li> <li>A candidate is permitted to give a total of \$5,000 in contributions, loans and loan guarantees to their campaign. A candidate is also permitted to give an additional \$1,600* in total per year in contributions, loans and loan guarantees to other candidates, registered associations and nomination contestants of each party. (This includes contributions to the registered association in the candidate's electoral district and contributions to the candidate's own nomination campaign.)</li> <li>A leadership contestant is permitted to give a total of \$25,000 in contributions, loans and loan guarantees to their campaign.</li> <li>A leadership contestant is also permitted to give an additional \$1,600* in total per year in contributions, loans and loan guarantees to other leadership contestants.</li> </ul>		
*The limits increase by \$25 on January 1 in each subsequent year.		

### Transfers—types and rules

This table shows the allowable monetary and non-monetary transfers between related registered political entities.

		TO									
		Nomination Contestant		Leadership Contestant		Candidate		Registered Electoral District Association		Registered Party	
		Monetary	Non-monetary	Monetary	Non-monetary	Monetary	Non-monetary	Monetary	Non-monetary	Monetary	Non-monetary
FROM	Nomination Contestant	No	No	No	No	Yes <sup>1</sup>	No	Yes <sup>2</sup>	No	Yes	No
	Leadership Contestant	No	No	No	No	No	No	Yes	No	Yes	No
	Candidate	Yes <sup>3</sup>	Yes <sup>3</sup>	No	No	No <sup>4</sup>	No <sup>4</sup>	Yes	Yes	Yes	Yes
	Registered Electoral District Association	No	Yes <sup>5</sup>	No	Yes <sup>5</sup>	Yes <sup>6</sup>	Yes	Yes	Yes	Yes	Yes
	Registered Party	No	Yes <sup>5</sup>	No <sup>7</sup>	Yes <sup>5</sup>	Yes <sup>6</sup>	Yes	Yes <sup>8</sup>	Yes <sup>8</sup>	n/a	n/a

- <sup>1</sup> A nomination contestant may transfer funds (but not property or services) to a candidate of the same party in the electoral district in which the nomination contest was held. After election day, monetary transfers are allowed only to pay claims and loans related to the candidate's campaign.
- <sup>2</sup> A nomination contestant can only transfer funds to the registered electoral district association that held the nomination contest.
- <sup>3</sup> Candidates may transfer property, services and funds to their own nomination contestant campaign for the same election.
- <sup>4</sup> Candidates in a superseded by-election may transfer property, services and funds to their campaign for the general election.
- <sup>5</sup> Non-monetary transfers must be offered equally to all contestants.
- <sup>6</sup> Monetary transfers other than trust funds are allowed. After election day, monetary transfers are allowed only to pay claims and loans related to the candidate's campaign.
- <sup>7</sup> Directed contributions are the only exception: they may be transferred to the leadership contestant.
- <sup>8</sup> Registered parties may transfer property, services and funds to electoral district associations, whether registered or not.

**Note:** Independent candidates may not send or accept transfers of funds, property or services to or from other political entities.

## 2. Contributions

*This chapter defines what is and is not a contribution, explains the rules for administering contributions and provides practical examples. It covers the following topics:*

- *What is a contribution?*
- *What is commercial value?*
- *Who can contribute to whom and how much?*
- *Are paid leave, volunteer labour, convention fees, sponsorship or advertising, and coordinated activities contributions?*
- *What are the rules for contribution receipts, anonymous contributions and ineligible contributions?*

### What is a contribution?

A contribution is donated money (monetary contribution) or donated property or services (non-monetary contribution).

Monetary contribution	Non-monetary contribution
A monetary contribution is an amount of money provided that is not repayable.	The amount of a non-monetary contribution is the commercial value of a service (other than volunteer labour) or of property, or the use of property or money, to the extent that it is provided without charge or at less than commercial value. This includes contributions of cryptocurrency and forgone interest on loans.
Monetary contributions include cash, cheques or money orders, credit card or debit card payments, and online payments (other than contributions of cryptocurrency).	

### What is commercial value?

Non-monetary contributions are recorded at commercial value. Commercial value, in relation to property or a service, is the lowest amount charged at the time that it was provided for the same kind and quantity of property or service, or for the same use of property or money, by:

- the person who provided the property or service (if the person who provided it is in that business), or
- another person who provides that property or service on a commercial basis in the area (if the person who provided the property or service is not in that business)

**Note:** If the commercial value of a non-monetary contribution is \$200 or less, and it is from an individual not in that business, the contribution amount is deemed to be nil.

### Examples

1. David, who is not in the business of renting office supplies, lends a photocopier to the registered party's office for the duration of the campaign. The chief agent or a registered agent has to determine the commercial value of this non-monetary contribution by checking with local suppliers to see how much they would charge for renting similar equipment for the same period. If that amount is greater than \$200, a non-monetary contribution must be reported. If it is \$200 or less, the contribution is deemed nil and does not have to be reported.
2. Paula, a self-employed individual in the business of providing information technology services, offers to set up the computers in the registered party's office and does not charge for the service. This is a non-monetary contribution from Paula. The commercial value is equal to the lowest amount she normally charges for the same kind of service of similar scope.

## Who can contribute?

Only individuals who are Canadian citizens or permanent residents of Canada can make a contribution to a registered party, a registered association, a candidate, a leadership contestant or a nomination contestant.

Contributions can be accepted from minors, but political entities should consider whether the person is contributing willingly and using their own property or money.

**Note:** Corporations, trade unions, associations and groups cannot make contributions.

## Limits on contributions, loans and loan guarantees to a registered party

This table displays the limits for registered parties. The limits for all entities are available in Chapter 1, **Reference Tables and Timelines**.

Limits on contributions, loans and loan guarantees to a registered party		
Political entity	2019 annual limit	Limit per election called between Jan. 1 and Dec. 31, 2019
To each registered party	\$1,600*	n/a
<p><b>Notes</b></p> <ul style="list-style-type: none"> <li>The contribution limits apply to total contributions, the unpaid balance of loans made during the contribution period, and the amount of any loan guarantees made during the contribution period that an individual is still liable for.</li> <li>The sum of these three amounts cannot at any time exceed the contribution limit.</li> </ul> <p>There is an exception to the limits on contributions:</p> <ul style="list-style-type: none"> <li>Fees collected for membership in a registered party of no more than \$25 per year for a period of no more than five years are not contributions. For example, a party could charge \$125 for a five-year membership without a contribution being made. However, this exception applies only if the payment is made by the individual who wishes to become a member of the registered party.</li> </ul> <p>*The limits increase by \$25 on January 1 in each subsequent year.</p>		

### Examples

- Max decides to contribute \$1,600 to the registered party he supports. In addition, he makes a \$600 contribution to the party's registered association in his riding. When a federal election is called in the same year, he makes a \$1,000 contribution to the candidate representing the party in his riding. With that, Max reaches the annual limit for contributions to the registered party as well as the annual limit for contributions to any combination of candidates, registered associations and nomination contestants of the registered party. He could still make a contribution to political entities of other registered parties.
- Clara made a \$1,600 contribution to the registered party she supports. Later that year an election is called and Clara makes another \$100 contribution to the same party. The chief agent, however, is aware of the contribution made earlier in the year and returns the cheque to Clara because she has already reached her annual limit.

3. Peter gave a \$1,600 loan to a registered party early in the year. The full amount is still outstanding on December 31. Consequently, Peter could not have made another loan, contribution or loan guarantee that year to the registered party. The sum of contributions, loans and loan guarantees cannot at any time exceed the contribution limit.

**Note:** These examples use the limits in effect for 2019.

## Volunteer labour is not a contribution

### What is volunteer labour?

Volunteer labour is any service provided free of charge by a person outside of their working hours, excluding a service provided by a self-employed person who normally charges for that service.

Volunteer labour is not a contribution.

### Who is eligible to volunteer?

Any person can volunteer for a political entity, even if they are not a Canadian citizen or permanent resident.

But a self-employed person cannot volunteer a service they would normally charge for. That is a non-monetary contribution and not volunteer labour. The person would have to be an eligible contributor under the contribution rules and stay within their contribution limit.

People who work on-call or variable hours can volunteer for a political entity, as long as they are not self-employed in the field and their employer has not instructed them to work for the political entity while receiving standby pay or other compensation.

Volunteer labour cannot be provided by corporations, trade unions, associations or groups.

**Note:** To know whether a person is an employee or self-employed, ask if they receive a salary or wages, payroll deductions and a T4 slip from their employer or corporation at tax time. If they do, the person is an employee for the purpose of the *Canada Elections Act* and can volunteer in the same capacity as their line of business, outside their working hours.

### Examples

1. Nana, who is employed as a teacher, offers to work in the evenings in the registered party's office to answer the phone and help with general office duties. This is volunteer labour and therefore is not a contribution.
2. Alex, a self-employed graphic designer offers to design a pamphlet for the registered party free of charge. Because Alex is self-employed and normally charges for that service, the pamphlet design is not volunteer labour. The commercial value of the service has to be recorded as a non-monetary contribution. In this case, the commercial value is the lowest amount Alex normally charges for that service.

### Paying volunteers for part of their work

Volunteers can be paid for part of their work, but the paid work is not volunteer labour. An agreement must be in place before the work is performed. It can specify incentive- or performance-based terms of remuneration rather than a fixed rate.

#### **Example**

Suzanne is being paid to manage the registered party's social media accounts. Suzanne has signed an agreement that lists the tasks she will perform and her hourly wage. Often, when she has finished her paid work, Suzanne volunteers for the party. This is an acceptable combination of paid and volunteer work. The expenses incurred under the agreement are expenses that have to be reported. The volunteer labour is not reported.

### Nominal gifts and thank-you parties

The registered party can give each volunteer nominal gifts (but not money) up to a total value of \$200 and throw a thank-you party after an election without this being considered compensation. The associated expenses are not subject to the election expenses limit.

#### **Example**

After the election, the registered party holds a pizza party for its volunteers. They are each given a \$50 travel bag and a \$100 gift card in appreciation of their hard work. The cost of the gifts and thank-you party is a registered party expense not subject to the election expenses limit.

#### **OGI reference**

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2019-01, *Volunteer Labour*, on the Elections Canada website.

### Party convention or leadership convention fees are contributions

The payment of fees by or on behalf of an individual to attend a party convention or a leadership convention is a contribution to the registered party. Ineligible contributors cannot pay attendance fees for themselves or on behalf of others.

The contribution amount is the difference between the amount paid by the individual and the commercial value of any tangible benefits received. Tangible benefits include meals, lodging and any other tangible goods or services directly received by the convention attendee. The general expenses incurred by the party in holding the convention, such as room or audiovisual equipment rental, would not be deducted from the convention fee.

### Sponsorship or advertising at a political event is a contribution

A transaction involving the receipt of money by a political entity in exchange for advertising or promotional opportunities directed at members or supporters of the political entity is not recognized as a commercial transaction. Any money received as part of such an arrangement is to be treated as a contribution that is subject to the contribution limit and eligibility rules.

#### **Example**

The registered party holds a golf tournament as a fundraiser. The party encourages individuals to sponsor a hole: for \$200, they can have their names printed on a small sign attached to the flag pole. The full amount paid by each individual is a contribution to the party. The party does not ask corporations or unions to sponsor a hole because only individuals can make contributions.



## Activities conducted by others in coordination with the party may be contributions

Whether outside or during an election, people or groups other than affiliated political entities (that is, third parties) will sometimes conduct activities that benefit a registered party. As a general rule, if the third party acts independently of the party, there is no contribution. Rather, the activity is an expense of the third party and is subject to all applicable rules.

However, if the party works with the third party, the third party activity may be a contribution.

If the third party directly provides goods or services to the party, this is clearly a contribution. As well, if an activity was coordinated with the registered party, the expense that the third party incurs for the activity may be a non-monetary contribution. Any such contribution will be subject to all the contribution rules, including the contribution limit and the prohibition on anyone other than an individual who is a Canadian citizen or permanent resident making a contribution.

**Note:** The following are indicators of what is and is not coordination that results in a contribution being made, but each situation is different and must be evaluated based on all relevant facts. As a best practice, registered parties should act independently of third parties to avoid accepting possibly ineligible or illegal contributions.

The coordination of an activity that benefits the registered party may result in a contribution if the registered party did one or more of the following:

- requested or suggested that the third party undertake the activity
- was materially involved in decisions about the activity
- gave the third party information about the plans or needs of the registered party that influenced how the third party organized or undertook the activity

On their own, the following types of coordination do not result in a contribution:

- the third party publicly endorses the registered party
- the registered party gives the third party information about its policy positions
- the registered party gives the third party publicly available information
- the registered party and third party attend the same event or invite one another's members to an event

**Note:** In cases where there was no coordination because the registered party was not aware of the activity, or did not act in a manner that would indicate that it accepted the contribution, a third party may nevertheless be contravening the prohibition against circumventing the contribution limits or the restrictions on the source of contributions. This would be the case, for example, if the third party assumed the costs related to the holding of a party's convention or to carry out a party membership drive.

**Examples**

1. During the election period, the party leader makes a campaign announcement in a company's factory with employees standing in the background. This is not a contribution. However, if the third party incurs any incremental costs (such as additional security) to hold the activity, the registered party must pay those costs.
2. During the election period, a party leader is invited to address a meeting of a community association or religious congregation. This is not a contribution. However, if the third party incurs any incremental costs to hold the activity (such as catered refreshments that are not usually provided), the registered party must pay those costs.
3. During the election period, a third party decides to hold an event to endorse a registered party. The third party and the party decide together on the time and place of the event and work together to establish a speakers list. The cost of the event must be borne by the registered party (or eligible contributors) as the third party coordinated the organization of the activity with the party.
4. During the pre-election period, a registered party asks a third party corporation to use its internal resources to help recruit volunteers for an upcoming event. The third party must not agree to the request. Recruiting volunteers in this way would be a contribution to the party.

**Note:** Some situations that are not coordination may still be collusion during a pre-election period or election period, especially if they involve the sharing of information. See Chapter 11, **Interacting with Third Parties in the Pre-election and Election Periods**.

## Accepting and recording contributions

Only the chief agent and authorized registered agents can accept contributions to the registered party.

Contribution	What to do
Anonymous contributions	Anonymous contributions of \$20 or less can be accepted.
Contributions over \$20 and up to \$200	The contributor's full first and last names (initials are not acceptable) have to be recorded, and a contribution receipt must be issued. To issue a tax receipt, the agent has to record the contributor's home address as well.
Contributions over \$200	The contributor's full first and last names (initials are not acceptable) and home address have to be recorded, and a contribution receipt must be issued.
<b>Note:</b> When total contributions from an individual are over \$200, their name, partial address and contribution amounts disclosed in the financial return will be published on the Elections Canada website.	

This table summarizes some important points about accepting contributions and issuing receipts.

Contribution received	What to keep in mind
Cheque from a joint bank account	<ul style="list-style-type: none"> <li>Generally reported under the name of the individual who signed the cheque.</li> <li>If the cheque is accompanied by written instructions signed by both account holders indicating how the contribution is to be allocated to the contributors, the contributions are to be reported in accordance with that agreement.</li> </ul>
Through an online payment service	<ul style="list-style-type: none"> <li>An online processing fee might apply.</li> <li>The full contribution amount has to be recorded as a contribution, and the processing fee has to be recorded as an expense. For example: If the party receives a \$500 contribution through an online payment service and the net deposit to the bank account is \$490, the chief agent has to record and issue a receipt for a contribution of \$500 and record a registered party expense of \$10.</li> </ul>
From a partnership	<ul style="list-style-type: none"> <li>The partnership should provide the following information in writing: <ul style="list-style-type: none"> <li>names and home addresses of each contributor</li> <li>the voluntary nature of each contribution</li> <li>who it is intended for</li> <li>the amount of each contribution</li> </ul> </li> <li>The instructions should be signed and dated by each contributor.</li> <li>Each contributing partner's next draw of income from the partnership should be reduced by the amount of that partner's contribution.</li> </ul>
From an unincorporated sole proprietor	<ul style="list-style-type: none"> <li>Must be recorded in the individual's name (not the business name), using the contributor's home address when an address is required.</li> </ul>
<b>Note:</b> It is recommended that registered parties only accept contributions made by way of a traceable instrument.	

## Accepting contributions of cryptocurrency

A contribution of cryptocurrency is non-monetary and not eligible for a tax receipt.

The contribution amount is the commercial value of the cryptocurrency at the time that it was received. There are two ways to determine the commercial value:

- If the transfer passed through a payment processor (such as BitPay) that provided an exchange rate, use that rate.
- If the transfer did not go through a payment processor or no exchange rate was provided, use a reasonable rate on a major exchange platform (such as Coinbase) at the time closest to when the transfer was sent. The valuation must be readily ascertainable and verifiable.

A transaction in cryptocurrency will almost always involve a processing fee. The full amount sent by the individual is a contribution to the political entity, and the processing fee is an expense.

Political entities should set up a two-step process to identify contributors of over \$20 and record transaction information from the blockchain so that contributions can be audited.

For contributions up to \$200, if the contributor is not in the business of selling cryptocurrencies, the contribution amount is deemed nil. But the contributor must still be eligible under the contribution rules. Over \$20, the registered party must keep a record of the contributor's name.

In all instances, registered parties should be mindful of the rules in the *Canada Elections Act* against circumventing contribution rules and watch for unusual amounts or patterns in contributions that they receive.

### OGI reference

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2018-10, *Cryptocurrencies*, on the Elections Canada website.

## Issuing contribution receipts

A receipt has to be issued for each monetary contribution over \$20 or non-monetary contribution over \$20 that is not deemed nil.

Only the chief agent and authorized registered agents can provide official receipts for contributions, including tax receipts. Tax receipts can be issued only for monetary contributions.

It is recommended for the chief agent to use Elections Canada's Electronic Financial Return (EFR) software to issue all receipts. EFR is free and can be accessed from the Elections Canada website.

### Example

Clara contributed \$500 to the registered party she supports. Later in the same year when an election was called, Clara contributed \$300 to Peter, a candidate for that party in her riding. Clara will receive a receipt for \$500 from the registered party and a receipt for \$300 from Peter's campaign.

## Determining the date a contribution is made

As most contribution limits apply per calendar year, the date a contribution is made is important. It is also important for reporting purposes because this same date will be used as the “date received” in the registered party’s return.

The date a contribution is made is generally the date the contribution is in the hands of the chief agent or an authorized registered agent. There are exceptions for contributions made by regular mail, by post-dated cheque and electronically.

How contribution is made	Date contribution is made
In person	The date the contribution is in the hands of the chief agent or an authorized registered agent.
By regular mail	The date of the postmark on the envelope. If the postmark is not legible, the contribution is made on the date the agent receives the mail. The party should keep the stamped envelope as part of its records.
Post-dated cheque by any means	The date on the cheque.
Electronically (e-transfer, credit card, PayPal, etc.)	The date the contributor initiates the transaction. If the transaction is post-dated, the contribution is made on the date specified by the contributor.

Examples
<ol style="list-style-type: none"> <li>1. On December 23, 2018, Lucy goes to the registered party’s office and gives a cheque in the amount of \$300, dated for the previous day. The chief agent deposits the cheque on January 10, 2019. The contribution is made on December 23, 2018. The chief agent issues a receipt for 2018, and the amount counts toward Lucy’s 2018 contribution limit.</li> <li>2. Hassim makes an e-transfer to the registered party on December 23, 2018, but the chief agent does not process the amount until January 10, 2019. The contribution is made on December 23, 2018. The chief agent issues a receipt for 2018, and the amount counts toward Hassim’s 2018 contribution limit.</li> <li>3. The chief agent receives a cheque from Janelle in the mail on January 5, 2019. The cheque is dated December 28, 2018, and the postmark on the envelope is December 30, 2018. The contribution is made on December 30, 2018. The chief agent issues a receipt for 2018, and the amount counts toward Janelle’s 2018 contribution limit.</li> <li>4. The chief agent receives a cheque from Andrew and deposits it in the registered party’s bank account. A few days later, when checking the account online, the chief agent notices that the bank has charged the account a fee because the cheque did not have sufficient funds. No contribution has been made and the bank charge is a registered party expense. If Andrew issues a new cheque later, the contribution is made on the date associated with the new contribution.</li> </ol>

## Recording anonymous contributions

If anonymous contributions of \$20 or less are collected during an event related to the party, the chief agent or an authorized registered agent has to record:

- 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

Anonymous contributions of \$20 or less may also be received outside the context of a particular function. In that case, the chief agent or a registered agent has to keep track of the total amount collected plus the number of contributors.

### Example

Volunteers of the registered party organize a wine and cheese event one evening and invite local residents. Approximately 40 people show up. During the evening, one of the organizers passes a basket around to collect cash contributions from the attendees. She informs the guests about the contribution rules: a maximum of \$20 can be accepted from any one individual as an anonymous cash contribution. At the end of the evening there is \$326 in the basket.

The organizer remits the contributions to the chief agent after the event, along with the following details: a description and the date of the event, the approximate number of people who attended (40), and the amount collected in anonymous contributions (\$326). The chief agent records the event details, deposits the amount into the party's bank account and reports the contributions in the annual return.

## Remitting anonymous contributions that cannot be accepted

If the chief agent or a registered agent receives a contribution that is:

- over \$20 and the name of the contributor is not known, or
- over \$200 and the name and address of the contributor are not known

the chief agent has to send a cheque for the ineligible amount (that is, the amount over \$20 or \$200) without delay to Elections Canada, payable to the Receiver General for Canada.

## Ineligible contributions

The chief agent and registered agents are responsible for ensuring that contributions are in accordance with the rules set out in the *Canada Elections Act*.

The following contributions are ineligible:

- cash contributions over \$20
- contributions from corporations, trade unions, associations and groups
- contributions that exceed the limit
- indirect contributions (no individual can make a contribution that comes from money, property or the services of another person or entity)
- contributions from a person who is not a Canadian citizen or a permanent resident
- contributions an individual makes as part of an agreement to sell goods or services, directly or indirectly, to a registered party or a candidate (for example, a registered party cannot agree to buy signs from a local dealer in exchange for a contribution)

## Returning ineligible or non-compliant contributions

The chief agent or a registered agent must not accept a contribution that exceeds the limit and should not accept any other type of ineligible contribution.

The chief agent has to return or remit a contribution within 30 days of becoming aware that:

- it is ineligible, or
- it was received as part of a regulated fundraising event for which the publication or reporting requirements were not complied with

An ineligible or non-compliant contribution must be returned to the contributor or remitted to Elections Canada, based on whether or not it was used.

A monetary contribution is considered used if the party's bank account balance fell below the ineligible or non-compliant amount at any time after the contribution was deposited into the bank account.

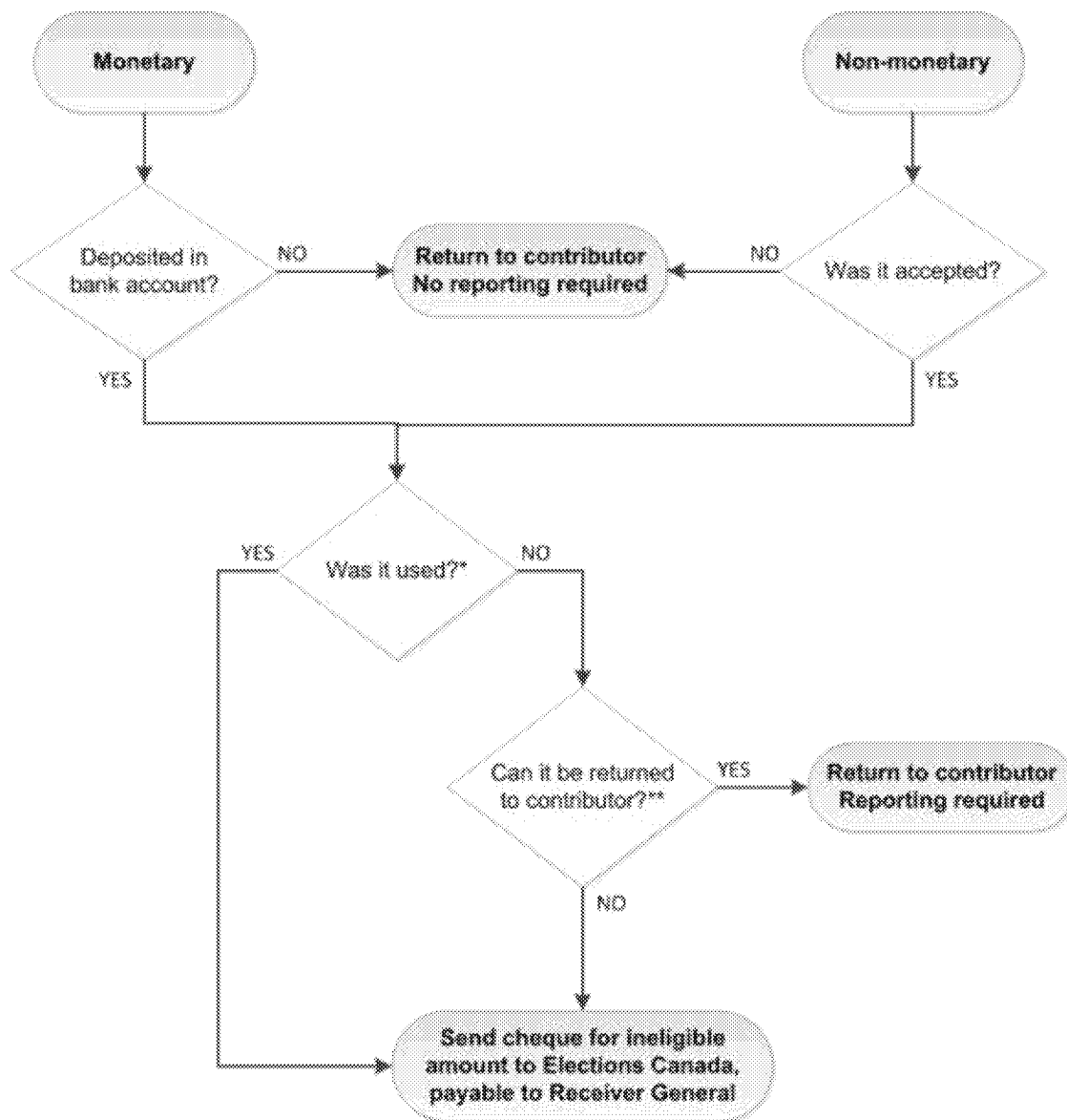
Flowchart 1 explains how to administer ineligible or non-compliant contributions in different scenarios.

### Examples

1. The chief agent of a registered party deposits a cheque for \$625 from a contributor. When he enters the contribution in the books, he notices that the same person has already contributed \$1,000 in that year. Within 30 days, assuming the money has not been spent, the chief agent has to issue a cheque for the excess amount, \$25, and send it to the contributor. He records a returned contribution of \$25.
2. The chief agent receives a cheque for \$2,000 from a contributor. As this is obviously an over-contribution, the chief agent cannot deposit the cheque. She sends it back to the contributor uncashed, and no reporting is required.
3. An individual makes a non-monetary contribution to the party by offering the use of office equipment for a week. The chief agent later realizes that the commercial value of renting the same office equipment is \$1,700, which is higher than the contribution limit. The equipment was used, so he sends a cheque for the excess amount of \$100 to Elections Canada, payable to the Receiver General for Canada. He records a contribution of \$1,700, a returned contribution of \$100 and an expense of \$1,700.
4. The chief agent receives a notice from Elections Canada a couple of months after the reporting deadline. It states that a person who contributed \$900 to the party on two occasions exceeded the annual limit by \$200. Since the deposit date of the second contribution, the registered party's bank account balance had fallen below the ineligible amount of \$200 and the funds were therefore used. The chief agent must remit \$200 within 30 days of becoming aware of the contravention. To obtain funds, she could organize a fundraising event or request a transfer from an affiliated political entity. Once the money is available, the chief agent sends a cheque for the excess amount to Elections Canada, payable to the Receiver General for Canada. She records a returned contribution of \$200.

**Note:** These examples use the limits in effect for 2019.

**Flowchart 1: Returning ineligible or non-compliant contributions**



\*A monetary contribution was used if the party’s bank account balance fell below the ineligible amount at any time after the contribution was deposited into the bank account.

\*\*For example, the contributor’s address is known and there are no obstacles to prevent the return.



## Collecting online contributions on behalf of candidates

A registered party may set up a system on its website to collect online contributions to candidates, acting only as an intermediary.

The contributions cannot be deposited into the registered party's general bank account. They must be held in a separate account opened for that sole purpose until they are disbursed to the intended recipients. One bank account may be used for all of the party's candidates.

If a contribution to a candidate is processed through the party website:

- the contribution is made to the candidate and counts toward the limit for contributions to candidates, not to the registered party
- the party sends the contribution amount, less the actual fees charged by the payment processing company, to the candidate's campaign (the party cannot deduct any additional amount)
- the party also sends supporting documents that show the contributor's name, contribution amount, date the contribution was made, and so on
- the official agent reports the full amount given as a contribution from the individual and issues a receipt
- the official agent reports the processing fee as an other electoral campaign expense

### **Example**

Bernice makes a \$50 contribution to a candidate using the registered party's online contribution system. The payment processing company charged a \$1 transaction fee, so the registered party sends the candidate's campaign \$49 and details about the contribution. The official agent records a contribution of \$50 from Bernice and an other electoral campaign expense of \$1. The official agent issues a receipt to Bernice for \$50, keeping in mind that the receipt is only valid for tax purposes if the contribution was made after the candidate was confirmed and no later than election day.

### **OGI reference**

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2018-06, *Online Contributions Made to Candidates Through the Registered Party*, on the Elections Canada website.



## 3. Loans

*This chapter discusses eligible sources of loans and how different loans and interest are reported. It covers the following topics:*

- *Getting a loan*
- *Types of loans*
- *Loan interest*
- *Repaying a loan*

### Getting a loan

Loans are used as a source of financing. The chief agent has to manage the registered party's finances properly to ensure that all loans are repaid.

A registered party may receive loans from either a financial institution or an individual who is a Canadian citizen or permanent resident. A registered party may also receive a loan from a registered association of the party. Loans from any other person or entity are not permitted.

A written loan agreement must accompany all loans.

**Note:** The chief agent has to report details of all loans in the annual financial return, including names and addresses of lenders and guarantors, loan and guarantee amounts, interest rates, and payment dates and amounts. If any information changes, the chief agent must send an update to Elections Canada without delay.

### Loans from financial institutions

There is no limit to the amount a registered party can borrow from a financial institution. Note however that if the financial institution requires a loan guarantee, only a registered association of the party or individuals who are Canadian citizens or permanent residents can guarantee the loan. The amount an individual guarantees is subject to the individual's contribution limit.

**Note:** A financial institution must charge a fair market rate of interest on loans made to a registered party. Any forgone interest resulting from the financial institution charging a lower interest rate would constitute a non-monetary contribution from an ineligible contributor.

### Example

The registered party is planning to borrow \$16,000 and the bank requires a guarantor for the loan. Because guarantees from individuals are subject to the contribution limit, the party needs at least 10 individuals to guarantee the requested amount. Each guarantor is limited to guaranteeing \$1,600 of the total loan amount. Alternatively, a registered association of the same party may guarantee the whole amount.

**Note:** This example uses the limits in effect for 2019.

### Loans from a registered association

There is no limit to the amount a party can borrow from a registered association of the party. A registered association of the party can also guarantee loans obtained from financial institutions. There is no limit to the amount a registered association of the party can guarantee.

### Loans from individuals

If an individual obtains a personal loan from a financial institution and lends those funds to a registered party, the lender is the individual and not the financial institution. The loan amount would be subject to the individual's contribution limit.

An individual can lend money to a registered party as long as the total of the individual's contributions, the unpaid balance of loans made that year and the amount of any outstanding loan guarantees made that year does not at any time exceed the contribution limit for the calendar year.

**Note:** An individual cannot use the money, property or services of another person or entity to make a loan to a registered party, if the other person or entity provided those resources to make the loan possible.

#### **Example**

Khaled made a \$600 contribution to the registered party he supports. In addition, he takes out a \$1,000 personal loan from his bank and lends it to the party. With that, Khaled has reached the annual limit for contributions, loans and loan guarantees to the registered party.

**Note:** This example uses the limits in effect for 2019.

## Types of loans

### Term loan

A term loan is repaid in regular payments over a set period. It may be either a fixed rate loan, allowing the borrower to lock in at a specific interest rate, or it may be a variable rate loan, where the interest rate fluctuates over time.

### Demand loan

A demand loan is a loan with no specific payment deadline. It is due whenever the lender demands to be repaid. It is recommended that the written loan agreement for a demand loan include a maximum term for the repayment.

### Overdraft protection and line of credit

When the party uses overdraft protection or a line of credit, it is reported as a loan. If the financial institution requires a guarantee, only a registered association of the party or individuals who are Canadian citizens or permanent residents can guarantee the overdraft or line of credit. The amount an individual guarantees is subject to the individual's contribution limit.

For an overdraft or line of credit, the chief agent has to report the following information:

- the amount of the loan
- the name and address of the financial institution
- the interest rate charged
- the full name and address of any guarantors and the amounts they have guaranteed
- for a line of credit where funds were transferred into the bank account before being used, the dates and amounts of any payments of principal and interest
- the unpaid balance at the end of each calendar year and as of the date of the return

The amount of the loan is calculated as follows:

- for an overdraft, it is the maximum amount overdrawn during the fiscal year
- for a line of credit where funds were transferred into the bank account before being used, it is the sum of all transfers to the bank account during the fiscal year
- for a line of credit where funds were paid directly to the supplier, it is the maximum amount drawn during the fiscal year (and this is reported as an overdraft rather than a line of credit)

#### **Example**

The registered party's bank account has overdraft protection of \$1,000. The account goes into overdraft by \$200 and the chief agent pays back \$100 within the same day. Later on that day, the chief agent withdraws another \$400 from the same account, bringing the highest amount overdrawn during that year to \$500. On December 31 the account is no longer in an overdraft position.

The maximum overdraft amount to be reported in the registered party's annual financial return is \$500, while the balance on December 31 to be reported is nil.

### Loan interest

The chief agent has to record the interest rate of each loan in the registered party's annual financial return.

Interest incurred on a loan is an expense, whether it is paid or accrued. The interest expense accrued during an election period on a loan obtained to finance an election campaign is an election expense.

If the interest rate on a loan from an individual is lower than the market interest rate, the chief agent will need to record the forgone interest as a non-monetary contribution from the individual.

**Note:** If the loan is from an individual who is not in the business of lending money and the forgone interest on the loan is \$200 or less, the non-monetary contribution is deemed to be nil.

## Repaying and reporting unpaid loans

There is no time limit for a registered party to repay its loans.

However, the registered party's annual financial return must include the following schedules related to unpaid loans:

- statement of unpaid loans
- previously reported loans that have been paid in full since the last fiscal period
- statement of loans that remain unpaid 18 or 36 months after their due date

**Note:** Loan repayments have to be reported for all types of loans except overdraft protection and lines of credit used to pay suppliers directly.

## 4. Transfers

This chapter explains the rules and procedures for accepting and sending transfers. It covers the following topics:

- What is a transfer?
- What cannot be transferred?
- Administering transfers sent to and by the party

### What is a transfer?

A transfer is a provision of funds, property or services between specified political entities of the same political affiliation. Where specifically permitted under the *Canada Elections Act*, a transfer is not considered to be a contribution, and contribution rules therefore do not apply.

Monetary transfer	Non-monetary transfer
A monetary transfer is a transfer of funds.	A non-monetary transfer is a transfer of property or services. The amount of a non-monetary transfer is the commercial value of the property or service.  Unlike non-monetary contributions, a non-monetary transfer has to be reported even if its commercial value is \$200 or less.

Transfers are permitted only between related political entities (registered party, electoral district association, candidate and leadership or nomination contestant) of the same political affiliation.

However, not all types of entities are authorized to provide all types of transfers. For a quick reference guide to eligible and ineligible transfers, see the *Transfers—types and rules* table in Chapter 1, **Reference Tables and Timelines**.

**Note:** If an invoice requiring payment is prepared by one political entity and sent to its related political entity, together with the original supplier invoice representing the commercial value of the goods or services provided, this is not a transfer but a sale of goods or services from one entity to another.

### Transfers of expenses are prohibited

It is important to differentiate between the candidate's electoral campaign expenses and the expenses of the candidate's registered party. The *Canada Elections Act* specifies separate expenses limits for the registered party and each of its candidates. The Act prohibits the transfer of expenses without accompanying property or services. Each entity has to report the expenses it incurred for property and services it used during the electoral campaign.

## Transfers sent to the registered party

Only the chief agent and authorized registered agents can accept transfers on the registered party's behalf. The following transfers may be accepted by a registered party:

- property, services or funds from any registered association of the registered party
- property, services or funds from a candidate of the registered party
- funds from a nomination contestant of the registered party
- funds from a leadership contestant of the registered party

**Note:** Transfers may not be accepted from provincial parties or provincial electoral district associations. Transfers from a registered provincial division of a federal registered party are considered transfers from the registered party.

### **Example**

After election day, a candidate's campaign transfers 100 unused signs and 750 recovered signs to the registered party. The commercial value of the 850 signs is calculated by the candidate's campaign, and the registered party reports the amount as a non-monetary transfer from the candidate.

## Transfers sent by the registered party

Only the chief agent and authorized registered agents can send transfers on the registered party's behalf.

The registered party may transfer funds to the following political entities:

- an electoral district association of the registered party, whether the association is registered or not
- a leadership contestant who is receiving directed contributions from the party (these can be sent after the contestant has registered with Elections Canada)
- a candidate of the registered party

The registered party may transfer property or services to the following political entities:

- an electoral district association of the registered party, whether the association is registered or not
- a nomination contestant, if the non-monetary transfer is offered equally to all contestants
- a leadership contestant, if the non-monetary transfer is offered equally to all contestants
- a candidate of the registered party

For transfers to a candidate, the following should be kept in mind:

- before an election is called, transfers from the party to a candidate are allowed as long as:
  - the candidate has appointed an official agent
  - in the case of monetary transfers, the official agent has opened a campaign bank account
- after election day, monetary transfers from the party to a candidate are allowed only to pay claims and loans related to the candidate's campaign

### **Example**

The registered party purchases signs and transfers them to a candidate's campaign. The party sends a copy of the original supplier invoice to the candidate's campaign and reports the commercial value of the signs as a non-monetary transfer. The candidate's official agent reports the same commercial value as an electoral campaign expense and as a non-monetary transfer from the registered party.



## 5. Fundraising

This chapter explains what portion of an amount given during a fundraising activity is a contribution and clarifies when fundraising expenses are election expenses. It covers the following topics:

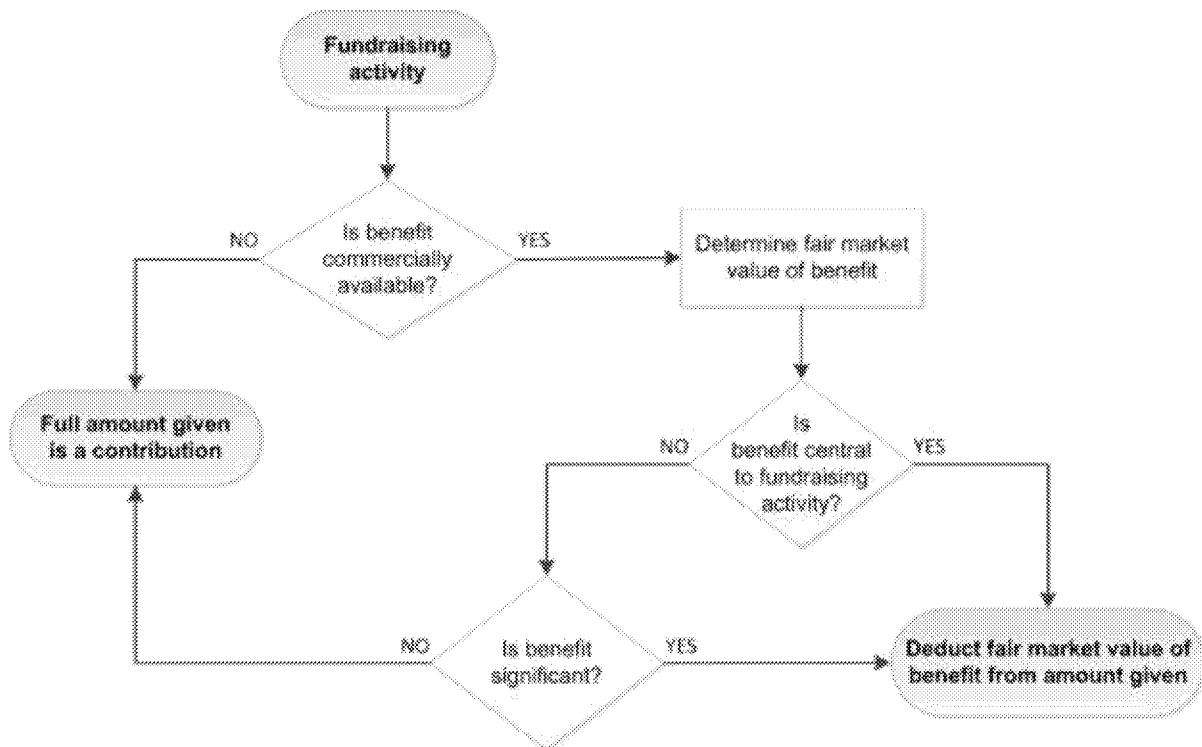
- Determining the contribution amount when contributors receive a benefit
- Fundraising expenses
- Regulated fundraising events
- Typical fundraising activities (sale of branded goods, auctions, ticketed events, non-ticketed events and draws)

### Determining the contribution amount when contributors receive a benefit

As part of fundraising, a registered party might provide a benefit (T-shirt, dinner, etc.) to a contributor in exchange for a contribution. It is important to determine what portion of the money given is a contribution.

Flowchart 2 shows the basic rules for making that calculation.

**Flowchart 2: Basic rules for determining the contribution amount**



**Note:** Terms used in the flowchart are explained in the sections below.

### What is a benefit's fair market value?

The fair market value of a benefit is generally the amount the registered party paid a commercial provider for the property or service (that is, the retail price). This value may need to be deducted from the amount given by a contributor to arrive at the contribution amount.

If a benefit is not commercially available, such as access to a party leader, it has no fair market value. Nothing is deducted to arrive at the contribution amount.

### When is a benefit central?

A benefit is central to a fundraising activity when it is a focal point of the activity. For example, items sold at an auction or branded goods sold in an online store are central to those fundraising activities.

The fair market value of benefits central to a fundraising activity is deducted from the amount given by a contributor to arrive at the contribution amount.

### When is a benefit significant?

A benefit is considered significant when its fair market value exceeds 10% of the amount given or \$75, whichever is less. This is called the *de minimis* threshold. When a benefit is significant, its value is deducted from the amount given by a contributor to arrive at the contribution amount.

If the contributor receives multiple benefits, their values are added together to determine whether the overall benefit is significant in relation to the full amount given.

The *de minimis* threshold does not apply to cash or near-cash benefits, such as gift certificates, nor to items that are central to a fundraising event, such as the meal provided at a ticketed fundraising dinner. These are always deducted as part of the benefit.

**Note:** The *de minimis* threshold of 10% of the amount given or \$75 is aligned with the threshold used by the Canada Revenue Agency to determine the eligible amount and the amount of an advantage for both political and charitable contributions.

### OGI reference

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2016-01, *Fundraising*, on the Elections Canada website.

### Examples

1. In exchange for making a \$500 contribution, an individual gets to meet one-on-one with the party leader or a high-profile candidate. The full amount given is a contribution under the *Canada Elections Act*. **Note:** Under Canada Revenue Agency rules, this contribution is not eligible for a tax receipt because the value of the advantage cannot be determined.
2. The registered party rents a curling rink as a fundraiser and charges individuals \$100 to play. The prorated cost per individual, based on expected attendance, is \$10. Since the curling rink is central to the fundraising activity, \$10 is deducted from the amount given and the contribution is \$90. This is true even though the fair market value does not exceed 10% of the amount given or \$75.
3. In exchange for making a \$20 contribution, contributors receive a box of chocolates. The cost of the chocolates was \$5. Since the value of the chocolates exceeds 10% of the amount given, \$5 is deducted from the amount given and the contribution is \$15. This is true even though the chocolates are not central to the fundraising activity.
4. Contributors who make a \$100 contribution receive a keychain with the party logo. The cost of the keychain was \$5. Since the keychain is not central to the fundraising activity and its value does not exceed 10% of the amount given or \$75, nothing is deducted from the amount given and the contribution is \$100.

## Fundraising expenses

Most expenses reasonably incurred for property or services used during the election period are election expenses. When it comes to fundraising, some expenses are exceptions to that rule:

- contribution processing fees
- expenses for a fundraising activity, other than promotional expenses

The term “processing fees” means the expenses for processing contributions, which may include bank charges, credit card processing fees, fees for other payment services (such as PayPal), salaries of fundraising staff and salaries for data entry when contributions are received.

While the above expenses related to a fundraising activity are not election expenses, any expense related to promoting the fundraising activity is. Examples include:

- 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

### Activities not directly linked to soliciting contributions

Expenses incurred by the registered party for activities conducted during an election period that are not directly linked to soliciting contributions are also election expenses. In these cases, incurring an expense and accepting a contribution are separate transactions.

Examples of such activities include:

- non-ticketed events held to promote the party, its leader or a candidate, where contributions are also solicited
- door-to-door promotion of the party, its leader or a candidate, where contributions are also solicited (in this case, salaries or other amounts paid to canvassers are election expenses)
- contacting electors by phone or by other means to promote the party, its leader or a candidate, where contributions are also solicited (in this case, salaries paid to staff are election expenses)

## Regulated fundraising events

### What is a regulated fundraising event?

A regulated fundraising event is an event that:

- is organized to financially benefit a registered party with a seat in the House of Commons (or, during a general election, a party that had a seat on dissolution) or one of its affiliated entities
- is attended by one of these prominent people: the party leader, the interim leader, a leadership contestant or a federal Cabinet minister (minister of the Crown or minister of state)
- at least one person had to pay or contribute over \$200 to attend or to have another person attend

**Note:** Leadership contestants continue to be contestants and prominent attendees after the contest period, until they have fulfilled all their reporting obligations. Ministers also continue to be prominent attendees during an election.

It excludes the following events:

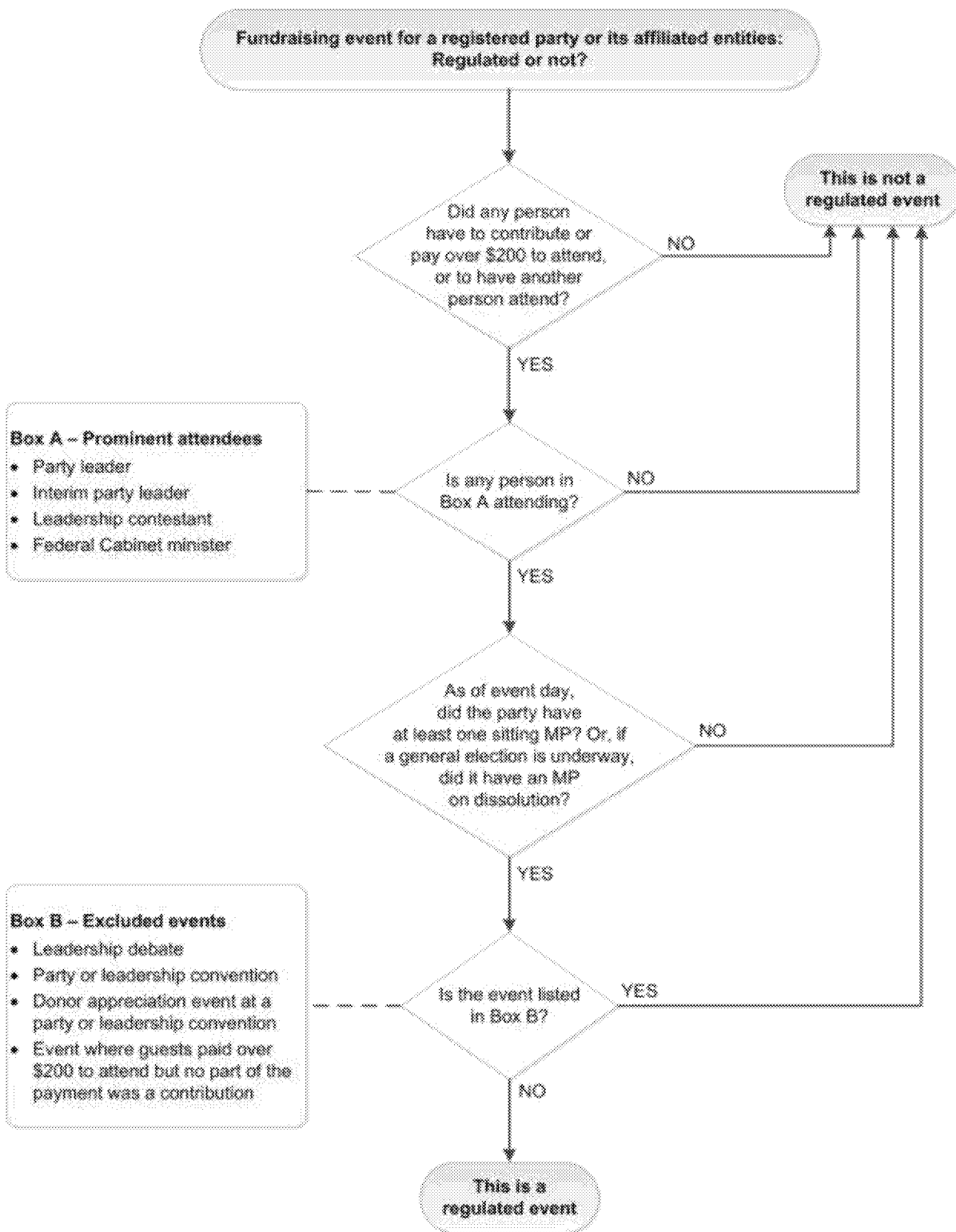
- a leadership debate
- a party or leadership convention
- a donor appreciation event at a party or leadership convention
- an event where at least one person paid over \$200 to attend but no part of the payment was a contribution

Flowchart 3 can be used to check whether a fundraising event is regulated.

**Note:** Fundraising events organized after an election or a contest for the benefit of a candidate or a contestant continue to fall under these rules. People continue to be candidates or contestants until they have fulfilled all their reporting obligations.

Any person can attend an event, even if they are not a Canadian citizen or permanent resident, as long as they did not make a contribution in order to attend. For example, an eligible contributor can pay to bring a foreign guest.

Flowchart 3: Regulated fundraising events



**Examples**

1. Barbara paid the \$250 ticket price to attend a wine and cheese organized to benefit a nomination contestant. The guest of honour is a federal Cabinet minister who supports the contestant. This is a regulated fundraising event. Even though Barbara's contribution is only \$190 after the benefit is deducted, the event is still regulated because the ticket price was over \$200 and part of the payment was a contribution.
2. Mehdi paid the \$225 entrance fee to play in a baseball tournament organized to benefit a candidate. The candidate is attending but there will be no prominent attendees from the party. This is not a regulated fundraising event.
3. The registered party sells tickets to its fundraising dinner with the party leader for \$150 each. Jim buys a table of tickets for \$1,200 and brings his family. Even though he paid more than \$200 total for himself and his guests, no single person was required to pay over \$200 to attend. This is not a regulated fundraising event. This event would be regulated if a person had to buy a whole table.
4. A registered association is holding an end-of-year donor appreciation event for people who contributed \$1,000 or more to the association or the registered party, or in combination to both. The interim party leader will be in attendance. This is a regulated fundraising event.
5. The registered party has a monthly giving program that requires a minimum contribution of \$60 per year. The party hosts an event with a federal Cabinet minister. For individuals who are not part of the program, the ticket price is \$185. For individuals who are part of the program, the ticket price is \$150. This is not a regulated fundraising event because no person had to pay or contribute over \$200 to attend. Being part of the program is not a requirement to attend; it simply gives individuals a discount from the regular price of \$185.
6. During a leadership convention, the registered party holds a donor appreciation event for people who contributed \$500 or more during the year. If people have not contributed \$500, they can buy tickets for \$100 in order to attend. The party leader will be present. This is not a regulated fundraising event. This event would be regulated if tickets were sold for over \$200 or if it were not held during a convention.

**Disclosure requirements for a regulated fundraising event**

A regulated fundraising event is organized to benefit a registered party or one of its affiliated entities. In all cases, the party is the one responsible for disclosing the event to the public and Elections Canada.

The party may need information from organizers to meet the disclosure requirements.

<p>If all or part of the event was organized by the registered party</p>	<p>Other organizers have no official role to play in providing information to the party.</p>
<p>If all of the event was organized by other persons or entities</p>	<p>Organizers have to give the party the information it needs to follow the disclosure rules. See details in the table below.</p> <p>Information must be provided far enough in advance of the disclosure deadline that the party has time to publish or report on it. Parties may wish to set an internal deadline for receiving information and share it with potential organizers.</p> <p>Organizers must notify the party as soon as possible about changes to the information they provide.</p> <p><b>Note:</b> If an event was organized by more than one political entity, they should coordinate sending information to the party.</p>

The disclosure requirements are different for fundraising events held outside and during a general election.

Events held outside a general election	
<p><b>Notice 5 days before the fundraising event</b></p> <p>1. Publish an event notice in a prominent place on the party website and keep it online until the event begins.</p> <p>The notice must include:</p> <ul style="list-style-type: none"> <li>• event date, time and location</li> <li>• name of each entity or person that the event is organized to financially benefit</li> <li>• name of each prominent attendee whose attendance makes the event a regulated event (e.g. party leader)</li> <li>• required amount of contribution or payment to attend</li> <li>• individual to contact for more information about the event</li> </ul> <p>2. Send Elections Canada the <i>Notice of a Regulated Fundraising Event</i> form.</p> <p><b>Note:</b> Five days' notice means that if an event is held on a Saturday, the latest day to give notice is Monday of that week. If corrections are required, make them as soon as possible by replacing the old information on the website with the new information. Please also notify Elections Canada of the changes by email.</p>	<p><b>Reporting to Elections Canada after the fundraising event</b></p> <p>Submit the <i>Regulated Fundraising Event Report</i> within 30 days after the event.</p> <p>The report must include:</p> <ul style="list-style-type: none"> <li>• same information required in an event notice (excluding the individual to contact for event information)</li> <li>• name of each person or entity that organized the event or part of it</li> <li>• name, municipality, province or territory, and postal code of attendees aged 18 or older (some exceptions apply*)</li> </ul>
Events held during a general election	
Notice before the fundraising event	Reporting to Elections Canada after the fundraising event
<p>No notice is required.</p>	<p>Within 60 days after election day, submit a single <i>Regulated Fundraising Event Report</i> on all events held during the election period.</p> <p>For each event, the report must include:</p> <ul style="list-style-type: none"> <li>• event date, time and location</li> <li>• name of each entity or person that the event was organized to financially benefit</li> <li>• name of each prominent attendee whose attendance made the event a regulated event (e.g. party leader)</li> <li>• required amount of contribution or payment to attend</li> <li>• name of each person or entity that organized the event or part of it</li> <li>• name, municipality, province or territory, and postal code of attendees aged 18 or older (some exceptions apply*)</li> </ul>

\*In addition to minors, attendees are not listed in the reports if they attended solely for the following purposes:

- to assist someone with a disability
- as an employee involved in organizing the event
- as part of a media organization or as a freelance journalist
- as a member of security or support staff for the prominent attendee who led to the event being a regulated event
- to provide volunteer labour

### **Returning contributions for non-compliance with disclosure rules**

If the disclosure rules are not followed, the political entity that received monetary or non-monetary contributions as part of the regulated fundraising event must return them to the contributor or remit their amount to Elections Canada.

Any of these circumstances may require contributions to be returned:

- outside a general election, the registered party fails to publish an event notice or notify Elections Canada about the event five days before it is held
- the registered party fails to submit a report by the deadline or extended deadline, or includes the name or address of a person excepted from the list of attendees (for example, a minor)
- an organizer fails to give the registered party information about an event in time for the party to publish an event notice or submit a report, or provides the name or address of a person excepted from the list of attendees (for example, a minor)
- an organizer fails to notify the registered party of changes to the information it provided
- the registered party fails to update an event notice on its website or a report to Elections Canada when it becomes aware of changes to the information

See **Returning ineligible or non-compliant contributions** in Chapter 2, **Contributions**, for more information on the process that needs to be followed when returning contributions.



## Typical fundraising activities

This section explains how to manage various fundraising activities.

### Sale of branded goods

The registered party may sell branded goods in an effort to promote itself and, in some cases, generate contribution revenue.

#### Contributions

When a branded good is sold for more than its fair market value (that is, more than the amount the party paid a commercial provider for the item), the purchaser is making a political contribution. The *de minimis* threshold does not apply in this case because the branded good is central to the fundraising activity. (See **When is a benefit central?** above.) Therefore, regardless of the value of the goods that are sold, the contribution amount is always the sale price less the fair market value of the item purchased.

Because registered parties only need to issue receipts for contributions over \$20, the sale of a branded good will require a receipt under the *Canada Elections Act* only when the sale price less the fair market value exceeds \$20. If a purchaser buys multiple items, each unit sold is treated as a separate contribution from a separate contributor. The total amount of contributions of \$20 or less and the total number of contributors are then reported under anonymous contributions of \$20 or less.

#### Examples

1. To raise funds, the registered party sells T-shirts with the party logo for \$25. The T-shirts were purchased from a supplier for \$10 each, so the contribution generated by each T-shirt is \$15 (\$25 – \$10). An individual who supports the party buys two T-shirts. The chief agent reports two anonymous contributions of \$15. No receipt is required.
2. The registered party sells laptop bags with the party logo for \$75. The bags were purchased from a supplier for \$50 each, so the contribution generated by each laptop bag is \$25 (\$75 – \$50). An individual who supports the party buys a laptop bag from the party's booth in a mall. The salesperson records the contributor's name, address and purchase amount. The chief agent later records the contribution and issues a receipt for \$25.

#### Expenses

The expenses incurred to produce and distribute branded goods (in other words, promotional materials) that are distributed during an election period are election expenses.

#### Auctions

Registered parties may choose to raise funds through auctions, where property or services are sold to the highest bidder. An auction may lead to contributions from both the donor of the property or service that is auctioned and the winning bidder.

#### Donor's contribution

If the auctioned property or service is donated, its commercial value is a non-monetary contribution.

**Note:** If the commercial value of a non-monetary contribution is \$200 or less, and it is from an individual not in the business of providing that property or service, the contribution amount is deemed to be nil.

### Purchaser's contribution

An individual who buys an auctioned property or service makes a contribution if the bid amount exceeds the fair market value of the property or service. The fair market value is generally the amount that would be paid for the property or service in a commercial market.

Even if the fair market value of the item is \$200 or less, its value is still deducted from the bid amount to arrive at the contribution amount. The *de minimis* threshold does not apply in this case because the sale of the property or service is the fundraising activity. (See **When is a benefit central?** above.) Therefore, regardless of the value of the auctioned property or service, the contribution amount is always the winning bid amount less the fair market value of the item.

However, if the auctioned property or service is not available on a commercial basis, the entire amount of the winning bid is a contribution under the *Canada Elections Act*. Note that under Canada Revenue Agency rules, this type of contribution is not eligible for a tax receipt because the value of the advantage cannot be determined.

### Expenses

In most cases, when an auction is held during an election period, expenses incurred by the registered party to purchase property or services that will be auctioned are not election expenses, because fundraising expenses are excluded from that definition. However, because expenses for producing and distributing promotional materials are specifically included, if any of the auctioned items promote a party, its leader or a candidate (such as branded goods), the expenses incurred are election expenses.

#### Examples

1. An individual donated a painting to a registered party for sale at an auction organized to raise funds for the party. A local art dealer appraised the painting at \$450. During the auction, the winning bid for the painting was \$600.

The contribution amounts are as follows:

- The donor of the painting made a \$450 non-monetary contribution to the registered party.
- The winning bidder made a monetary contribution equal to the amount paid less the fair market value of the painting:  $\$600 - \$450 = \$150$ .

In addition, \$450 (the painting's commercial value) is recorded as an expense and as other revenue in the party's annual statement of revenues and expenses.

2. An individual (who is not in the business of selling office furniture) donated an office chair to a registered party for sale at an auction organized to raise funds for the party. The chair retails for \$150. During the auction, the winning bid for the chair was \$250.

The contribution amounts are as follows:

- The donor of the chair made a non-monetary contribution to the party that is deemed to be nil (since the commercial value is \$200 or less, and the chair was provided by an individual not in the business of selling chairs).
- The winning bidder made a monetary contribution equal to the amount paid less the fair market value of the chair:  $\$250 - \$150 = \$100$ .

## Ticketed fundraising events

When a fundraising event such as a dinner or a golf tournament is held for the primary purpose of soliciting monetary contributions through ticket sales (including events with an entrance fee), the amount of a ticket purchaser's monetary contribution is the ticket price less the fair market value of the benefit that the bearer is entitled to receive. The *de minimis* threshold may apply to benefits that are not central to the event. (See **When is a benefit significant?** above.)

**Note:** A ticketed event will sometimes be held for promotional purposes rather than to raise funds. If the party anticipates that its event expenses will be higher than ticket revenue, see the **Other ticketed events** section below for information on calculating the benefit and reporting expenses.

### Benefit received

In the case of a ticketed fundraising dinner, the benefit received by each ticket purchaser includes the following:

- if the event is held in a rented venue, the cost of the room rental and catering (prorated)
- if the event is held in a restaurant, the amount the restaurant would normally charge for the meal
- if the event is held in a private venue, the fair market value of the meal; no value is attributed to the use of an individual's private residence
- door prizes (prorated) (*de minimis* threshold may apply)
- complimentary items such as pens or key chains (*de minimis* threshold may apply)
- rental of audiovisual equipment and other general expenses (prorated)

In the case of a ticketed golf tournament, the benefit received by each ticket purchaser includes the following:

- green fee (excluded for golf club members whose green fees are already paid)
- cart rental
- meal
- complimentary items (*de minimis* threshold may apply)
- door and achievement prizes (prorated) (*de minimis* threshold may apply)
- rental of audiovisual equipment and other general expenses (prorated)

In both cases, the fair market value of producing and distributing materials promoting the event, including ticket printing, is not included in the benefit received because attendees do not gain from such activities.

**Note:** Be sure to **exclude** sales taxes and gratuities from the cost of food and beverages when calculating the benefit received at a ticketed fundraiser. This aligns with the Canada Revenue Agency's guidance.

### Calculation based on expected attendance

The fair market value of the benefit is prorated based on the expected rather than the actual number of attendees. For example, an individual will receive the same dinner in the same venue regardless of the actual number who attend.

This fixed value is important in terms of contribution limits: it is necessary to determine the amount of the ticket purchaser's contribution in advance of the event so that individuals do not unknowingly exceed their limit.

**Note:** The expected number of attendees used in the calculation has to be reasonably supported by evidence (size of room rented, number of meals ordered, etc.).

### Expenses

When a ticketed fundraising event is held during an election period, most expenses incurred by the registered party are not election expenses because fundraising expenses are excluded from that definition. However, because expenses for producing and distributing promotional materials are specifically included, any such expenses incurred before or during the fundraising event are election expenses.

This includes expenses for promoting the event, printing tickets, and producing and distributing promotional items.

### Examples

1. A registered party holds a ticketed fundraising dinner in a rented venue. Fifty attendees are expected, and tickets are sold at \$150 each. The event includes dinner, a pen with a logo for each attendee, and hockey tickets as a door prize. The party incurs the following expenses:
  - room rental: \$500 ( $\$500 / 50 = \$10$  per attendee)
  - catering, excluding sales taxes and gratuities: \$1,500 ( $\$1,500 / 50 = \$30$  per attendee)
  - live band and audio equipment: \$400 ( $\$400 / 50 = \$8$  per attendee)
  - hockey tickets: \$400 ( $\$400 / 50 = \$8$  per attendee)
  - pen with logo: \$10

The contribution amount for each ticket purchaser is determined as follows:

Ticket price	\$150
Less:	
Room rental	\$10
Catering	\$30
Band and audio	\$8
Hockey tickets*	\$8
Cost of pen with logo*	\$10
Contribution amount	\$84

\*In this case, the total value of benefits received that are not central to the fundraising dinner (the hockey tickets and pen) exceeds 10% of the amount given ( $\$18 / \$150 = 12\%$ ). Therefore, the benefit is considered significant and the *de minimis* threshold does not apply. The fair market value of these benefits is deducted from the ticket price.

2. A golf tournament is held during the election period to raise funds for the registered party. Participants are charged \$300, and 100 individuals are expected to attend. The party incurs the following expenses:

- green fees: \$5,000 ( $\$5,000 / 100 = \$50$  per participant)
- cart rental: \$4,000 ( $\$4,000 / 100 = \$40$  per participant)
- golf shirt with party logo: \$15
- door and achievement prizes: \$300 ( $\$300 / 100 = \$3$  per participant)
- mailing promoting the event: \$800

The contribution amount for each participant is determined as follows:

Participation fee	\$300
Less:	
Green fee*	\$50
Cart rental	\$40
Golf shirt**	—
Prizes**	—
Contribution amount	\$210

\*If a participant is a golf club member and would not be charged a green fee, the cost of that benefit is not deducted from the participation fee. The contribution amount is \$260.

\*\*In this case, the total value of benefits received that are not central to the golf tournament (the golf shirt and prizes) does not exceed 10% of the amount given ( $\$18 / \$300 = 6\%$ ) or \$75. Therefore, the benefit is not considered significant and the *de minimis* threshold applies. The fair market value of these benefits is not deducted from the participation fee.

The \$800 promotional cost is an election expense of the party, and the balance of the cost for the event is a party expense not subject to the election expenses limit.

**Note:** If participants are given the opportunity to sponsor a hole at a golf tournament, rules and restrictions apply. See **Sponsorship or advertising at a political event is a contribution** in Chapter 2, **Contributions**.

## Other ticketed events

A ticketed event will sometimes be held for promotional purposes rather than to raise funds. The registered party anticipates that its event expenses will be higher than ticket revenues—it charges a ticket price or entrance fee simply to offset some of the costs.

For these events, the contribution amount is the difference between the amount paid by the individual and the commercial value of any tangible benefits received.

Tangible benefits include such things as meals, drinks and gifts directly received by the attendee. The general expenses incurred by the party in holding the event, such as room or audiovisual equipment rental, would not be deducted from the ticket price.

## Expenses

When a registered party holds this type of event during an election period, the expenses incurred are election expenses because they relate to producing and distributing promotional materials. They are not directly linked to accepting contributions.

**Note:** Ticketed events held for promotional purposes may still be regulated fundraising events, even if fundraising is not their primary purpose. See the **Regulated fundraising events** section above.

## Non-ticketed events

Registered parties may hold an event for which no tickets are sold (and no entrance fee is charged at the door), but where contributions are solicited and received. In this case, the amount of an attendee's contribution is not reduced by the value of any benefit received (for example, food or drink) because attendees would have received the benefit whether or not they contributed. The giving of a contribution and the provision of a benefit by the registered party are separate transactions. Any contributions received at non-ticketed events are simply contributions at the amount provided.

## Expenses

When a registered party holds a non-ticketed event during an election period, the expenses incurred are election expenses because they are not directly linked to accepting contributions.

### Example

An authorized registered agent organizes an event one evening during the election period. Light refreshments and appetizers are served while Christine, a local candidate, outlines the party's platform and answers questions. The participants have the opportunity to make a contribution to the registered party. Any contributions received are recorded at the amount provided. The costs of the food, beverages, room rental, etc., are election expenses, together with the cost of flyers distributed during the evening.

## Draws

An individual who purchases a ticket for a draw for the chance to win property or a service is making a contribution under the *Canada Elections Act* equal to the ticket price. A prorated portion of the prize value is not deducted from the ticket price because a value cannot be attached to the hope of winning.

**Note:** Under Canada Revenue Agency rules, this type of contribution is not eligible for a tax receipt because the value of the advantage cannot be determined.

Provincial or territorial regulations should be consulted prior to organizing draws or other lotteries. In jurisdictions where draws are permitted, a licence from the province or territory may be required.

## Expenses

For a registered party promoting a draw during an election period, the expenses incurred to promote the draw are election expenses, regardless of when the draw occurs.

## 6. Registered Party's Expenses

*This chapter takes a broad look at a registered party's expenses and how they are administered. It covers the following topics:*

- *What are the registered party's expenses?*
- *Who can incur and pay the registered party's expenses?*
- *How do expenses relate to non-monetary contributions and transfers?*
- *What invoices have to be kept?*
- *Auditor's fees*
- *Repaying and reporting unpaid claims*

**Note:** The chief agent is responsible for reporting the registered party's operational expenses and election expenses, and for keeping supporting schedules, as required by the *Canada Elections Act*.

### What are the registered party's expenses?

The registered party may incur operating expenses that include the normal administrative costs of maintaining the party as an ongoing entity. These expenses must be reported in the party's annual financial return.

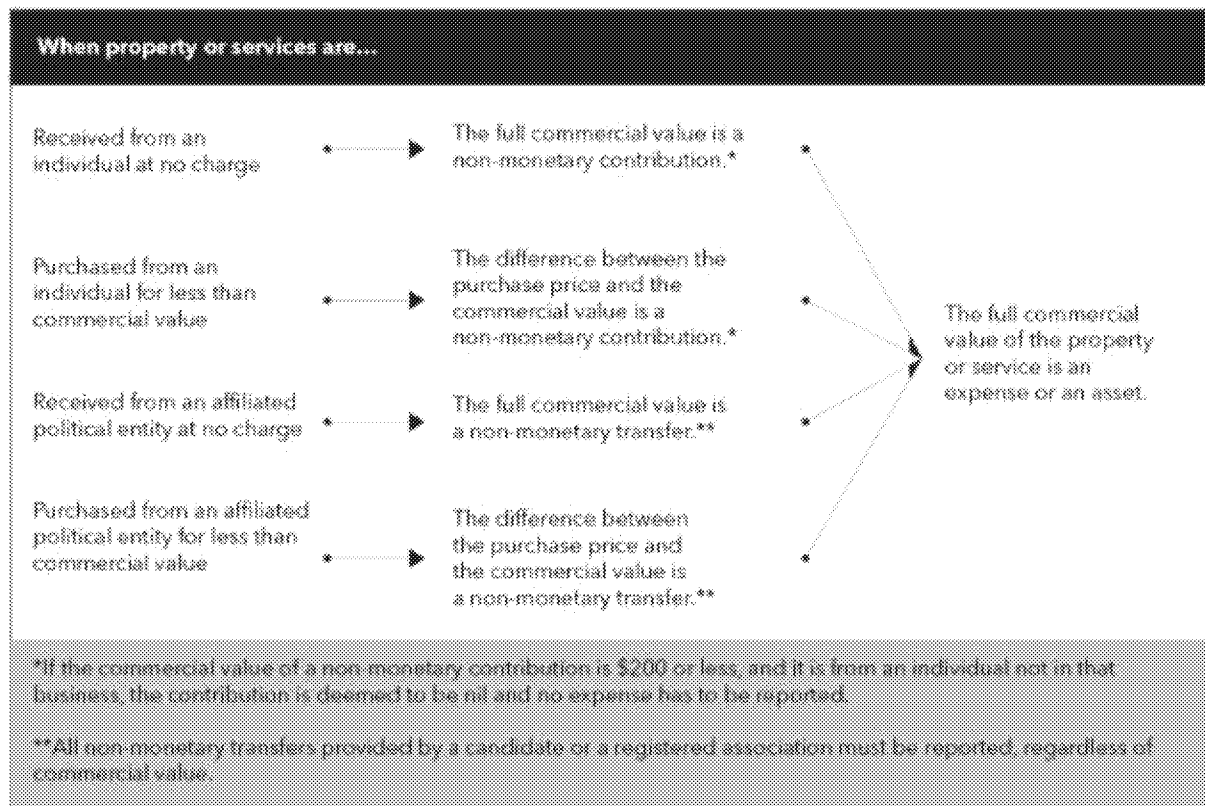
If a general election or by-election is held in a given year, a registered party might also incur election expenses. Election expenses are subject to a limit and must be reported separately for a general election. See Chapter 8, **Election Expenses**, for more information on managing these expenses.

In the year of a fixed-date general election, a registered party might also incur partisan advertising expenses for the pre-election period. Partisan advertising expenses are subject to a limit and must be reported along with the party's election expenses. See Chapter 7, **Partisan Advertising Expenses for the Pre-election Period**, for more information on managing these expenses.

## Non-monetary contributions and transfers are also expenses or assets

The registered party incurs an expense or acquires an asset when it accepts a non-monetary contribution or a non-monetary transfer of property or services.

Keep in mind that if a service is provided free of charge by an eligible volunteer, there is no contribution and no expense. See **Volunteer labour is not a contribution** in Chapter 2, **Contributions**, for details.



### Examples

1. After the election is called, Simon donates office supplies—packages of paper, ink cartridges and binders—to the registered party. Buying the same items in the local stationery store would cost \$300; therefore, this is the commercial value of the donated goods. The chief agent has to record the following: \$300 as a non-monetary contribution from Simon and \$300 as an election expense.
2. The chief agent accepts tablets from a registered association during an election period for use by party volunteers. The association paid \$1,000 for the tablets and provides the chief agent with a copy of the original supplier invoice. The chief agent has to record the following: a non-monetary transfer of \$1,000 from the registered association and an election expense of \$1,000.

**Note:** Some examples in the handbook use “cost” as the amount of an expense. This is because most purchases are made at a retail price. However, if the registered party pays less than a retail price, the expense to report for the property or service is its full commercial value.



## Who can incur expenses?

The chief agent can incur the registered party's expenses. Other registered agents authorized in writing by the chief agent can also incur the registered party's expenses, but only in accordance with that authorization.

## Who can pay expenses?

Only the chief agent and authorized registered agents can pay registered party expenses in most cases.

There is one exception to this rule. A person authorized in writing by the chief agent or an authorized registered agent can pay petty expenses for office supplies, postage, courier services and other incidentals from the petty cash. The chief agent or registered agent must set the maximum amount that may be paid.

**Note:** A registered agent of a registered party can also incur or pay expenses for the electoral campaign of the leader of the registered party.

## Invoices

If an expense of \$50 or more was incurred by the registered party, either the chief agent or the authorized registered agent who incurred the expense must keep a copy of the supplier invoice setting out the nature of the expense. Once it is paid, the agent must also keep the proof of payment.

If an expense of less than \$50 was incurred by the registered party, either the chief agent or the authorized registered agent who incurred the expense must keep a record of the nature of the expense. Once it is paid, the agent must also keep the proof of payment.

For payments made from the petty cash, the person who is authorized to pay petty expenses has to provide the documents mentioned above to the chief agent or registered agent within three months after the date the petty expense was incurred.

## Auditor's fees

Fees charged by the auditor to audit the registered party's returns are an expense of the party. The *Canada Elections Act* does not provide for a subsidy in relation to audit services for a registered party.

## Repaying and reporting unpaid claims

All invoices for claims have to be submitted to the chief agent or authorized registered agents. Claims have to be paid within 36 months after payment is due.

The party's annual financial return must include the following schedules related to unpaid claims:

- statement of unpaid claims
- previously reported claims that have been paid in full since the last fiscal period
- statement of claims that remain unpaid 18 or 36 months after their due date



## 7. Partisan Advertising Expenses for the Pre-election Period

*This chapter discusses the rules for partisan advertising that a registered party conducts during a pre-election period, including how to administer expenses, and gives examples of activities. It covers the following topics:*

- *What is partisan advertising?*
- *What qualifies as partisan advertising on the Internet?*
- *Partisan advertising expenses*
- *Limit on partisan advertising expenses*
- *Partisan advertising conducted by a registered party*
- *Partisan advertising conducted by an electoral district association on behalf of a party*

**Note:** The pre-election period starts on June 30 in the year of a fixed-date general election. It ends on the day before the general election is called.

## What is partisan advertising?

### Definition

Partisan advertising is the transmission to the public during the pre-election period of an advertising message that promotes or opposes:

- a registered party or an eligible party, or
- the election of a potential candidate, nomination contestant or leader of a registered party or eligible party

Advertising in the pre-election period is not partisan advertising if it promotes or opposes a political entity only by taking a position on an issue with which the entity is associated. This is commonly called issue advertising.

However, it will be partisan advertising if the ad promotes or opposes a political entity in any other way, including by showing a logo or linking to a web page that identifies the entity (see the next section).

**Note:** A potential candidate is someone who is selected in a nomination contest, is deemed to be a candidate because they have conducted political financing transactions, is a member of Parliament or an incumbent, or has the support of a political party to be a candidate of that party.

### What it means to promote or oppose a political entity

Promoting or opposing, in relation to a registered party or eligible party, may include but is not limited to:

- naming the party
- identifying the party, including by its logo
- providing a link to a web page that names or identifies the party

Promoting or opposing, in relation to the election of a potential candidate, nomination contestant or leader of a registered party or eligible party, may include but is not limited to:

- naming the person
- showing a photograph, cartoon or drawing of the person
- identifying the person, including by political affiliation or by a logo
- providing a link to a web page that does any of the above

### Tagline

Partisan advertising conducted by the party, or by another entity on its behalf, must be authorized by the chief agent or another registered agent of the party. This authorization has to be mentioned in or on the message—for example, “Authorized by the registered agent of the XYZ Party of Canada.”

## What qualifies as partisan advertising on the Internet?

Election messages communicated over the Internet are partisan advertising only if:

- they meet the general criteria for partisan advertising (see **What is partisan advertising?** above), **and**
- they have, or would normally have, a placement cost (such as sponsored or boosted content)

For greater certainty, the following are not partisan advertising:

- messages sent or posted for free on social media platforms such as Twitter and Facebook
- messages sent by email or through other messaging services (including texts sent through a cellular or mobile network)
- videos posted for free on social media platforms such as YouTube and Instagram
- content posted on the party's website (the ongoing expenses for creating and maintaining a website are not placement costs)

### Tagline

The chief agent or another registered agent of the party has to authorize any partisan advertising, and this authorization must be mentioned in or on the advertisement. Where the authorization statement cannot be included on the advertising message because of its size, this is acceptable if the statement is made immediately apparent to the viewer by following the link in the advertising message.

### Information to be held in an online registry

Regulated online platforms (that is, websites or applications that meet certain criteria for monthly visitors or users) have to maintain a registry of political advertising.

When a registered party purchases partisan advertising online, to make sure it complies with the law, it should:

- inform the platform that it is conducting political advertising
- ask if the platform is regulated by the rules in the *Canada Elections Act* and needs information for its registry (unless the platform has already made this clear)

If the platform is regulated, the party must provide it with:

- an electronic copy of the advertisement
- the name of the registered agent who authorized its distribution on the platform

The platform must publish this information in its registry from the day the ad runs until two years after election day.

## Partisan advertising expenses

A partisan advertising expense is an expense incurred in relation to:

- producing a partisan advertising message
- transmitting a partisan advertising message

It includes the following:

- any non-monetary contribution received to the extent that the property or service is used in relation to producing or transmitting a partisan advertising message
- a non-monetary transfer accepted to the extent that the goods or services are used in relation to producing or transmitting a partisan advertising message

## Limit on partisan advertising expenses

The *Canada Elections Act* imposes a limit on partisan advertising expenses of registered parties for a pre-election period.

The limit for 2019 is \$2,046,800. (This is the base amount of \$1.4 million multiplied by the inflation adjustment factor in effect on June 30 of that year.)

The limit applies to the total of all partisan advertising expenses of a registered party, whether paid, unpaid or accepted as non-monetary contributions or transfers.

**Note:** Registered parties must not do anything to circumvent the partisan advertising expenses limit, including by colluding with affiliated political entities or third parties.

## Partisan advertising conducted by a registered party

When a registered party conducts partisan advertising during a pre-election period, the expenses to produce and distribute the advertising are partisan advertising expenses subject to the limit, regardless of when the expenses were incurred.

If the advertising was conducted only partly within the pre-election period, the expense for distribution may in some circumstances be allocated over the different periods (for example, when advertising is charged per day).

The expense for production is never allocated over the different periods. If the advertising is conducted during the pre-election and election periods, the full production expense counts toward both limits.

**Note:** An eligible party that becomes registered during a fixed-date general election is deemed to have been registered from June 30. This means the party must be prepared to report on its partisan advertising and respect the partisan advertising expenses limit.

### Examples

1. From June 26 to July 5 in the year of a fixed-date election, the registered party runs a TV ad that opposes the leader of another party. The ad displays an authorization statement from the chief agent. The cost to produce the ad was \$15,000, and the cost to broadcast the ad for 10 days was \$20,000, or \$2,000 a day. The chief agent must report a partisan advertising expense of \$27,000 ( $\$15,000 + (\$2,000 \times 6 \text{ days})$ ), subject to the limit. The remaining distribution expense of \$8,000 is a registered party expense not subject to a limit.
2. In early June in the year of a fixed-date election, the registered party installs signs across the country promoting itself. The signs remain in place during the pre-election period and display an authorization statement from the chief agent. The cost to produce the signs was \$15,000, and the cost to install them was \$5,000. Even though the signs were installed before the pre-election period, the full expense of \$20,000 is a partisan advertising expense subject to the limit. If the signs stay up during the election period, the same expense of \$20,000 is also an election expense subject to the limit.

## Partisan advertising conducted by an electoral district association to promote or oppose a party

An electoral district association of a registered party, whether the association is registered or not, can incur expenses and conduct partisan advertising to promote or oppose a party. This can be done without impacting its affiliated party's limit if the advertising is conducted only or mostly in the association's own electoral district.

However, if an association plans to conduct such advertising outside its electoral district, the advertising can only be done on behalf of the affiliated party, and the expenses incurred are subject to the party's limit. The association must obtain the agreement of the party beforehand. After incurring the expenses:

- if the association is registered, the property or services that the expense is incurred for must be sold or transferred to the party
- if the association is unregistered, the property or services that the expense is incurred for must be sold to the party

The party must receive a copy of the original supplier invoice for the partisan advertising expense. The expenses for partisan advertising conducted during the pre-election period, including the cost of production and distribution, are partisan advertising expenses of the party.

Partisan advertising done on behalf of the registered party must receive prior written authorization from a registered agent of the party. This authorization has to be mentioned in or on the message—for example: "Authorized by the registered agent of the XYZ Party of Canada."

For more information on how the partisan advertising rules apply to electoral district associations, see Chapter 7 of the *Political Financing Handbook for Electoral District Associations and Financial Agents*.

### Examples

1. A registered association of the party plans to produce flyers promoting the party leader and distribute them in ridings across the region during the pre-election period. Because the advertising will be distributed widely outside the association's riding, it is a partisan advertising expense of the party. The association must obtain prior written authorization from a registered agent of the party, and this authorization must be mentioned on the flyers. The association must then transfer or sell the advertising to the party. The financial agent sends an invoice to the party, along with copies of the original supplier invoices, and the party reports the production and distribution costs as partisan advertising expenses subject to the limit.
2. A registered association of the party produces flyers promoting the party leader and mails them to households in its riding, with some overlap into adjacent ridings that share postal codes. This is not a partisan advertising expense of the registered party. The flyers display an authorization statement from the financial agent of the association, and the expenses are reported in the association's annual financial return.





## 8. Election Expenses

*This chapter explains what election expenses are, describes how limits are calculated and applied, and gives examples of typical election expenses. It covers the following topics:*

- *What are election expenses?*
- *Limits on election expenses*
- *Reimbursement of election expenses*
- *Typical election expenses (election advertising, voter outreach, travel, etc.)*
- *Use of existing resources (intellectual property, office expenses, websites, etc.)*

### What are election expenses?

An election expense is:

- any cost incurred or non-monetary contribution received by a registered party to the extent that the 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 registered party or its leader during an election period
- any non-monetary transfer received from a registered association or a candidate of the registered party to the extent that the property or services are used to directly promote or oppose a registered party or its leader during an election period

The concept of “directly promoting or opposing a registered party or its leader” is not limited to election advertising. It is to be understood broadly and includes expenses for running a campaign, such as office rental, telecommunication services, etc.

This means that most expenses reasonably incurred for property or a service used during the election period in relation to an electoral campaign are election expenses, unless they are:

- non-promotional fundraising expenses (see Chapter 5, **Fundraising**)
- accessibility expenses (see Chapter 9, **Accessibility Expenses**)

The election period starts on the day the election is called and ends on election day when the polls close.

## Limits on election expenses

The *Canada Elections Act* imposes a limit on election expenses to facilitate a level playing field among registered parties.

The limit applies to the total of all election expenses, whether paid, unpaid or accepted as non-monetary contributions or transfers.

The chief agent and any person authorized in writing by the chief agent to incur expenses all have to respect the election expenses limit. They cannot enter into contracts or incur election expenses that exceed the limit.

The registered party will need an expense approval process to help ensure that the chief agent and any authorized persons are informed and co-operate when incurring expenses. An expense approval process and a campaign budget created at the beginning of the campaign help to manage finances effectively.

**Note:** A registered party that exceeds its election expenses limit will have its reimbursement reduced based on a sliding scale. See Chapter 14, **Reimbursements**, for details.

### How are the limits calculated?

Elections Canada calculates the election expenses limit for each registered party as follows:

- For electoral districts where the party has endorsed a candidate, \$0.735 is multiplied by the number of names appearing on the preliminary lists of electors or on the revised lists of electors, whichever is greater.
- The limit is then adjusted by the inflation adjustment factor in effect on the day the election is called.

**Note:** During an election, expenses limits are published on the Elections Canada website in the Political Participants section.

## Limits on election expenses for by-elections

When a by-election is called, Elections Canada calculates the registered party election expenses limit for the electoral district.

If multiple by-elections are being held on the same day, the limit for a particular party is calculated by adding the limits for the electoral districts in which the party has endorsed a candidate. A party with candidates in more than one electoral district may distribute its election expenses limit among the electoral districts as it sees fit.

## Typical election expenses

The following are examples of typical election expenses.

### Traditional election advertising

#### What is election advertising?

Election advertising is the transmission to the public of an advertising message promoting or opposing a registered party during the election period.

Promoting or opposing a registered party may include but is not limited to:

- naming the party
- identifying the party, including by its logo
- providing a link to a web page that names or identifies the party

Expenses incurred for advertising conducted during the election period, including the expenses for production and distribution, are to be reported as election expenses.

#### Tagline

Advertisements distributed through traditional means such as signs, billboards, flyers, pamphlets, radio, television, newspapers or magazines during an election period are election advertising and have to be authorized by the chief agent or a registered agent of the party.

This authorization has to be mentioned in or on the message—for example, “Authorized by the registered agent of the XYZ Party of Canada.”

#### Blackout period

The *Canada Elections Act* prohibits the transmission of election advertising to the public in an electoral district on election day before the close of all polling stations in the electoral district.

The blackout does not apply to distributing pamphlets or posting messages on signs, posters or banners during that period. Nor does it apply to transmitting a notice of an event that the party leader will attend or an invitation to meet or hear the party leader.

#### Examples

1. In anticipation of an upcoming election, the chief agent purchases flyers before the election is called and distributes them during the election period to promote the party. The expense for the flyers—including their design, printing and distribution—is an election expense. The flyers are election advertising and have to include an authorization statement from the chief agent.
2. The chief agent purchases an advertisement that is broadcast during the election period on a radio station, promoting the party. The expense for the advertisement—including its design, recording and transmission—is an election expense of the party. The advertisement is election advertising and has to include an authorization statement from the chief agent.

## Election signs

Election signs are election advertising and are subject to the tagline and blackout requirements mentioned above for traditional election advertising. Signs installed before election day do not need to be removed as part of the blackout requirements.

Expenses incurred to obtain election signs for the registered party's campaign are election expenses. Even if some signs are never installed, the expense to obtain the signs counts toward the election expenses limit.

Sometimes election signs are vandalized or stolen. If the party has many affected signs, it may want to report the expense to replace vandalized or stolen signs as a registered party expense not subject to the limit instead of an election expense. This can be done if the party:

- replaces the vandalized or stolen signs with signs of the same cost (or, if the signs are more expensive, reports the increase in cost as an election expense)
- files a police report that includes a description of the signs, their location and costs
- keeps the police report and evidence of the vandalism or theft in its records (for example, photographs or a statement from the property owner)

Signs are often used for more than one election. For details, see the **Use of existing resources** section below.

**Note:** Because uninstalled signs count toward the election expenses limit, a registered party should be mindful to purchase only the quantity of signs that it intends to install.

## Election advertising on the Internet

### What qualifies as election advertising on the Internet?

Election messages communicated over the Internet are election advertising only if:

- they meet the general criteria for election advertising (see **What is election advertising?** above), **and**
- they have, or would normally have, a placement cost (such as sponsored or boosted content)

For greater certainty, the following are not election advertising:

- messages sent or posted for free on social media platforms such as Twitter and Facebook
- messages sent by email or through other messaging services (including texts sent through a cellular or mobile network)
- videos posted for free on social media platforms such as YouTube and Instagram
- content posted on the party's website (the ongoing expenses for creating and maintaining a website are not placement costs)

However, any associated costs are election expenses. See the **Websites and web content** section below.

### Tagline

The chief agent has to authorize any election advertising, and this authorization must be mentioned in or on the advertisement. Where the authorization statement cannot be included on the advertising message because of its size, this is acceptable if the statement is made immediately apparent to the viewer by following the link in the advertising message.

**Note:** A registered agent has to report as election expenses all the expenses related to the design, development and distribution of online communications used during an election period, regardless of whether or not they are election advertising.

### Information to be held in an online registry

Regulated online platforms (that is, websites or applications that meet certain criteria for monthly visitors or users) have to maintain a registry of political advertising.

When a registered party purchases election advertising online, to make sure it complies with the law, it should:

- inform the platform that it is conducting political advertising
- ask if the platform is regulated by the rules in the *Canada Elections Act* and needs information for its registry (unless the platform has already made this clear)

If the platform is regulated, the party must provide it with:

- an electronic copy of the advertisement
- the name of the registered agent who authorized its distribution on the platform

The platform must publish this information in its registry from the day the ad runs until two years after election day.

### Blackout period

The *Canada Elections Act* prohibits the transmission of election advertising to the public in an electoral district on election day before the close of all polling stations in the electoral district.

The blackout does not apply to the transmission of a message on the Internet that was placed before the blackout period began and was not changed during that period—for example, an advertisement placed in a weekly online magazine.

However, if an Internet advertisement is actively transmitted to different users daily and the registered party is able to control the transmission date—for example, a paid social media or search engine advertisement—the blackout must be respected.

The blackout also does not apply to transmitting a notice of an event that the party leader will attend or an invitation to meet or hear the party leader.

#### Examples

1. The party hires a media firm to place banners on websites and social media platforms during the election period, directing users to a video posted on YouTube. Because the banners have a placement cost and promote the party, they are election advertising and have to be authorized by the registered agent. They are subject to the blackout on election day. Because there is no placement cost to post the video, it is not election advertising, but all expenses related to designing and developing the video are election expenses.
2. A group page has been created for the party on a free social networking site. Volunteers manage the page and post articles related to the party. This is not election advertising. As long as the volunteers are helping outside their regular working hours and are not self-employed in the business of managing social media, the volunteer labour is not an expense.
3. The chief agent hires a media firm to post content on the party's website during an election, promoting the party. The content is not election advertising, but all expenses related to designing, developing and posting the content are election expenses.

#### OGI reference

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2015-04, *Election Advertising on the Internet*, on the Elections Canada website.

## Websites and web content

Registered parties commonly use their websites as a promotional tool during elections. This means some portion of the costs to design, host and maintain the websites are election expenses. Social media accounts might also be used to promote the registered party during the election period.

### New or pre-existing website

For a general election, the election expense is calculated by:

- determining the commercial value of designing an equivalent website (or the actual expense incurred to produce the website, whichever is lower)
- adding the prorated cost to host and maintain the website

For a by-election, the election expense is calculated by:

- identifying the pages that contain by-election content and determining the commercial value of designing equivalent pages (or the actual expense incurred to produce those pages, whichever is lower)
- adding the prorated cost to host and maintain those pages

In both cases, the backend costs for contribution pages and online stores are excluded because non-promotional fundraising expenses are excluded from election expenses.

### **Example**

The registered party keeps its website online during a general election. The website's design, maintenance and hosting cost must be reported as an election expense. The chief agent calculates the expense in three parts:

- The party paid to produce the website several years ago, so the chief agent determines the commercial value of designing an equivalent website and includes it as an election expense.
- He excludes backend costs for the contributions page and online store.
- He adds the prorated cost to host and maintain the website for the length of the election period.

The chief agent determines separately the election expense for pre-existing content on the website and its social media pages.

### New web content

Expenses to produce and distribute web content are usually election expenses when the content is first posted during an election period to promote or oppose a party or its leader. Web content includes text, audio, visuals, videos and promotional applications.

If content was produced entirely or in part using volunteer labour, only the actual expense incurred by the party is an election expense. This may include materials, equipment rental or paid labour.

#### Examples

1. The registered party produces a promotional video and posts it online during the election period. The video contains footage created by the party and footage obtained at no cost in the public domain. The full expense to create, assemble and edit all parts of the video must be reported as an election expense. The footage obtained at no cost, if it would be available for free to any other registered party, is not included in the calculation. If a segment of one video is recycled into other videos of the party in the same election, the production cost of that segment is counted only once.
2. One of the registered party's volunteers attends a speaking event of the leader outside her working hours and records a short video on her cell phone. She then posts the video for free on the party's social media accounts. There is no expense to report for producing and distributing this web content.

### Pre-existing web content

Expenses to produce and distribute pre-existing web content that remains accessible during an election, whether on the registered party's website or social media pages, is an election expense if the party:

- incurred the expense to produce the content for the election, or
- promoted the content during the election period

Promotion, in the context of pre-existing web content, is to transmit or draw attention to an item of content through any means, such as advertising, mass emails, social media postings, re-posting of content, or coordinated promotion through another entity, person or group.

For greater certainty:

- If the party directs users to the home page of its website or social media accounts (for example, "Visit us online at party.ca or facebook.com/party"), only content produced for the election that is displayed on that page is an election expense.
- Despite the above, if the party directs users to a page of its website or the home page of its social media account that hosts only videos (for example, "Visit us online at party.ca/videos or youtube.com/party"), all the videos on the linked page are election expenses.
- To limit the number of videos that will count as election expenses, the party could set up a separate page for videos it intends to promote (for example, by creating a YouTube playlist or a party.ca/electionvideos page on its website) and direct users to that particular page.
- Social media icons that appear in a communication (for example, at the end of an email) are not in themselves a means of promotion, even if they contain a link to the related home page.
- Coordinated promotion includes any agreement or any other form of coordination—written or otherwise, express or implied—under which another entity, person or group promotes the party's pre-existing web content that the party is not otherwise promoting (for example, by agreeing to post links to the content).

It is important to note that, unlike election advertising, promotion can be considered to have taken place even if there was no placement cost.

Despite the above, there will be no election expense if the party can show that the content was clearly promoted solely for an event or circumstance other than the election, such as a leadership or policy convention.

### **Example**

At the end of a general election, the registered party has 200 videos across its website and social media accounts, of which 180 were posted before the election period. The chief agent must determine which of these pre-existing videos are election expenses.

First, she determines which of the 180 videos were promoted during the election. The party had linked to its pre-existing videos in the following ways:

- It posted links to its YouTube election playlist in emails and social media posts. The playlist contained 10 pre-existing videos.
- It embedded 5 other pre-existing videos in its Facebook and Twitter posts.
- It tweeted links to 6 other pre-existing videos on its website.
- It displayed social media icons at the bottom of its digital communications. This does not count as promotion of the pre-existing content.

This means that 21 of the 180 pre-existing videos were promoted during the election and are likely election expenses. The chief agent does not find any videos to exclude based on their being clearly promoted solely for an event or circumstance other than the election.

Next, by looking at the totality of circumstances, the chief agent determines which of the 159 remaining pre-existing videos were produced for the election:

- Among the 159 videos, 40 were posted in the 12 months before the general election, when the party began ramping up its election strategy.
- The chief agent looks at those 40 videos and finds that 30 were not produced for the election—they are speeches from a leadership contest, holiday messages from the previous year, etc.
- The chief agent determines that the other 10 videos are election expenses because they mention voting in the next election or are policy videos posted shortly before the election.

As a result, the chief agent reports the production and distribution costs incurred for the 31 pre-existing videos as election expenses.

### **OGI reference**

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2018-04, *Pre-existing Web Content of Registered Parties in an Election*, on the Elections Canada website.



## Broadcasting time

During an election period, every broadcaster must make broadcasting time available for registered parties to purchase for the transmission of political announcements and other programming.

In addition, selected broadcasters must also provide a certain amount of free broadcasting time for registered parties.

The amount of broadcasting time is determined by the Broadcasting Arbitrator. For details about how the broadcasting time is allocated, please consult the Broadcasting Guidelines on the Elections Canada website.

## Voter contact calling services

Voter contact calling services are services involving the making of calls during an election period for any purpose related to an election, including:

- promoting or opposing a registered party or its leader, or any position on an issue with which a registered party is associated
- encouraging electors to vote or to refrain from voting
- providing information about the election, including information about voting hours and the location of polling stations
- gathering information about how electors voted in past elections, or will vote in the election, or their view on a registered party or its leader or on any issue with which a registered party or its leader is associated
- raising funds for a registered party

Expenses incurred for voter calls conducted during the election period, including the cost of production and distribution, are election expenses.

**Note:** A registered party must register with the Canadian Radio-television and Telecommunications Commission (CRTC) if it uses a calling service provider or automatic dialing-announcing device to make voter calls during an election period. Refer to the CRTC's Voter Contact Registry web page for details.

### *OGI reference*

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2015-11, *Application of Election Advertising Rules to Telephone Calls*, on the Elections Canada website.

## Rental of a temporary party office

The registered party may rent temporary office space for the duration of the campaign. The portion of the rent incurred before and after the election period has to be recorded as a registered party expense. Only the portion of the rent used during the election period is an election expense.

### **Example**

The party rents an office on March 1, a month before the election is called. The rental agreement is for three months and the rent is \$300 a month. The election period is 37 days. The election expense to be recorded is the rent for the month of April, plus the rent for 7 days in May:  $\$300 + (7/31 \times \$300) = \$367.74$ . The remaining amount, \$532.26, has to be recorded as an expense of the party.

The installation cost incurred for items used during the election period is an election expense even if the installation takes place before the election is called, as long as the item itself is an election expense. Installation costs cannot be prorated.

Other office expenses include the cost of buying office supplies, such as paper or toner cartridges, or supplying refreshments during meetings. As long as these supplies are used during the election period, the cost of buying them is an election expense.

## 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.

### **Example**

After the election was called, the chief agent engaged Election Polling Inc. for \$1,500 to conduct a survey. Once the survey was completed, the chief agent issued a cheque from the party's bank account to pay Election Polling Inc., recorded the amount as an election expense and kept the invoice to submit later with the party's return.

## Travel expenses

Expenses incurred for travel during the election period are considered election expenses of the party to the extent that the expenses are incurred to promote or oppose the party or its leader.

During an election period, the incidental expenses of salaried and volunteer campaign workers of the party are considered election expenses of the party. These expenses include meals, transportation, lodging and any other expenses reasonably incurred in relation to the party's campaign.

Expenses incurred for return trips of the party leader, staff or campaign workers after the election period are not election expenses.

**Note:** If the party is paying to relocate campaign workers to a municipality and return them home after the election, the travel costs incurred are not election expenses, no matter when the travel occurs. Per diems and lodging paid by the party for days during the election period are election expenses.

## Compensation

If employees on the staff of a parliamentarian engage in political activities to support a registered party during the election period, the salaries of these persons are election expenses of the party and non-monetary contributions from the parliamentarian.

However, if the employees work on the party's campaign outside normal business hours or are on leave, their involvement is volunteer labour. For more information, refer to **Volunteer labour is not a contribution** in Chapter 2, **Contributions**.

## Communications during a by-election

### When does a communication expense count as an election expense for a by-election?

As part of their everyday operations, registered parties may conduct activities that sometimes overlap with a by-election period. Expenses incurred by the registered party to produce a communication and distribute it during a by-election period are election expenses only if the communication was distributed for the by-election.

The totality of circumstances should be considered, including whether the content mentions the by-election or an issue of particular interest in the electoral district, how many days into the election period it was transmitted, whether the communication was planned close to the 180-day limit for the by-election being called, and how the communication fits into the party's overall strategy.

### Calculating the expense for production and distribution

If a communication is distributed during and for the by-election, 100% of the production cost (or the commercial value, if it was contributed or transferred) is an election expense. This is true even if the communication is distributed to a broader area than the by-election riding.

If the communication is distributed to a broader area than the by-election riding, the election expense for distribution is what it would actually cost to distribute to the smallest area that includes the by-election riding. If there is no smaller distribution area for the specific medium used, then 100% of the distribution cost is an election expense.

If multiple by-elections are underway at the same time, and the same election advertising is transmitted in more than one electoral district, a party may allocate the election expense among the affected electoral districts.

### Examples

1. There are by-elections underway in three ridings. A registered party purchases election advertising for the by-elections that is transmitted in the broadcast area where the by-elections are underway. The party splits the production and transmission expenses evenly among the three ridings and reports them as election expenses.
2. There is a by-election underway in Scarborough–Agincourt. The party runs an ad on XYZ News across Ontario, in part to influence voters in that by-election. An election expense must therefore be reported. The party paid \$4,000 to produce the ad and \$2,000 to run the ad on XYZ Ontario. For this advertising, the smallest distribution area that includes Scarborough–Agincourt is XYZ Toronto. The actual cost to run the ad on XYZ Toronto would have been \$1,600. The total election expense is therefore \$5,600 (\$4,000 production + \$1,600 distribution).

3. There are by-elections underway in Victoria and St. John's East. The registered party sponsors a Facebook post opposing a registered party, targeted to Canadian users aged 18 to 65 with an interest in politics, in part to influence voters in the by-election ridings. An election expense must therefore be reported. The party paid \$500 to produce the post and \$8,000 to sponsor it for one week.

Because sponsored posts can be targeted by postal code, and ridings can be linked to postal codes, the smallest distribution areas for this advertising are the postal codes linked to Victoria and St. John's East. In this case, prorating the cost based on targeted users in the two ridings is a reasonable way to arrive at the actual cost for distribution:

- Targeted Facebook users: Canada, 4,000,000; Victoria, 12,000; St. John's East, 7,000
- $\$8,000 / 4,000,000$  users in distribution area x 12,000 users in Victoria = \$24 election expense for distribution
- $\$8,000 / 4,000,000$  users in distribution area x 7,000 users in St. John's East = \$14 election expense for distribution

The production cost of \$500 is split evenly between the two electoral districts. The total election expense for Victoria is therefore \$274 (\$250 production + \$24 distribution). The total election expense for St. John's East is \$264 (\$250 production + \$14 distribution).

4. There is a by-election underway in Winnipeg Centre. Before the by-election was called, the registered party had planned to send a national fundraising email to its supporters with an embedded video that solicits contributions. After the by-election is called, the party adds content to the email about issues of particular interest in the by-election riding. The cost to produce the email, including the video, is \$2,000. Because the registered party adjusted its content for the by-election, the production cost of \$2,000 is an election expense. The party used a free email service to send the message, so there is no election expense for distribution.

#### *OGI reference*

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2018-05, *Communication Expenses of Registered Parties in a By-election*, on the Elections Canada website.

## Use of existing resources

### Office expenses

The party, as an ongoing political entity, might maintain national or regional offices. Office expenses incurred during an election period are considered election expenses. These include a portion of the rent or property tax, utility cost, insurance, maintenance services, etc.

The chief agent should allocate the office expenses incurred in accordance with the basic activities carried out by that office. The chief agent must consider the purpose of each activity to determine whether the costs incurred to carry out the activity qualify as election expenses.

For the salaries of staff members or the cost of facilities, the method of allocation can be based on any breakdown that results in a reasonable allocation of costs.

The chief agent should make a reasonable allocation for each component of costs: salary, equipment, supplies, materials, printing equipment and computers.

#### **Examples**

1. During a by-election, the registered party assigns some of its existing staff to perform work directly related to the campaign. The chief agent has to determine the compensation and benefits paid to these employees for the hours spent working on the campaign and report them as election expenses. As well, the employees' campaign work is tied to overhead expenses such as office space, computers, supplies and printers. The chief agent has to allocate overhead expenses for these employees on a reasonable basis and include them as election expenses.
2. During a by-election, volunteers use the registered party's office after hours to perform work directly related to the campaign. No compensation is paid to the volunteers. However, their campaign work is tied to overhead expenses such as office space, computers, supplies and printers. The chief agent has to allocate overhead expenses for these volunteers on a reasonable basis and report them as election expenses.

### Intellectual property assets of the party

The party, as an ongoing political entity, might have databases that contain intellectual property created through surveys and research conducted prior to the election period. Even if the party uses the data during the election period, the intellectual property and the systems used to store and process the information are not election expenses.

## Capital assets

The party, as an ongoing political entity, might own capital assets that are used in more than one election.

Under the *Canada Elections Act*, a capital asset is any property with a commercial value of more than \$200 that is normally used outside an election period other than for the purposes of an election (for example, buildings, computers, software, printing equipment and furniture).

If the registered party purchases a capital asset and uses it 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.

A capital asset may be eligible for an election expenses reimbursement after one or more elections, depending on how the asset is reported. For example:

- If the asset is reported at the commercial value of renting a similar asset during the election period, it may be eligible for a reimbursement each time it is used in an election.
- If the asset is reported at the purchase price, it may be eligible for a reimbursement only once, after the election for which it was obtained.

For non-capital assets such as office supplies, the purchase price must be recorded as an election expense.

Property other than capital assets (for example, signs) can also be used for more than one election. If a registered party uses such property in a subsequent election, the election expense to be recorded is the current commercial value of equivalent property. Such election expenses are not eligible for the election expenses reimbursement.

**Note:** Amortization may not be used as a method of calculating the commercial value of the use of the asset.

## Used signs

If a registered party uses signs in a subsequent election, the amount of the election expense to be recorded is the current commercial value of equivalent signs.

## Billboards

The commercial value, including design, production and installation costs, of any pre-existing billboards that remain in place during the election period are election expenses. Billboards include the sign and the supporting structure. Elections Canada will accept the commercial value of an equivalent sign (that is, the same size and design) that would be temporarily installed just for the election period.

Similarly, with respect to the supporting structure, Elections Canada will accept the commercial value of an equivalent structure that would typically be used for an election period rather than the commercial value of a structure designed to be more permanent in nature. Note that the commercial value of the structure is the lower of its purchase price or its rental cost for the length of the election period.

## 9. Accessibility Expenses

*This chapter discusses the registered party's accessibility expenses and reporting requirements. It covers the following topics:*

- *What are accessibility expenses?*
- *What are not accessibility expenses?*
- *Typical accessibility expenses (accessible website, sign language interpretation, communication products, construction and renovation)*

### What are accessibility expenses?

Accessibility expenses to accommodate persons with disabilities are:

- any cost incurred by the registered party for property or a service that is used solely to make materials used or activities held during an election period accessible
- the difference between the cost incurred for the property or service to make the materials or activities accessible, and the value of the property or service if the materials or activities had not been accessible
- a non-monetary contribution or transfer received by the registered party that is used solely to make materials used or activities held during an election period accessible
- the difference between the value of a non-monetary contribution or transfer received to make the materials or activities accessible, and the value of the property or service if the materials or activities had not been accessible

Accessibility expenses do not count against the election expenses limit. They may be eligible for partial reimbursement. See Chapter 14, **Reimbursements**, for more information.

### What are not accessibility expenses?

The following are not accessibility expenses:

- an expense related to a registered party's fundraising activity
- an expense for material used or an activity held outside the election period only
- an expense that the registered party would have incurred for property or a service regardless of whether or not it was accessible
- an expense used for a purpose other than making material or an activity accessible

#### *OGI reference*

This topic will be discussed in detail in an upcoming Elections Canada interpretation note, *Accessibility Expenses and Disability-Related Personal Expenses*, to be published on the Elections Canada website in summer 2019.

## Typical accessibility expenses

The following are examples of typical accessibility expenses that the registered party might incur.

### Accessible websites

A fully accessible registered party website is one that can be properly read by a screen reader, allows for navigation using a keyboard, gives the same information in alternative formats, uses adequate colour contrast, and so on.

Additional expenses to create an accessible website, to convert an inaccessible website, or to make some features accessible during an election are accessibility expenses.

See the World Wide Web Consortium's *Web Content Accessibility Guidelines* for internationally recognized standards.

#### **Example**

The registered party creates a website and pays to run accessibility diagnostics on the site during the election. When the diagnostics show that several web pages need to be recoded for accessibility, the party hires a web designer to make the improvements. The diagnostics tool and web designer fees are accessibility expenses.

### Sign language interpretation

The registered party might have a sign language interpreter at events where the party leader is speaking or at locations where information is being offered during an election, so that events and information are accessible to people who are deaf or hard of hearing.

The expense for interpretation services that make material or an activity accessible during an election period is an accessibility expense.

**Note:** If an activity is directly linked to fundraising (for example, a ticketed fundraiser or auction), the expense for accommodation is not an accessibility expense. It is a registered party expense not subject to the limit.

### Communication products in adapted or alternative formats

Registered parties often distribute or publish communication products in print, audio, video and other formats during an election. To make a communication accessible, the party may need to add an alternative format or adapt an existing format. For example, printed products can be reproduced in Braille, large text and audio; audio can be transcribed into text; and video can be captioned or transcribed into text.

The expense to add or adapt communication products to make them accessible during an election is an accessibility expense.

#### **Example**

The registered party produces a video for \$5,000 that is used to promote the party leader during an election. The production cost includes captioning that makes the video accessible to persons who are deaf or hard of hearing. The video would have cost \$4,700 to produce without the captions. As a result, the chief agent reports an election expense of \$4,700 and an accessibility expense of \$300 (\$5,000 – \$4,700).



## Construction and renovation

Some buildings do not have level access or may be temporarily inaccessible to persons with a mobility impairment. The registered party might construct a temporary ramp for their campaign offices to provide wheelchair access or make other renovations that provide access to persons with a disability.

The expense for construction or renovations to make material or an activity accessible during an election is an accessibility expense.

### *Example*

The registered party opens local offices during the election. One of the buildings it rents has three steps before the entrance. To make the office accessible to wheelchair users, the party hires a contractor to build a wooden ramp. The cost of materials and labour is \$500. This is an accessibility expense.



## 10. Working with Other Entities

*This chapter discusses how transactions are regulated when the registered party engages in shared activities or shares expenses with another political entity, especially candidates during an election. It covers the following topics:*

- *Property or services provided to another political entity*
- *Prohibition on transferring expenses*
- *Typical shared activities (leader's tour, campaigning by a parliamentarian or a candidate)*

### Property or services provided to another political entity

The registered party may provide property or services to an electoral district association, a candidate, a nomination contestant or a leadership contestant of the party. The property or services can be sent as non-monetary transfers or can be paid by the other political entity. Non-monetary transfers must be offered equally to all contestants.

If the property or service is being paid by the other political entity, a copy of the original supplier invoice as well as the invoice from the party must be sent to that other entity. The documentation should confirm the amount reported in the financial returns.

See Chapter 4, **Transfers**, for more information on rules and restrictions.

#### **Examples**

1. The registered party purchases signs from Signs Inc. for \$1,500 and resells them to the candidate's campaign for \$1,500. The party sends the candidate a copy of the original invoice from Signs Inc. for \$1,500 as well as an invoice from the party for \$1,500.
2. The registered party creates a web page on its site for each leadership contestant. The commercial value of creating the web pages is \$150 per contestant. The party sends each contestant an invoice for \$150 and reports a non-monetary transfer of \$150 to each contestant.

### Expenses cannot be transferred

It is important to differentiate between the candidate's electoral campaign expenses and the expenses of the candidate's registered party. The *Canada Elections Act* specifies separate expenses limits for the registered party and each of its candidates.

The 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 that entity in the campaign.

## Typical shared activities

The following are examples of typical activities where various entities work together and might share expenses.

### Leader's tour

The party leader's tour expenses are election expenses of the party and may not be election expenses of the candidates. In addition to the expenses of transportation, the party has to include the expenses of all other related items, such as meals, refreshments, salaries of party staff assigned to the tour, and communications equipment rented for the media.

If a candidate's campaign incurs expenses to attend the leader's tour event, such as transporting campaign staff, volunteers or supporters to the event, these are expenses of the candidate.

**Note:** If a leader attends a candidate event unrelated to the leader's tour, the expenses are those of the candidate, not of the party. Any incremental expenses incurred by the leader to attend such an event are to be reported as a transfer from the party to the candidate's campaign.

### Example

The leader's tour has planned stops in Toronto and Ottawa on Thursday and Friday. A candidate asks the party leader to join an event in Hamilton on Thursday night. The incremental expenses for the party leader to attend the Hamilton event, such as added travel costs, are a transfer from the party to the candidate's campaign.

## Campaigning by a parliamentarian or a candidate

If a parliamentarian or a candidate campaigns on behalf of the registered party, the expenses related to that person's involvement in the campaign are election expenses and have to be authorized in advance by the chief agent or a registered agent. Any expense incurred in relation to the campaign has to be reimbursed by the party or accepted as a non-monetary contribution if paid by an eligible contributor.

In the event that a parliamentarian or a candidate has travelled to a particular destination for purposes unrelated to the election and campaigns on behalf of the registered party while there, any incremental costs incurred to assist with the campaign are election expenses.

## 11. Interacting with Third Parties in the Pre-election and Election Periods

This chapter outlines what registered parties should take into consideration from a political financing perspective when interacting with third parties in the pre-election period and election period. It covers the following topics:

- What is a third party?
- What is collusion?
- Prohibition on colluding with third parties during a pre-election period
- Prohibition on colluding with third parties during an election period
- What is collusion for the purpose of influencing a third party's regulated activities?

**Note:** This chapter applies only to the pre-election and election periods, but registered parties should be mindful of how they interact with third parties at all times to avoid accepting possibly ineligible or illegal contributions. See **Activities conducted by others in coordination with the party may be contributions** in Chapter 2, **Contributions**.

### What is a third party?

A third party is generally a person or group that wants to participate in or influence elections other than as a political party, electoral district association, nomination contestant or candidate. The term has different legal definitions in the pre-election period and election period, as explained in the prohibition sections below.

### What is collusion?

The *Canada Elections Act* sets rules on how registered parties can interact with third parties during a pre-election period or election period. It specifically prohibits collusion with a third party.

Collusion is generally an agreement made between two or more people or groups to achieve an objective prohibited by law. The agreement does not have to be made in writing, and may be express or implied.

### Prohibition on colluding with third parties in relation to a pre-election period

During a pre-election period, a third party is a person or group other than a:

- registered or eligible party
- registered association
- potential candidate
- nomination contestant

A registered party must not collude with a third party in order to:

- circumvent the registered party's partisan advertising expenses limit, or
- influence the third party in its partisan activities, its partisan advertising or its election surveys conducted during a pre-election period, including by sharing information

See Chapter 7, **Partisan Advertising Expenses for the Pre-election Period**, for more information on the pre-election period and partisan advertising rules.

## Prohibition on colluding with third parties in relation to an election period

During an election period, a third party is a person or group other than a:

- registered party
- electoral district association of a registered party
- candidate

A registered party must not collude with a third party in order to:

- circumvent the registered party's election expenses limit, or
- influence the third party in its partisan activities, its election advertising or its election surveys conducted during an election period, including by sharing information

## What is collusion for the purpose of influencing a third party's regulated activities?

Any agreement, express or implied, between a registered party and a third party that has the objective of influencing a third party's regulated activities is prohibited by these provisions.

However, where a third party independently engages in activities that result from agreeing with a party's or candidate's platform, this is not collusion. In such a case, although there is agreement on policy goals, there is no agreement about the regulated activities of the third party. In addition, simple communication by a party to a third party of the party's policies or positions on an issue is not collusion, as there is no discussion about the activities a third party should undertake. Mere interaction without a common intent to influence a third party's activities is not collusion.

Each situation must be examined on its own facts.

### Examples

1. A registered party emails a third party with a promotional message and asks it to cut, paste and send the message to voters on its contact list on the Thursday before advance polls. The third party declines the request. Agreeing to send this email would be collusion because the information was shared to influence the third party's regulated activity.
2. A registered party emails a third party and asks it to support the party's campaign. Some of the party's key platform messages are included in the email. The third party decides that it wishes to support the party and does so by forwarding the platform messages to its contact list. This is not prohibited because there was no agreement between the party and third party about the third party's regulated activity.
3. A registered party meets with a third party to inform the third party of its policy on a particular matter. After the meeting, the third party decides to share this information with voters on its contact list and to run ads supporting the party. This is not prohibited because there was no agreement between the party and third party about the third party's regulated activities.
4. A third party is organizing its annual BBQ during the election period. It informs the party of the event date in case the party leader or others wish to attend. This is not prohibited because the event is going ahead without any input from the party, and there was therefore no agreement between the party and the third party about its regulated activities.
5. A third party contacts the registered party to find out where to direct volunteers to help canvass for the registered party. The registered party asks that volunteers contact the party's volunteer coordinator so that they can canvass as members of the registered party's own campaign. If the third party wants to canvass using its own messages and resources, the registered party cannot provide strategic information on where to canvass. This would be collusion to influence the third party's regulated activity.

6. A third party contacts a registered party and offers to pay for get-out-the-vote activities if the party is near its limit. The registered party cannot accept this offer. This would be collusion to circumvent the election expenses limit.
7. A registered party contacts a third party and provides a list of candidate campaigns that need funds. The third party calls its supporters and asks them to make contributions to these candidates. This is prohibited because the registered party shared strategic information with the third party to influence the third party's regulated activity.





## 12. Leadership and Nomination Contest Finances

*This chapter explains the financial aspects of leadership and nomination contests from the registered party's perspective. It covers the following topics:*

- *Leadership and nomination contest rules*
- *Leadership and nomination contest fees*
- *What are directed contributions and how are they reported?*
- *Contributions received during ticketed fundraising for leadership contestants*

### Leadership and nomination contest rules

Registered parties usually set their own rules, in addition to those in the *Canada Elections Act*, for holding leadership and nomination contests. They may provide other restrictions on political financing aspects of the contest, which they administer themselves (e.g. expenses limits for leadership contestants).

As long as these rules do not conflict with the requirements of the *Canada Elections Act*, this is not problematic.

### Leadership and nomination contest fees

Leadership and nomination contestants might be required to pay a contest entry fee or other service fees to the registered party. These fees may be refunded to the contestant at the discretion of the party.

### What is a directed contribution?

A directed contribution is a contribution made to a registered party, with a written request from the contributor that the amount, or part of it, be transferred to a particular leadership contestant.

Unlike contributions made directly from a contributor to a leadership contestant, directed contributions through a registered party are eligible for a tax receipt.

Parties often charge a processing fee for directed contributions. The *Canada Elections Act* does not restrict the portion of the directed contribution that may be retained by the party. Contribution processing fees charged to a leadership contestant are considered transfers from the leadership contestant to the party.

The full amount directed by the contributor to the leadership contestant is a contribution to the contestant's campaign. A tax receipt for the full amount is issued by the registered party.

**Note:** The directed contribution is subject to the limit on contributions made to leadership contestants, not the limit on contributions made to the party.

### Example

Annie wishes to contribute to the leadership contestant she supports and also receive a tax receipt. She sends a cheque for \$500 to the registered party, with written instructions requesting that the amount be forwarded to the leadership contestant as a directed contribution. The party normally charges a processing fee of \$20 for directed contributions. The chief agent therefore transfers \$480 to the leadership contestant, records a directed contribution of \$500 to the leadership contestant, and records a transfer of \$20 from the leadership contestant. The chief agent also issues a tax receipt to Annie for \$500, the full amount of her contribution.

## Statement of directed contributions

It is the responsibility of the registered party to provide each leadership contestant's campaign with a *Statement of Directed Contributions Received and Transferred to a Leadership Contestant*. This form includes the name and address of each contributor, the amount and date of the contribution, the amount of the directed contribution, the amount that the party has transferred and the date of the transfer.

The party and the leadership contestants must also report to Elections Canada any directed contributions received and the amounts transferred.

## Contributions received during ticketed fundraising events

Because only directed contributions are eligible for tax receipts, it is common practice during leadership campaign fundraising events for individuals to remit contributions to the registered party, with written instructions requesting that the amount be forwarded to the leadership contestant as a directed contribution.

In the case of a ticketed fundraising event, the contribution amount is the ticket price less the fair market value of the benefit that the ticket entitles the bearer to receive. Since a party may only transfer directed contributions to leadership contestants (no other monetary amount may be transferred from the party to a leadership contestant), only the contribution portion of the ticket price may be sent to the party and directed for transfer to a leadership contestant.

There are different ways that a registered party and leadership contestant might choose to manage the situation when an individual purchases a ticket for a fundraiser:

- The individual may be asked to issue two payments: one, paid to the party, for the contribution portion of the ticket price; and another, paid to the leadership campaign, for the difference between the ticket price and the contribution amount.
- The individual may be asked to send the full amount to the party, and the party may retain the benefit portion of the ticket price to offset any future processing fees.
- The individual may be asked to send the full amount to the party, and the leadership contestant may invoice the party for the benefit portion of the ticket price.

### **Example**

Tickets are sold at \$100 each for a fundraising event organized by a leadership contestant's campaign during a leadership contest. The contribution portion of each ticket is \$80, calculated by subtracting \$20 (the fair market value of the benefit to be received during the event) from the ticket price (\$100). Ticket purchasers are asked to issue two payments: one for \$20, paid to the campaign; and the other for \$80, paid to the registered party with written instructions requesting that the amount be forwarded to the leadership contestant as a directed contribution. The registered party issues tax receipts for the contribution amounts and transfers the funds as directed contributions to the leadership contestant.

**Note:** The contribution rules apply to contributions made through ticketed fundraising.

## 13. Reporting

This chapter describes the financial and registry reports that an eligible party or a registered party must complete and submit by set deadlines under the Canada Elections Act. It covers the following topics:

- Reporting timeline
- Additional reporting if corrections or revisions are required
- Submitting reports to Elections Canada
- Requesting a filing deadline extension

**Note:** Forms and instructions are available on the Elections Canada website.

### Reporting timeline

Reports in this table must be submitted to Elections Canada, unless otherwise noted.

Deadline	Mandatory document	Description	Who is responsible
6 months after becoming a registered party	<b>Statement of Registered Party's Assets and Liabilities</b> (EC 20232) With auditor's report	The statement lists the registered party's assets and liabilities as of the day before the effective date of registration.	Chief agent
30 days after a change of registry information	<b>General Form—Political Party</b> (EC 20360) To report a change of registry information, including a change in the policy for the protection of personal information	The registered party or eligible party must report changes to its registry information, such as an address change, new appointments or a new party leader.  The registered party must publish the updated policy for the protection of personal information on the party's website as soon as feasible.	Party's representative
30 days after the end of a quarter	<b>Registered Party's Quarterly Financial Transactions Return*</b> (EC 20211)	The registered party's quarterly return includes the following: <ul style="list-style-type: none"> <li>• party information and declaration, signed by the chief agent</li> <li>• contributions and transfers received</li> <li>• directed contributions received for transfer to a leadership contestant</li> <li>• returned contributions</li> </ul>	Chief agent

\*Required if the candidates endorsed by the party received at least 2% of the valid votes cast at the most recent general election, or 5% of the valid votes cast in the electoral districts where the party endorsed a candidate.

## Reporting timeline (continued)

Deadline	Reports and documents	Description	Who is responsible
June 30	<b>Contributions to a Registered Party or to a Registered Association— Information Return</b> (T2092—CRA)	The registered party must use the form available on the Canada Revenue Agency (CRA) website to report contributions received and received.  A link to the form is posted on the Elections Canada website.	Chief agent  Submitted to the CRA
June 30	<b>Registered Party's Annual Financial Transactions Return</b> (EC 20239)  With auditor's report and supporting schedules	The registered party's annual return includes the following: <ul style="list-style-type: none"> <li>• same information as the quarterly return (above)</li> <li>• by-election expenses and transfers sent</li> <li>• status of unpaid claims and loans</li> <li>• financial statements</li> </ul>	Chief agent
June 30	<b>General Form— Political Party</b> (EC 20360)  Annual confirmation of registry information  Declaration of the party leader	The registered party or eligible party must certify that its registry information is accurate or provide updates.  The party leader must sign the declaration about the party's fundamental purpose to participate in public affairs.	Chief agent and party leader
June 30 every third year (due in 2019)	<b>General Form— Political Party</b> (EC 20360)  Declaration of 250 party members	The registered party or eligible party must submit the names, addresses and declarations of at least 250 party members by June 30 every third year.	Party's representative
5 days before a regulated event held outside a general election	<b>Notice of Regulated Fundraising Event</b> (EC 20092)	The 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	<b>Regulated Fundraising Event Report</b> (EC 20093)	The report provides information on a regulated fundraising event held outside a general election, including beneficiaries, organizers and attendees.	Chief agent

## Reporting timeline (continued)

Deadline	Reports and documents	Description	Who is responsible
Within 10 days after a general election is called	<p><b>General Form— Political Party</b> (EC 20360)</p> <p>Confirmation of registry information</p> <p><b>Endorsement of Candidates</b></p>	<p>The registered party or eligible party must certify that its registry information is accurate or provide updates.</p> <p>The party must also provide the names of the designated party representatives for endorsing candidates.</p>	Party's representative
60 days after election day	<p><b>Regulated Fundraising Event Report</b> (EC 20093)</p>	The report provides information on all regulated fundraising events held during a general election, including beneficiaries, organizers and attendees.	Chief agent
8 months after election day	<p><b>Registered Party's General Election Return</b> (EC 20240)</p> <p>With auditor's report and supporting schedules</p>	<p>The registered party's general election return includes the following:</p> <ul style="list-style-type: none"> <li>party information and declaration, signed by the chief agent</li> <li>statement of general election expenses</li> </ul>	Chief agent
30 days after a nomination contest held by the party	<p><b>General Form— Nomination Contest</b> (EC 20188)</p>	<p>The registered party must file this report if the party (and not the association) held a nomination contest. It is required if the contest was open to more than one person, even if only one person entered.</p> <p>After receiving the report, Elections Canada starts sending notices to the nomination contestant and financial agent about reporting obligations.</p>	Party's representative
If a party plans to hold a leadership contest	<p><b>General Form— Registered Party Leadership Contest</b> (EC 20370)</p>	This report indicates the start and end dates of a planned leadership contest.	Chief agent
When directed contributions are transferred to the leadership contestant	<p><b>Statement of Directed Contributions Received and Transferred to a Leadership Contestant</b> (EC 20250)</p>	<p>If the registered party receives and sends directed contributions to a leadership contestant's campaign, it must send the statements of those contributions with the transfers.</p> <p>This provides leadership contestants with the necessary information to fulfill their reporting obligations.</p>	<p>Chief agent</p> <p>Submitted to the leadership contestant</p>
<p><b>Note:</b> It is very important to give the auditor enough time to properly audit a financial return. The chief agent should submit the completed return to the auditor well before the reporting deadline.</p>			

## Additional reporting if corrections or revisions are required

The party may need to file an amendment to one of these reports because of an error or omission:

- *Registered Party's Annual Financial Transactions Return*
- *Registered Party's General Election Return*
- *Regulated Fundraising Event Report*

Corrections or revisions requested by Elections Canada	Corrections or revisions requested by the registered party
<p>On review, Elections Canada may request the chief agent to correct or revise the annual financial return or general election return.</p> <p>The chief agent must submit the corrected or revised report within the specified period.</p>	<p>The chief agent may become aware of a need to correct or revise an annual financial return (for example, to add some omitted contributions), a general election return or an event report that has been filed.</p> <p>The chief agent has to apply to Elections Canada for authorization to file an amended report, using the <i>Request for Amendment</i> form.</p> <p>An amended report must be submitted within 30 days after the correction or revision is authorized.</p>

## Submitting reports to Elections Canada

Financial forms and instructions are available on the Elections Canada website.

Elections Canada has developed free software to assist with the preparation of financial returns: the Electronic Financial Return (EFR) software. The EFR software can be accessed from the Elections Canada website.

**Note:** Using EFR to complete or update the registered party's financial returns and general election returns makes reporting much easier because EFR validates the entries and creates a submission file with the required fields populated.

How to submit reports to Elections Canada	
<b>Process</b>	<ol style="list-style-type: none"> <li>1. Sign the pages requiring signature.</li> <li>2. Send the reports to Elections Canada by email (in PDF format), courier, mail or fax.</li> <li>3. Send supporting documentation to Elections Canada by email, courier or mail.</li> </ol> <p><b>If you used EFR:</b> Send the submission file created by the system (in ZIP format) and a copy of the pages requiring signature (in PDF format) by email.</p>
<b>Email</b>	efr-rfe@elections.ca
<b>Mail</b>	<p>Elections Canada 30 Victoria Street, Gatineau, Quebec K1A 0M6</p>
<b>Fax</b>	<p>Political Financing 1-888-523-9333 (toll-free) 1-819-939-1803</p>
<b>Notes</b>	<ul style="list-style-type: none"> <li>• Documents submitted to Elections Canada have to be signed.</li> <li>• The person making the submission should give their name, role and the party's name.</li> <li>• It is recommended that the party keep a copy of all documents submitted.</li> </ul>

## Requesting a filing deadline extension

### Reports eligible for an extension

If the party is not able to submit the *Registered Party's Annual Financial Transactions Return*, the *Registered Party's General Election Return* or a *Regulated Fundraising Event Report* with all mandatory documents by the deadline, the chief agent may apply to submit the report within an extended period.

**Note:** The *Canada Elections Act* does not allow for extensions on quarterly financial returns, registry reports (including the annual confirmation of registry information or changes to registry information during the year), publishing an event notice or notifying Elections Canada of a regulated fundraising event held outside a general election.

The following table explains which versions of reports are eligible for an extension and from whom.

<b>Registered party returns—extension requests</b>			
<b>Document to submit</b>	<b>Extension from Elections Canada</b>	<b>Additional extension from Elections Canada</b>	<b>Extension from a judge</b>
<b><i>Registered Party's Annual Financial Transactions Return</i></b>			
Original submission, including the auditor's report	Yes	No	Yes
Corrected or revised, as requested by the party	Yes	Yes	No
Corrected or revised, as requested by Elections Canada	No	No	No*
<b><i>Registered Party's General Election Return</i></b>			
Original submission, including the auditor's report	Yes	No	Yes
Corrected or revised, as requested by the party	Yes	Yes	No
Corrected or revised, as requested by Elections Canada	No	No	No*
<b><i>Regulated Fundraising Event Report</i></b>			
Original submission	Yes	No	Yes
Corrected or revised, as requested by the party	Yes	Yes	Yes
*Corrections or revisions requested by Elections Canada are not eligible for extensions and must be filed within the specified period. However, the chief agent can apply to a judge to be relieved of the obligation of complying with the request.			

### Submitting a request for an extension

To apply for an extension to the filing deadline for the annual financial return, the general election return or an event report, the chief agent has to send the *Request for Extension of Filing Deadline* form. It must be received by Elections Canada no later than two weeks after the filing deadline.

**Note:** Only a judge may grant an extension requested more than two weeks after the deadline has passed.

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.

**Note:** If documents are not filed by the statutory deadline and no extension has been authorized, a registered party may face deregistration.



## 14. Reimbursements

*This chapter explains how a registered party becomes eligible for the reimbursement that Elections Canada pays after a general election and how the amounts are calculated. It covers the following topics:*

- *Who is eligible for a reimbursement?*
- *How is the reimbursement calculated?*

### Who is eligible for a reimbursement?

A registered party is eligible for a partial reimbursement of paid election expenses and accessibility expenses for a general election if the following conditions are met:

1. The Chief Electoral Officer is satisfied that the party has complied with the general election expenses reporting requirements with respect to the original return and any amended returns, even if the auditor makes a statement to the contrary in the audit report.
2. The auditor's report does not contain a statement indicating any of the following:
  - The return does not present fairly the information contained in the financial records on which the return is based.
  - The auditor has not received all the required information from the party.
  - Based on the examination, it appears that proper accounting records have not been kept.
3. The candidates endorsed by the party received at least:
  - 2% of the valid votes cast in the election, or
  - 5% of the valid votes cast in the electoral districts where the party endorsed a candidate

**Note:** The *Canada Elections Act* does not provide for a reimbursement of by-election expenses.

### How is the reimbursement calculated?

#### Base amount

Eligible parties will receive a partial reimbursement of expenses reported in their general election return, calculated as follows:

- 50% of their paid election expenses, subject to the limit
- 90% of their paid accessibility expenses, up to a maximum of \$250,000

#### Example

The election expenses limit for the XYZ Party of Canada in the general election is \$20 million. The party's paid election expenses in the general election total \$12 million, and their paid accessibility expenses total \$100,000. As a result, the party will receive a reimbursement of \$6,090,000  $((\$12 \text{ million} \times 50\%) + (\$100,000 \times 90\%))$ .

**Reduction of reimbursement amount**

If the registered party's election expenses exceeded the election expenses limit, the reimbursement amount is reduced as follows:

- by one dollar for every dollar that exceeds the limit by less than 5%
- by two dollars for every dollar that exceeds the limit by 5% or more but by less than 10%
- by three dollars for every dollar that exceeds the limit by 10% or more but by less than 12.5%
- by four dollars for every dollar that exceeds the limit by 12.5% or more