Elections Ontario

We Make Voting Easy.

Election Finances

CFO Handbook for Candidates

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Prohibitions on Pre-Registration Activity

Limitations on financial activity before registration

A candidate and his or her campaign must not engage in any financial activities for political purposes before registering with the Chief Electoral Officer (CEO). Financial activity includes, but is not limited to, accepting contributions and incurring expenses. [Act reference 13(2)]

Roles and Responsibilities

Chief Financial Officer

A chief financial officer (CFO) is a person appointed by a candidate's campaign to record, report and keep financial information in accordance with the *Election Finances Act*. All candidates' campaigns must appoint a CFO before registration. If the appointment ends for any reason, a new CFO must be appointed immediately and the CEO informed in writing immediately. [Act references 33(2) and 33(3)]

Selecting and appointing a CFO

The obligations of a CFO are significant. Because of the skills required, it is recommended that the CFO have knowledge of accounting or bookkeeping.

A CFO cannot be the auditor of his or her own candidate.

Submit the Candidate Registration and Change Notice Form (C-1) to the CEO when appointing a CFO.

Responsibilities of the CFO

The CFO is legally responsible for:

- certifying any changes in registration information reported to the CEO;
- keeping proper financial records of all income and expenditures, including deposit slips, invoices, etc.;
- ensuring that only eligible contributions are accepted, and corrective action is taken where ineligible contributions have been accepted;
- if required by the candidate's political party to use an electronic database for recording contributions and issuing tax receipts, complying with electronic database guidelines outlined by the CEO and any additional requirements set by the political party;
- where an electronic database is not required:
    - depositing all funds received in the financial institution on record with the CEO;
    - recording contributions consisting of goods and services at fair market value;
    - keeping a list of all contributions received, including name and address of contributors;
    - issuing tax receipts for the purpose of acknowledging contributions after they have been accepted; and

    - keeping all required copies of issued, cancelled, and unused tax receipts and cancellation notices;

- filing all required audited financial statements with the CEO by the deadline dates;
- processing all payments on time;
- preparing a budget before a campaign and providing authorization to the constituency association's CFO for all expenditures during the campaign to ensure compliance with campaign expense limits;
- ensuring that funds are borrowed only from eligible sources;
- keeping all financial records for a minimum of six years as recommended by the Canada Revenue Agency (CRA) ; and
- transferring all financial records and tax receipts to the incoming CFO when leaving the position.

Auditor

An auditor is appointed by a candidate's campaign to provide an opinion on whether financial statements fairly present the information contained in the financial records. All candidates' campaigns must appoint an auditor prior to registration and the CEO must be informed in writing. If the appointment ends for any reason, a new auditor must be appointed immediately and the CEO informed in writing immediately. [Act references 40(1) and 40(2)]

Selecting and appointing an auditor

To audit a registered candidate's campaign period financial statements, an auditor must be a person or firm whose partners living in Ontario are licensed under the *Public Accounting Act, 2004*. [Act reference 40(1)]

An auditor cannot be a returning officer, deputy returning officer, election clerk, or CFO of a registered political party, constituency association, candidate, or leadership contestant. [Act reference 40(3)]

The appointment of an auditor must be communicated in writing by submitting the Candidate Registration and Change Notice Form (C-1) to the CEO.

Responsibilities of the auditor

The auditor must:

- be familiar with the guidelines (Guidelines for Members Appointed as Auditors Under the *Election Finances Act*) prepared by the Institute of Chartered Accountants of Ontario (ICAO);

- meet with the CFO of the registered candidate to discuss the audit process well before the filing date to determine cut-off and closing procedures and to agree on a date when the auditor will be given access to all records, documents, books, accounts and vouchers of the candidate's campaign that may be necessary to issue the auditor's report;
- provide an opinion on the campaign period financial statements of the registered candidate;
- provide an opinion on the supporting schedules of the campaign period financial statements of the registered candidate;
- provide to the registered candidate's campaign the auditor's invoice for the work performed. The CFO must file the invoice with the audited financial statements to the CEO; and
- collect payment from the registered candidate's campaign for the work performed, less any audit subsidy received directly from the CEO.

Registration

A candidate must register with the CEO of Ontario in order to receive contributions, issue tax receipts to contributors, and finance political activities.

Nomination of a candidate

Every candidate must file a nomination paper with the returning officer under the *Election Act*. The nomination paper requires the signatures of 25 voters. Contact the returning officer of the electoral district for more information.

Pre-registration requirements

Appointing a CFO and auditor

A candidate must appoint a CFO and an auditor before registering with the CEO.

Refer to the Roles and Responsibilities section which explains their duties.

Political party or constituency association requirements

As a candidate endorsed by a registered political party or constituency association, there may be certain preregistration requirements specific to the political party or constituency association that must be met. Consult with your political party and constituency association for any requirements.

Contents of application and filing methods

Application form

The registration requirements are listed within the Candidate Registration and Change Notice Form (C-1) and the Form Completion Guide. The Form C-1 must be submitted at the time of application for registration. [Act reference 13(3)]

Endorsement by political party or constituency association

The registered political party or constituency association endorsing the candidate must certify the endorsement as part of the application for registration. A party official or association CFO must either sign the Candidate Registration and Change Notice Form (C-1) or, if a political party is endorsing multiple candidates at the same time, submit a letter of endorsement. The letter of endorsement must be sent to the CEO stating the candidate endorsed by the political party.

An endorsement by a political party or constituency association is not required for an independent candidate. These sections of the application form must be left blank.

Posting of candidate contact information

If the candidate gives consent, the candidate’s campaign office address and official website address as reported on the Candidate Registration and Change Notice Form

(C-1) will be posted on Elections Ontario's website for public information purposes. Consent is given on the Form C-1.

Application filing methods

The completed and signed Candidate Registration and Change Notice Form (C-1) can be sent to the CEO by any delivery method so long as the application is complete. Examples of accepted delivery methods include mail, fax, email, or hand delivery.

An application submitted by registered mail will be deemed to be filed on the day it was mailed. [Act reference 13(5)]

Effective date of registration

The CEO will register a candidate no earlier than the day the writ is issued. An application received prior to the issuance of the writ will be deemed effective on the day the writ is issued, providing the registration form is complete and signed. A candidate applying for registration after the writ is issued will be registered upon approval of the application by the CEO. [Act reference 13(4)]

The CEO will send written confirmation of registration to the candidate and the political party endorsing the candidate. Elections Ontario will provide training materials and other information for the operations of the registered candidate's campaign.

Change in registration information

Written notice of changes

Whenever there is any change of registration information, a registered candidate's campaign must provide written notice of the change to the CEO immediately by filing a revised Candidate Registration and Change Notice Form (C-1). The revised form must be signed by the candidate and CFO.

A change in registration information includes a change to:

- the full name or address of the registered candidate;
- the political party or constituency association endorsing a registered candidate;
- the CFO of a registered candidate;
- the auditor of a registered candidate;
- the campaign manager of a registered candidate;
- the persons authorized by a registered candidate to accept contributions;
- the address of the place or places in Ontario where records of a registered candidate are kept and of the place in Ontario to which communications may be addressed;
- the name and address of every financial institution at which a bank account is held by a registered candidate for holding contributions; and
- the signing officers responsible for each bank account.

[Act reference 13(7)]

Change in CFO or auditor

When there is a change in CFO or auditor, the registered candidate's campaign must immediately appoint another CFO or auditor and file a revised Candidate Registration and Change Notice Form (C-1) containing the name, address, and telephone number of the new CFO or auditor. [Act references 33(3) and 40(2)]

For a change in CFO, the revised form must be signed by the incoming CFO and candidate.

For a change in auditor, the revised form must be signed by the CFO and candidate.

In addition, where there is a change in CFO, the person accepting the appointment shall receive the following documents from the outgoing CFO:

- the financial records of the registered candidate;
- the complete supply of tax receipt forms provided by the CEO (where an electronic database is not used to issue tax receipts). The outgoing CFO also has the option of returning the supply of tax receipt forms to the CEO who will then issue a new supply of tax receipt forms to the incoming CFO; and
- a reconciliation of used and unused tax receipts (where an electronic database is not used to issue tax receipts) to the date the transfer of responsibility is effective.

If these documents are not provided, the new CFO must write to advise the CEO of the steps taken to secure the documents.

Responsibility for notification

The responsibility for notifying the CEO of changes in registration information lies with the registered candidate. The CEO will rely and act on information submitted by the candidate and CFO last on record with the CEO.

Withdrawal of a candidate

When a registered candidate withdraws his or her candidacy, fails to file nomination papers with the returning officer or dies prior to polling day, the CEO must be notified immediately by the candidate's CFO.

The campaign period for the candidate expires on the day of withdrawal, on nomination day or on the candidate's death and audited campaign period financial statements must be filed with the CEO within sixty days. [Act reference 13(6)]

Contributions

Contributions are money, goods, or services given to a registered candidate's campaign for the purposes outlined in the *Election Finances Act*. Contributions are one part of total income that is used in a registered candidate's operations. There are restrictions as to the source, amount and form of contributions. In addition, there are recording and reporting requirements for contributions.

Eligible contributions

Only contributions solicited for the purposes of the *Election Finances Act* will be considered to be a contribution. Purposes of the *Election Finances Act* are interpreted by the CEO to be activities related to electing a candidate to the Legislative Assembly of Ontario and incidental activities necessary. Contributions must be made using the contributor's own funds. [Act reference 19(1)]

Literature and communication used to solicit contributions

All literature and communication used to solicit contributions by or on behalf of a registered candidate's campaign must clearly identify the candidate receiving the contribution.

Sources of contributions

Eligible contributors

Contributions may be made to a registered candidate's campaign during the campaign period by:

- a person who is normally resident in Ontario, including a person serving in the armed forces, diplomatic service, or similar type of employment abroad if that person's normal home is in Ontario;
- a corporation carrying on business in Ontario that is not a registered charity; or
- a trade union.

[Act references 16(1) and 29(1)]

A registered candidate's own funds used for his or her campaign are deemed to be a contribution to the candidate's campaign and are subject to the contribution limit. A statement of expenses paid by a registered candidate using his or her own funds must be provided to the CFO with accompanying supporting documentation within three months after polling day. [Act reference 18(3)]

Contributions from corporations

Any of the following criteria are considered acceptable evidence that a corporation is carrying on business in Ontario:

- The corporation keeps an office or establishment in Ontario for the purpose of carrying on its business activities to which one or more employees report to work;
- The corporation enters into contracts in Ontario on a regular basis either through its officers, employees, or agents having general authority to act on its behalf;
- The corporation is an extra-provincial corporation may make contributions if it is carrying on business in Ontario in accordance with the requirements of sections 1 and 4 of the *Extra-Provincial Corporations Act*; or
- The corporation is taxable in Ontario under the *Taxation Act, 2007*.

CFOs must make reasonable efforts to satisfy themselves that the contributing corporation is entitled to make a contribution.

Associated corporations, so long as they each carry on active business in Ontario, are considered to be separate corporate contributors. [Act reference 1(2)]

A joint venture of two or more corporations may be a partnership, in which case contributions must be treated as coming from an unincorporated association or organization and the contribution must be recorded separately for each participating corporation.

A business operating as a partnership is treated as an unincorporated association or organization. A business operating as a sole proprietorship is treated as an individual for contribution purposes.

Contributions from trade unions

A trade union is eligible to give contributions if it is a trade union as defined by the *Labour Relations Act* or the *Canada Labour Code* that holds bargaining rights for employees in Ontario to whom those acts apply and includes any central, regional, or district labour council located in Ontario. [Act reference 1(1)]

Contributions through payroll deductions by any member of a bargaining unit represented by a trade union of not more than 15 cents per month must not be considered contributions from the person. These contributions are deemed to be a contribution from the trade union. [Act reference 31]

Contributions from unincorporated associations and organizations

An unincorporated association or organization is any association or organization not incorporated under any corporation act or special act that gives the association or organization the status of a legal entity. The unincorporated association or organization must have an ongoing reason for existence such as business, professional, social, social action, fraternal, cultural, or other similar purposes and not be formed simply for the purpose of making political contributions.

> **Example:**
>
> Business and professional partnerships, joint ventures, clubs, and societies are examples of unincorporated associations and organizations.

An unincorporated association or organization, other than a trade union, cannot contribute as a group. For any contribution to a registered candidate's campaign made through an unincorporated association or organization, the original person, corporation, or trade union providing the funds will be considered the contributor. As a result, each individual contributor must meet the eligibility requirements for contributions under the *Election Finances Act* to be able to contribute. [Act reference 26(2)]

The unincorporated association or organization must record details of the individual sources (name and address) and amounts making up the contribution by the unincorporated association or organization. A copy of these records must be provided to the CFO of the candidate receiving the contribution for the candidate's records. [Act references 26(1) and 26(1.1)]

Examples:

A contribution from the partners of a professional partnership such as a firm of chartered accountants, lawyers, dentists, etc., must be broken down into its particular sources and amounts. The CFO must receive this information in writing before accepting the contribution and issuing individual tax receipts to the named partners.

A business that is organized as a partnership and not as a limited company, such as Bob and Joe's Garage, which is a partnership of Bob X and Joe Z, is an unincorporated organization. The CFO must be careful to determine that this is indeed an unincorporated business. The CFO must receive the information regarding the partners and the amounts of their contributions in writing before accepting the contribution and issuing individual tax receipts to the named partners.

The Monday Afternoon Bridge Club, an unincorporated club, wishes to contribute $1,500 to a registered candidate's campaign. This contribution must be broken down into its particular sources and amounts. For instance, $500 may have come from Mr. A, $500 from Mrs. B, $300 from Mr. C and $200 from Ms. D, who are some or all of the club's members. The CFO of the registered candidate's campaign must receive this information in writing before accepting the contribution and issuing individual tax receipts to the named club members.

Contributions from affiliated political organizations

An affiliated political organization is an organization within or associated with a registered political party, such as a youth group or other group of party members, which is recognized, endorsed or supported by the political party or one or more of its registered constituency associations. [Act reference 26(4)]

An affiliated political organization may make a contribution to the political party with which it is affiliated, a constituency association with which it is affiliated, and a candidate endorsed as an official candidate by the affiliated political party or constituency association. [Act reference 26(3)]

An affiliated political organization may also hold specific fund-raising activities under the sponsorship of the affiliated candidate's campaign provided that the entire proceeds and a statement of income and expenses of each activity are turned over to the candidate's CFO.

No affiliated political organization may accept a contribution from any person or entity other than its affiliated political party or constituency association. [Act reference 26(3.1)]

Source of contributor's funds

No registered candidate's campaign or person acting on its behalf may solicit or knowingly accept any contribution that is not made in the contributor's own funds. [Act reference 19(2)]

If a contribution is made on behalf of a contributor by a trustee or a person holding a power of attorney, the cheque should have the name of the beneficiary, who is the real contributor, legibly printed thereon. Where the printed cheque does not contain the beneficiary's name, the beneficiary's name must be legibly added.

> **Example:**
>
> A cheque with the words "John Doe in Trust" does not contain the beneficiary's name and is therefore not appropriate. The beneficiary's name must be clearly added, such as "John Doe in Trust for Mary Smith."

Also, the cheque must be drawn on an account in the name of the beneficiary and not the trustee. Therefore, a cheque drawn on a lawyer's general trust account does not meet this requirement.

Ineligible contributions

Ineligible contributors

No registered candidate's campaign may directly or indirectly knowingly accept contributions from an ineligible contributor. [Act reference 29(1)]

Ineligible contributors to a registered candidate's campaign include, but are not limited to:

- any source outside Ontario;
- registered charities;
- corporations not carrying on business in Ontario;
- members of the House of Commons living in Ontario but representing an electoral district outside Ontario;
- federal political parties or constituency associations; and
- political parties or constituency associations from other provinces.

Anonymous contributions

A registered candidate's campaign must not accept anonymous contributions.

A registered candidate's campaign must return anonymous contributions to the contributor. If the contributor cannot be identified, the funds must be paid to the CEO. [Act reference 17(2)]

Conditional contributions

A registered candidate’s campaign may accept directed contributions so long as they are for the general or specific purposes of the candidate’s campaign.

> **Examples:**
>
> A contributor gives $100 with the direction that it be used to place an advertisement in a newspaper; this is an acceptable contribution.
>
> A contributor gives funds to cover fees for meetings, seminars, workshops, or conferences that are sponsored by the candidate’s campaign and held in Ontario; this is an acceptable contribution.

However, a registered candidate’s campaign must not solicit or accept directed contributions that would contravene the *Election Finances Act*.

> **Examples:**
>
> If a potential contributor instructs that funds equivalent to the contribution be ultimately transferred to a registered constituency association such that the contribution limit of the constituency association would be exceeded, this is considered a directed contribution contrary to the *Election Finances Act* and must not be accepted.
>
> If a potential contributor instructs that funds solicited are to be used for purposes outside of the *Election Finances Act* (for example, Save the Whales) or purposes specifically prohibited (for example, leadership contests), these are considered directed contributions contrary to the *Election Finances Act* and must not be accepted.

A registered candidate’s campaign must also not accept conditional contributions. A conditional contribution is where the contributor, as a condition of making the contribution, requires the recipient to give the contributor a material benefit in return as well as a tax receipt.

> **Example:**
>
> A potential contributor who owns a printing business wants to make a contribution of $500 to a registered candidate’s campaign, but says he will only make the contribution on the condition that the candidate’s campaign commits to buy $500 worth of printing services from him. The potential contributor has therefore not in reality made a contribution; he has obtained the material benefit of receiving $500 worth of business from the candidate’s campaign as well as having received a tax receipt. If the potential contributor simply donated $500 worth of printing services to the candidate’s campaign (i.e. he did not demand a kick back), he would be eligible for a tax receipt and would not be deemed to have made a conditional contribution.

Contribution limits

There are limits on contributions that may be accepted by a registered candidate's campaign. All eligible contributors to a registered candidate's campaign are subject to the same limits.

Contribution limits apply to the total of monetary and goods and services contributions from any single source. No registered candidate's campaign may knowingly accept any contributions in excess of the limits imposed by the *Election Finances Act*. [Act reference 28]

Contribution limits are determined by multiplying a fixed amount from the *Election Finances Act* by an indexation factor that is revised every five years. The current contribution limits apply for the period from January 1, 2014 to December 31, 2018.

In a campaign period, contributions may be made to any one registered candidate's campaign up to a limit of $1,330, and a total contribution to all registered candidates' campaigns of the same registered political party of up to $6,650.

[Act reference 18(1)]

<table>
<tr><th colspan="6">Contribution limits from January 1, 2014 to December 31, 2018</th></tr>
<tr><th></th><th>To a Political Party</th><th colspan="2">To a Constituency Association</th><th colspan="2">To a Candidate</th></tr>
<tr><th rowspan="2">Annual Contribution Limit</th><td rowspan="2">$9,975</td><th>Each</th><th>To the Associations of One Party</th><td colspan="2" rowspan="2">Not permitted</td></tr>
<tr><td>$1,330</td><td>$6,650</td></tr>
<tr><th rowspan="2">Limit during a Campaign Period</th><td rowspan="2">Extra amount of $9,975 over the annual limit</td><td colspan="2" rowspan="2">No extra amount over the annual limit</td><th>Each</th><th>To the Candidates of One Party</th></tr>
<tr><td>$1,330</td><td>$6,650</td></tr>
</table>

Should the contribution limit be exceeded for a campaign period, the amount of the excess contribution must be returned to the contributor or, if it cannot be returned, then remitted to the CEO. [Act reference 17(2)]

Form of contributions

Monetary contributions

A monetary contribution to a registered candidate's campaign of up to $25 may be given in cash. Any monetary contribution of more than $25 must be made by any modern financial practice where the contributor and their account information can be confirmed. Such practices include payment by cheque, credit card, money order, debit card, or PayPal. [Act reference 16(2)]

Non-monetary contributions

Goods and services

All goods or services provided by a supplier are considered a contribution with an offsetting expense if their total value is more than $100. If the total value is $100 or less, it is also considered a contribution unless the donor specifies otherwise. Goods or services not considered a contribution are recorded as other income with an offsetting expense. [Act reference 21(2)]

Whenever goods or services have been provided, whether or not considered to be a contribution for the purposes of the *Election Finances Act*, an expense in the equivalent fair market value is considered to have been incurred.

The following are exceptions and are not considered a contribution:

- goods produced by voluntary labour which are not paid for by the registered candidate's campaign; and
- services performed by individual employees who agree to be re-assigned by their employer to work for a registered candidate's campaign while being paid their salary, so long as the salary paid by the employer does not exceed the employee's normal compensation for that time.

[Act reference 1(1)]

Examples:

A group of volunteers makes sandwiches and gives them to a registered candidate's campaign workers. The sandwiches (and the cost of the ingredients that went into them) are considered to be goods made by voluntary unpaid labour and therefore are not treated as a contribution. However if a catering firm uses its employees to make sandwiches and gives them to a candidate's campaign workers, and the cost of the ingredients for the sandwiches is valued greater than $100, this is a contribution to the registered candidate's campaign.

Employees are given time off work without pay in order to work for a registered candidate's campaign; this is not a contribution.

Employees are given time off work with pay in order to work for a registered candidate's campaign; this is not a contribution so long as the employees agree to work for the candidate's campaign and do not get paid extra to do so.

A person volunteers to transport voters to the polls on polling day in the volunteer's own car; this service is not considered a contribution. However, if a person, union, or company gives a candidate's campaign a car to use during the campaign or a landlord donates office space for a campaign office, these are donated goods. Because they are not produced by voluntary unpaid labour, they are considered to be contributions.

A law firm advises a candidate's campaign about the interpretation of the *Election Finances Act* and does not charge a fee; this service is not considered a contribution.

A graphic artist creates the graphics for a registered candidate's campaign signs, stationery, and brochures and does not charge a fee; this is not considered a contribution.

Value of goods and services

The value of goods and services is considered to be the fair market value for similar goods and services at the time they are provided.

If the contributor is in the business of supplying such goods and services, fair market value is the lowest amount charged by the contributor for an equivalent amount of goods and services at the same time and in the same market area.

Where the contributor is not in the business of supplying such goods and services, fair market value is the lowest amount charged at the same time by any other person or corporation providing similar goods on a commercial retail basis or similar services on a commercial basis in the same market area. [Act reference 21(1)]

Goods and services provided for less than fair market value

Where goods and services are provided for a price less than fair market value, including goods and services that are not paid for or where there is an agreement not to accept payment, the difference between the price and fair market value must be considered a contribution. [Act reference 21(3)]

Examples:

A law firm advises a registered candidate's campaign about the interpretation of the *Election Finances Act* and charges a fee of $400 for the service. The lowest market price available to other customers in the same area at the same time for this service is $600. Therefore, the excess of fair market value over amount charged of $200 is deemed to be a contribution to the candidate's campaign by the law firm.

A registered candidate's campaign pays $150 for the printing of flyers but the lowest market price available to other customers is $275; the difference of $125 is deemed to be a contribution to the candidate's campaign by the printer.

Payment of suppliers

All suppliers must be paid promptly within the normal credit terms as provided by the supplier. If the supplier chooses to write off the amount owed, the amount is considered a contribution subject to the contribution limits. Any delay in payment may also be considered a contribution subject to the contribution limits or an ineligible loan.

Supporting documentation for goods and services

Contributions of goods and services greater than $25 must be supported by an invoice, statement of account, or receipt from the supplier of the goods and services. [Act reference 38(7)]

When all or part of a fee is considered by the supplier to be a contribution, the supplier must submit a statement of account and indicate on it the amount considered to be a contribution. The supplier is responsible for reporting these amounts as income on the supplier's tax return.

Administering contributions

Use of electronic database for recording contributions and issuing tax receipts

If the registered political party endorsing a registered candidate is required or has chosen to use an electronic database for recording contributions and issuing tax receipts, refer to the Electronic Database section which details requirements for recording and reporting contributions for the candidate's campaign. The political party will also have its own requirements for the electronic database which the candidate's campaign must be aware of.

Accepting contributions

Deposit of contributions

A candidate's campaign may accept contributions only if it is registered with the CEO.

Contributions will be considered accepted:

- if paid by cash, cheque, money order, or debit card, at the time the contributions are deposited in the financial institution on record with the CEO; and
- if paid by credit card, PayPal or any other manner that associates the contributor's name and account with the payment, on the date of the transaction.

All money collected by or on behalf of a registered candidate's campaign must be deposited only by the CFO or other authorized persons in the financial institution on record with the CEO. [Act reference 16(3)]

Contributions received in an envelope postmarked prior to the end of a reporting period, or received on the last day of a reporting period that cannot be deposited because the financial institution is closed, must be recorded as an outstanding bank account deposit on the last day of the reporting period. Each outstanding deposit must be deposited on the next available banking day.

Persons authorized to accept contributions

Only the CFO or other authorized persons noted on the Candidate Registration and Change Notice Form (C-1) filed with the CEO may accept contributions. While the

Election Finances Act permits other authorized persons on record to accept contributions, it is the CFO's responsibility to ensure that only eligible contributions are accepted and appropriately recorded.

A registered candidate must not accept contributions. [Act reference 32]

Any contributions collected by others, for example, by means of a door-to-door canvass, must be turned over immediately to the CFO or other persons on record with the CEO, along with a list of the names and addresses of the contributors and the amounts of their individual contributions.

Recording of contributions

The details of all contributors and contributions accepted on behalf of a registered candidate's campaign must be recorded by the CFO.

Receipting of contributions

All contributions accepted by a registered candidate's campaign must have a receipt issued by the CFO or other authorized persons on record with the CEO. Refer to the Tax Receipts section for further details on receipting of contributions.

Return of contributions

A CFO may learn that a contribution has been made or accepted in contravention of any provisions of the *Election Finances Act.* These contraventions may include, but are not limited to:

- contributions from unidentifiable or anonymous sources;
- contributions from ineligible sources;
- contributions in excess of the limits provided in the *Election Finances Act*;
- cash contributions in excess of $25;
- contributions of funds not belonging to the contributor;
- contributions of funds from a federal political party or its organizations; or
- contributions of funds from a municipal candidate.

In these cases, the CFO must return to the contributor an amount equal to the sum contributed within 30 days. [Act reference 17(1)]

Any such contribution not returned to the contributor or any anonymous contribution accepted by a registered candidate's campaign must not be used for any purpose and must be paid to the CEO. [Act reference 17(2)]

Since any money returned is not used for a political purpose, the contributor is not entitled to a tax receipt for the portion of the contribution returned. Therefore, any issued tax receipt must be cancelled. Refer to the Tax Receipts section for further details on cancelling tax receipts. [Act reference 17(1)]

Reporting of contributions

Public disclosure

It is recommended that contributors donating more than $100 be notified that their names and addresses will be recorded and submitted with the financial statements, and that their names and amounts will be published by the CEO on the Elections Ontario website. [Act reference 2(1)]

Reporting on financial statements

All the recorded information for contributions accepted during a campaign period must be reported in the campaign period financial statements filed with the CEO. [Act reference 34(1)]

Contributions accepted by a political party on behalf of a candidate (agency contributions)

Contributions eligible to be accepted by a political party

A registered political party may accept contributions of money (but not goods and services) on behalf of its registered candidates' campaigns. These monetary contributions are referred to as "agency contributions".

Responsibility of CFO of candidate

The registered candidate's CFO must:

- ensure every agency contribution accepted by the candidate's political party is recorded in the audited financial statements of the candidate that include the date the contribution was received by the registered political party;
- include the details of agency contributions with details of contributions received directly in compiling the list of contributors whose contributions total more than $100, which is a part of the audited financial statements filed with the CEO; and
- ensure that contributions, including agency contributions, received from a single source do not exceed the contribution limit provided under the *Election Finances Act.*

When the financial statements are being prepared, the registered candidate's CFO must determine whether the registered political party's CFO has agency contributions on hand that have not yet been forwarded to ensure completeness of reporting. Any agency contributions not yet forwarded must be forwarded immediately by the political party and reported as part of contributions received by the candidate's campaign.

Tax Receipts

A tax receipt is issued for every contribution to a registered candidate's campaign. Even a donor who wants a contribution of goods and services of an amount of less than $100 treated as a contribution is entitled to receive a receipt. [Act reference 25(1)]

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

Only tax receipt forms provided by the CEO may be used for tax purposes.

Use of electronic database for recording contributions and issuing tax receipts

If the registered political party endorsing a registered candidate is required or has chosen to use an electronic database for recording contributions and issuing tax receipts, refer to the Electronic Database section which details requirements for issuing electronic tax receipts for the candidate's campaign. The political party will also have its own requirements for the electronic database which the candidate's campaign must be aware of.

Obtaining tax receipts

The CEO will supply blank tax receipts to the CFO of a registered candidate upon request. Only the CFO or authorized persons on record with the CEO may request blank tax receipts.

The request can occur either by mail, email or phone. The following information must be included in a request for tax receipt forms.

- the number of receipts requested;
- the format of receipts requested (there are two different formats of receipts available):
    - handwritten three-part receipts; or
    - printable receipts (the CEO does not provide any software or templates for printing receipts); and
- address and telephone number of where the receipts shall be sent. Note that a signature is required upon delivery by courier.

Issuing tax receipts

Who can issue tax receipts

Only CFOs or persons authorized to accept contributions on record with the CEO can issue and sign tax receipt forms. [Act reference 33(4)(c)]

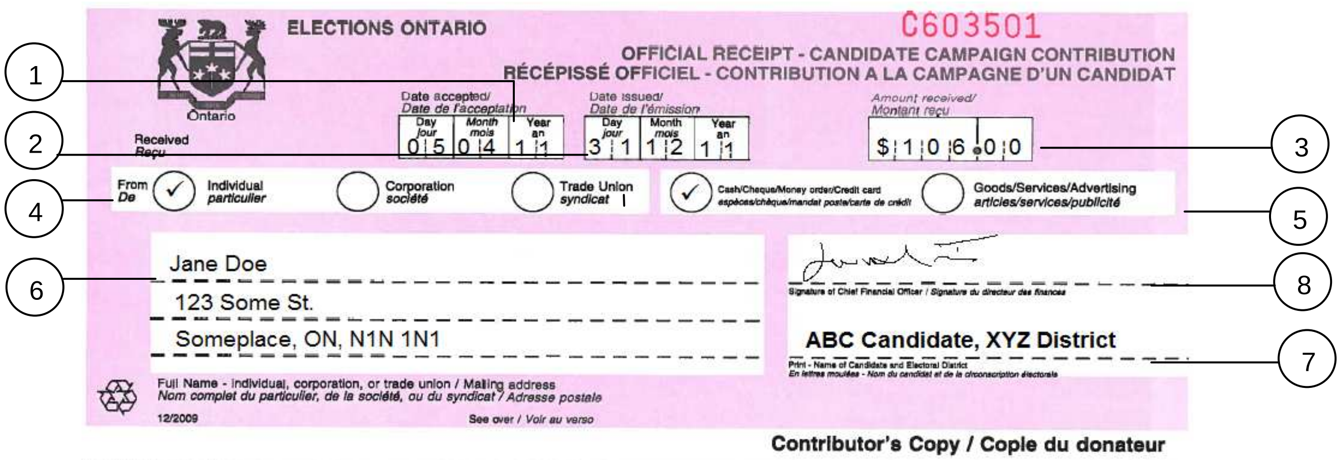
When to issue tax receipts

Tax receipts may be issued only once the contribution has been accepted. It is recommended that contributed funds clear the bank prior to issuing a tax receipt.

It is recommended that tax receipts be issued by the end of February for the prior year contributions so contributors have enough time to complete their income tax return. Tax receipts may be issued at any time, though experience has shown that contributors who are issued tax receipts too far in advance of their tax filings may misplace their receipts.

Information on tax receipts

A sample tax receipt appears as follows, with descriptions of the corresponding numbers below:


ELECTIONS ONTARIO
C603501
Ontario
OFFICIAL RECEIPT - CANDIDATE CAMPAIGN CONTRIBUTION
RÉCÉPISSÉ OFFICIEL - CONTRIBUTION A LA CAMPAGNE D'UN CANDIDAT
Received / Reçu
Date accepted/ Date de l'acceptation — Day/jour 05, Month/mois 04, Year/an 11
Date issued/ Date de l'émission — Day/jour 31, Month/mois 12, Year/an 11
Amount received/ Montant reçu — $1106.00
From / De — Individual / particulier ✓ — Corporation / société — Trade Union / syndicat
Cash/Cheque/Money order/Credit card / espèces/chèque/mandat poste/carte de crédit ✓ — Goods/Services/Advertising / articles/services/publicité
Jane Doe
123 Some St.
Someplace, ON, N1N 1N1
Full Name - individual, corporation, or trade union / Mailing address
Nom complet du particulier, de la société, ou du syndicat / Adresse postale
Signature of Chief Financial Officer / Signature du directeur des finances
ABC Candidate, XYZ District
Print - Name of Candidate and Electoral District
En lettres moulées - Nom du candidat et de la circonscription électorale
12/2009
See over / Voir au verso
Contributor's Copy / Copie du donateur

The following information is to be included on all tax receipts issued:

1) date of acceptance of contribution (date of deposit or transaction);
2) date of issuance of tax receipt (date of writing or printing receipt);
3) amount of contribution (a dollar sign ($) must appear immediately to the left of the first digit);
4) type of contributor (individual, corporation, or trade union);
5) form of contribution (monetary or goods and services);
6) full name and address of contributor;
7) name of issuing registered candidate; and
8) signature of CFO or authorized person.

Electronic signatures are acceptable on tax receipts.

The CFO must accept full personal responsibility for all documents that have either an electronic or manual signature.

Tax receipts for agency contributions

A contribution accepted by a registered political party on behalf of a registered candidate must be acknowledged by a receipt in the name of the particular candidate as specified by the contributor.

It is the responsibility of the registered political party's CFO to issue receipts for such agency contributions.

Cancellation of tax receipts

Any tax receipt issued and sent for an ineligible contribution must be cancelled after learning of its ineligibility by:

- retrieving the contributor's copy of the original receipt for cancellation; or
- issuing a cancellation notice to the contributor within 30 days to cancel the original receipt.

If the original receipt cannot be retrieved for cancellation and a cancellation notice cannot be issued, the amount of the contribution must be remitted to the CEO.

Voided tax receipts include unissued receipts completed with errors, jammed in printers, or formatted incorrectly. Any voided tax receipt must not be destroyed but be kept by the registered candidate's campaign to be submitted to the CEO.

Process for lost contributor's copy of tax receipts

If a contributor's copy of an issued tax receipt is lost, the CFO may provide the contributor with a photocopy of the CFO's original tax receipt. The photocopy will have the words "Certified True Copy" on it and a new signature by the CFO.

Reporting and submitting tax receipts

As part of the audited financial statements, the CFO of a registered candidate must submit the following to the CEO:

- for all valid issued tax receipts, the CEO's copy of the tax receipts;
- for cancelled tax receipts where the contributor's copies were recovered, the contributor's and CEO's copy of the tax receipts, both marked "cancelled";
- for cancelled tax receipts where cancellation notices were issued, the CEO's copy of the tax receipts and a copy of the tax receipt cancellation notice;
- for voided tax receipts, the contributor's and CEO's copy of the tax receipts; and
- a reconciliation of the change in number of tax receipts during the period, including the receipt numbers.

All copies of tax receipts and cancellation notices for submission to the CEO must be submitted only with the campaign period financial statements unless requested otherwise. All unused tax receipts remaining at the end of a campaign period must also be returned to the CEO with the campaign period financial statements.

Keeping tax receipts

The registered candidate's CFO is responsible to the CEO for each supply of tax receipts.

Tax receipt forms are valuable documents. They are to be stored in a secure place and proper records kept by the CFO. It is strongly recommended that tax receipts be held by the CFO.

An outgoing CFO must either provide the unused supply of tax receipt forms to the incoming CFO or return the supply to the CEO.

Returning tax receipts

A registered candidate's campaign must return tax receipt forms, whether used or unused, to the CEO immediately on receiving a written request to do so. [Act reference 25(2)]

The unused supply of tax receipt forms of a registered candidate's campaign at the end of a campaign period must be returned to the CEO on filing of the campaign period financial statements.

Tax credits for individuals

Individuals must include a tax receipt with their tax returns in order to claim the tax credit.

The tax credit discussed in this section is only for political contributions to registered Ontario political parties, constituency associations, and candidates. The tax credit is separate from the tax benefits available for contributions to federal political parties or charitable organizations.

The allowable tax credits for an individual taxpayer under the *Ontario Taxation Act* for the years 2014 – 2018 are:

- 75 percent of the first $399 of total contributions;
- 50 percent of the amount between $399 and $1,330; and
- 33 1/3 percent of the amount between $1,330 and $3,026.

The current maximum credit allowable for an individual is $1,330. The maximum tax credit is obtained when contributions total $3,026.

Either the contributor or the contributor's spouse may claim the tax credit. However, a single contribution may not be split between spouses.

If a supplier of goods or services receives a tax receipt as payment for the goods or services, the supplier must report the amount of the tax receipt as income on its tax return.

If you need assistance, consult your tax adviser or the CRA.

Tax credits for corporations

Corporations must include a tax receipt with their tax returns in order to claim the tax credit.

For the years 2014-2018, the maximum amount of political contributions that a corporation may claim for the purposes of the credit in a particular year is $19,950.

If a supplier of goods or services receives a tax receipt as payment for the goods or services, the supplier must report the amount of the tax receipt as income on its tax return.

If you need assistance, consult your tax adviser or the CRA.

Electronic Database

Registered political parties may be required to, or choose to, use an electronic database for recording contributions and issuing tax receipts. [Act reference 25.1(1)]

If the registered political party endorsing a registered candidate is using an electronic database, the candidate's campaign must also use the electronic database for recording contributions and issuing tax receipts. The only exception is where the political party has chosen to opt in early with use of the electronic database and has selected to not have its candidates comply.

Recording of contributions

The CFO of a registered candidate is responsible for ensuring all contributions received by the candidate are recorded in the registered political party's electronic database. This may be done by:

- having direct access to the registered political party's electronic database to record the contribution; or
- sending supporting documentation of the contribution to the registered political party to allow the political party to record the contribution in the political party's electronic database.

[Act reference 25.1(3)]

If the CFO of the registered candidate inputs the contribution information directly into the political party's electronic database, all contribution information and supporting documentation must be sent regularly to the registered political party or immediately upon the registered political party's request.

Issuing tax receipts

The CFO of the registered political party is responsible for issuing tax receipts for contributions recorded in the electronic database for the political party, its constituency associations, and its candidates. [Act reference 25.1(5)]

However, it is recommended that CFOs of candidates using the registered political party's electronic database understand the processes and internal controls set up by the political party for the review and approval of contribution information in the electronic database before issuing tax receipts.

The CFOs of candidates using an electronic database must not issue tax receipts for contributions. [Act reference 25.1(6)]

Contribution reporting from the political party

In order for CFOs of registered candidates to complete the required financial statements and for audit purposes, the registered political party is required to provide contribution reporting to the CFO of each registered candidate.

The CFO of each registered candidate should receive contribution reporting from the political party:

- on a regular basis; or
- as requested by the CFO of the candidate.

The registered political party will determine the frequency of the reporting by consulting with the candidates to meet their reporting and record-keeping needs.

Based on the contribution reporting provided by the registered political party, the CFO of the candidate must ensure all contributions received by the candidate’s campaign have been recorded in the political party’s electronic database.

Non-Contribution Income

In Ontario, other forms of income may be received by a registered candidate's campaign and not considered to be a contribution. These include the non-contribution portion of proceeds from fund-raising, social functions, general collections at meetings, goods and services not considered a contribution, transfers, interest income, and other income.

Fund-raising activities

Refer to the Fund-raising section for rules and requirements on fund-raising activities.

Social functions

Social functions are activities held where the purpose of the activity is not to raise funds. Such activities may include the sale of hot dogs to the community in a local park or a pizza party for members of a registered candidate's campaign.

Any amount charged at a social function is minimal and is just enough to cover the expenses of the activity. The gross (total) amount collected from social functions must be separately recorded and reported to the CEO as part of the audited financial statements.

Collection of money at general meetings

Where funds are collected for a registered candidate's campaign at a general meeting, **amounts of $10 or less** per person may be given and not be considered contributions. The gross amount collected from each meeting must be separately recorded and reported to the CEO as part of the audited financial statements. [Act reference 24]

Only funds collected at general meetings may be considered non-contribution income. Funds collected at any other event must be treated as contribution income and receipted accordingly, regardless of the amount.

Goods and services supplied

Goods and services provided to a registered candidate's campaign must be treated as a contribution unless the total value of all goods and services provided by the supplier in a campaign period is $100 or less, and the supplier indicates that the value is not to be considered a contribution. Goods and services not considered a contribution must be recorded as other income and reported to the CEO as part of the audited financial statements. [Act reference 21(2)]

Transfers

Transfers between a political party, its constituency associations, and its candidates

A registered political party, its constituency associations, and its candidates may transfer or accept funds, goods, and services.

These transactions must be considered transfers as opposed to contributions. [Act reference 27]

Prohibited transfers

A registered candidate's campaign must not directly or indirectly transfer funds to a political party, constituency association or candidate not registered with the CEO.

A registered candidate's campaign must not directly or indirectly transfer funds to a registered leadership contestant.

A registered candidate's campaign must not directly or indirectly contribute or transfer funds to any federal political party, constituency association or candidate in a federal election under the *Canada Elections Act*.

A registered candidate's campaign must not directly or indirectly contribute or transfer funds to any candidate in a municipal election under the *Municipal Elections Act 1996*. [Act reference 29(1)(b)]

Recording of transfers

The registered political party, constituency association or candidate's campaign making the transfer must indicate to the recipient that the transaction is to be treated as a transfer. This will ensure consistent treatment for reporting to the CEO as part of the audited financial statements.

The source and amount of funds, goods, or services transferred must be recorded by the registered candidate's CFO. Where goods and services are received, the transaction in the recipient's records must reflect the fair market value of the goods and services as a transfer received with the same amount recorded as an expense.

Interest income

Interest income is any interest earned on deposits or investments. Interest income must be recorded and reported to the CEO as part of the audited financial statements.

Other income

Other income includes income not classified elsewhere, such as recoveries, goods and services not considered contributions, and gains on disposals of investments or fixed assets. In addition, donations solicited for purposes outside the *Election Finances Act* are recorded as other income and do not qualify for a tax receipt.

Example:

> Over the years, the CEO has ruled in a variety of cases that certain contributions are not solicited for purposes within the *Election Finances Act*. Such specific purposes include to assist refugees, to finance candidates at a municipal election, to provide landscaping for a public park, to fund advertising for “peace education”, to fund a candidate running for an office within a political party, to foster improved relations with Latin America, to support the YES Committee in the federal referendum, and to pay legal costs for an officer of a constituency association in defending a lawsuit.

Generally speaking, donations for groups or causes that would not themselves be entitled to tax receipts are not eligible for tax receipts in Ontario.

The *Election Finances Act* also does not apply to constituency nominations for endorsement of official party candidates. Any income from related activities, such as fees received from campaigns and conventions held are for purposes outside of the *Election Finances Act* and are recorded as other income.

Any donations given to a person contesting a constituency nomination will not constitute contributions for purposes of the *Election Finances Act*. [Act reference 1(3)]

Fund-raising

Fund-raising activities are organized activities held for the purpose of raising monies for a registered candidate's campaign. To be classified as a fund-raising activity, it must be evident that the main purpose of the activity is to make a profit for the sponsoring registered candidate's campaign. [Act reference 23(1)]

What are fund-raising activities

Fund-raising activities include activities such as dinners, dances, sporting events, shows, etc. for which an admission charge is paid, as well as auctions for which no admission charge is paid.

What are not fund-raising activities

As discussed earlier, social functions such as dinners, dances, sporting events, shows, etc. that are held on a cost-recovery basis are not considered genuine fund-raising activities. Gross income and expenses from these activities must be recorded and reported as social functions to the CEO on the audited financial statements.

Lotteries and games of chance

The *Criminal Code of Canada* makes lotteries, games of chance (including poker nights and 50/50 draws) illegal unless sponsored by charities. Political organizations are prohibited from holding lotteries or games of chance.

For further information, please contact the Alcohol and Gaming Commission of Ontario at 416-326-8700 or toll–free in Ontario at 1-800-522-2876.

Fund-raising expenses

Expenses incurred for fund-raising activities held in a campaign period will not be subject to campaign expense limits.

The expenses of the event must be paid by the CFO from the registered candidate's campaign's bank account and all invoices and receipts must be kept by the CFO for audit purposes.

Promoting a fund-raising activity

The name of the registered candidate on whose behalf the fund-raising activity is held must be clearly displayed on all materials distributed for that activity. This includes any solicitation for contributions.

Any media advertising of a fund-raising activity done between the day the writ is issued and polling day must comply with the blackout-period exceptions. This advertising will be exempt from the campaign expense limit and the time and content limits on political advertising. Refer to the Political Advertising section for details on the exceptions to the blackout period and the time and content limits on political advertising.

Mailings to potential contributors to the fund-raising activity must be a genuine solicitation of funds and not be a disguised form of campaigning. Including campaign material in the mailing will cause the mailing to be a campaign expense subject to limit.

Sale of tickets to a fund-raising activity

Selling tickets

The following are recommended for organizing ticket sales:

- Have pre-numbered tickets printed for the activity. Assign one person to control ticket distribution to ticket sellers and supervise the return of unused tickets and proceeds from tickets sold; and
- Ensure that each ticket seller completes a list recording the ticket numbers sold and the full name and address of each ticket purchaser and method of payment.

Determining the contribution and fund-raising income portions of a ticket price

Revenue from ticket sales must be split between contributions and fund-raising income (amounts not treated as contributions) and be reported accordingly on the statement of income and expenses.

The amount considered a contribution will be the ticket price less the per-person direct costs and the remaining revenue must be considered fund-raising income. Direct costs include expenses such as meals, complimentary liquor, taxes, and tips. Costs related to distribution of invitations, advertising, decorations, room rent, and equipment are not considered direct costs.

> **Examples:**
>
> A fund-raising ticket is sold for $100 and the per-person direct cost for the activity is $30; the contribution portion is $70.
>
> The entry fee charged for a fund-raising golf tournament is $300. The direct costs are green fees, caddy fees, golf equipment and cart rentals, food, beverages, taxes, and tips which total $200; therefore, the contribution portion is $100.

The CFO has the option of considering an additional amount of up to $25 per ticket above the direct costs to not to be a contribution. The CFO may choose to do this to determine the contribution portion of a ticket before knowing the exact amount of direct costs, or to round up the amount of direct costs to a dollar increment that simplifies recording and receipting of tickets. Note that using this method will reduce the contribution amount eligible for a tax receipt. [Act reference 23(3)]

> **Example:**
>
> A ticket for a dance is sold by a candidate’s campaign for $40 per person and the per-person direct costs are $10; therefore, the CFO has the discretion in advance to set the contribution portion to be between $5 and $30.

The CFO must be careful not to underestimate or overestimate expenses beyond $25. If a tax receipt is issued for more than the net contribution, the tax receipt must be cancelled and a new tax receipt issued for the proper amount. If a tax receipt is issued for less than the net contribution, an additional tax receipt must be issued for the difference.

If the contribution portion of the ticket price to the event is more than $25, the payment for that ticket must be made using a modern financial practice and not by cash.

If a purchaser of a ticket does not attend the fund-raising event, a contribution is still considered to have been given and a tax receipt must be issued to the purchaser for the net amount after direct costs.

Where tickets are purchased by unincorporated associations or organizations, contributions must be recorded by allocating them to the contributing individuals within the organization. Refer to the Contributions section for further details on how to record contributions from unincorporated associations or organizations.

Only eligible contributors may purchase tickets to a fund-raising event and the purchases may be considered to be contributions. Persons ineligible to contribute may still attend a fund-raising activity by purchasing a ticket at the cost of the direct expenses but no contribution can be made.

Auctions

Auctions may be a major source of revenue but conducting an auction requires careful control of the goods contributed or purchased for sale, and the price of the goods bought by individuals attending the auction. A list must be kept of the name and address of suppliers and purchasers of items auctioned and the description and fair market value of each item.

Goods and services donated for an auction are considered to be a contribution. If the total value of goods and services provided by a donor is $100 or less, the donor has the option of declaring them not to be a contribution.

Any amount paid for goods or services, other than advertising services, offered for sale during a fund-raising activity that is more than fair market value must be considered a contribution. [Act reference 23(4)]

Example:

An auction is held to raise funds. Ms. A donates a painting valued at $130 that is bought by Mr. X at the auction for $350. Contributions recorded by the registered candidate’s campaign are:

- from Ms. A for $130, as a goods and services contribution for the donation of the painting; and
- from Mr. X for $220, as a monetary contribution for the purchase of the painting, the contribution amount being the difference between the value of the painting and the price for which it was purchased.

If an item is sold for less than its fair market value, there is no contribution by the purchaser of the item and the amount paid must be recorded as fund-raising income. The individual donating the item must still be considered to have made a contribution at fair market value regardless of the sale value.

Advertising as a contribution

Any amount paid for advertising as a fund-raising activity or at a fund-raising event must be a contribution. [Act reference 23(5)]

> **Example:**
>
> At a golf tournament, a sponsor may have paid for signs on the golf course or attached to golf carts. The full amount that the sponsor pays to the registered candidate’s campaign for the signs displayed must be considered a contribution.

Deposit of funds raised

All funds raised at a fund-raising activity must be deposited by the CFO, and the name, address and amount paid by ticket purchasers must be recorded by the CFO. Special committees in charge of a fund-raising activity must not by-pass the CFO’s responsibility for depositing and recording.

A contribution is not officially accepted until the date the CFO deposits it in the financial institution on record with the CEO. Any delay in forwarding collected funds to the CFO that causes the deposit to occur after the reporting period may result in a contributor not being eligible for a tax credit in the taxation year the fund-raising activity was held.

> **Example:**
>
> A turkey drive held in December where funds collected are forwarded to the CFO in the New Year must have tax receipts dated in the year the funds are deposited, as opposed to the year the turkey drive is held.

Recording and reporting a fund-raising activity

The total revenue (separated between contributions and other fund-raising income) and total expenses for each fund-raising activity must be recorded by the CFO. A separate schedule for each fund-raising activity must be reported to the CEO as part of the audited financial statements. [Act reference 23(2)]

Loans and Guarantees

A registered candidate's campaign may borrow funds to assist in his or her operations. However, there are restrictions on the source of loans, guarantees, and collateral security.

Borrowing source

A registered candidate's campaign may borrow funds only from:

- a financial institution in Ontario, which includes chartered banks, trust companies, and credit unions; or
- a registered political party or constituency association in Ontario.

[Act reference 35(1)]

Any delay in paying suppliers or other liabilities may be deemed to be a loan from an ineligible source by the CEO.

Example:

Suppliers' accounts must be paid within the credit terms normally imposed by the supplier or otherwise be considered a loan from an ineligible source.

Candidates and members of their campaign teams are not eligible to make loans.

No registered candidate's campaign may receive support in the form of a loan except as provided above. [Act reference 35(3)]

Timing of borrowing

A registered candidate's campaign may borrow only during the campaign period.

Guarantees and collateral security

A registered candidate's campaign may receive support in the form of a guarantee or collateral security only from:

- an entity entitled to make a loan; or
- a person, corporation, or trade union entitled to make a contribution.

[Act reference 35(4)]

No person or entity other than those provided above may guarantee or provide collateral security for a loan to a registered candidate's campaign. [Act reference 35(6)]

Loans as contributions

A loan to a registered candidate's campaign is not considered a contribution, except in the following cases:

- If the financial institution waives the right to recover the loan, the amount waived is considered a contribution subject to the contribution limits; or
- If the loan is made at an interest rate lower than the applicable market rate, the interest foregone by the financial institution (the difference between the actual

interest charged and the market rate) is considered a contribution and is subject to the contribution limits.

[Act reference 35(7)]

If the borrower defaults on a loan, the financial obligation of the registered candidate's campaign is transferred to the guarantor. If the guarantor waives the right to recover all or partial payment from the principal debtor, the amount waived by the guarantor is considered a contribution to the registered candidate's campaign and is subject to the contribution limits. The guarantor may forgive the loan over a maximum of ten years. Terms of repayment shall be reported to the CEO. [Act reference 35(8)]

Transfer of candidate's deficit

Any deficit remaining from a registered candidate's campaign must be assumed by the registered constituency association or political party that endorsed the candidate. The constituency association or political party shall be responsible for ensuring that any borrowing is repaid. [Act reference 44(4)]

Reporting of loans

Information regarding any borrowings must be reported to the CEO as part of the audited financial statements.

Reporting must include:

- the name and address of the financial institution;
- the terms of the loan including the amount borrowed;
- the name and address of each guarantor and the amount guaranteed; and
- the amount outstanding at the end of the reporting period.

[Act reference 35(2)]

Political Advertising

The *Election Finances Act* imposes limits on political advertising in an election campaign.

What is political advertising

Political advertising is defined as advertising in any broadcast, print, electronic, or other medium with the purpose of promoting or opposing any registered political party or the election of a registered candidate. [Act reference 1(1)]

Political advertising includes advertisements in newspapers, journals, and magazines; promotion on TV and radio; and advertisements placed on billboards, bus shelters, and the Internet (including websites, blogs, and social networking sites), etc.

Authorization on political advertising

All political advertising during a campaign period paid for by a registered candidate's campaign, including lawn signs and brochures, must have authorization naming the candidate's campaign sponsoring or paying for it.

An example of appropriate authorization wording is "Authorized by the XYZ campaign" or "This advertisement was paid for by the CFO of the XYZ campaign."

Sign placement

The *Election Finances Act* does not address where signs can or cannot be placed. When placing signs on public property, consult the local municipality to see what local by-laws allow or, when placing signs near a highway, consult the Ministry of Transportation.

Advertising restrictions

Blackout period

No registered candidate's campaign may conduct or consent to paid commercial political advertising during a blackout period. [Act reference 37(2)]

No broadcaster or publisher may allow a paid commercial political advertisement to appear during a blackout period. [Act reference 37(3)]

A blackout period includes the day before polling day and polling day for all elections.

In by-elections and general elections with a non-fixed election date, there is an additional blackout period that begins when the writ for an election is issued and ends on the 22nd day before polling day. [Act reference 37(1)]

> **Example:**
>
> Polling day is May 28 for a by-election or general election with a non-fixed election date; therefore, the permitted advertising period will be from May 6 to May 26 inclusive.

Even in situations where Internet advertising is claimed to be free, the rules around blackout restrictions apply. Internet advertising established before, and not altered during the blackout period, can remain posted. In addition, further electronic distribution of that advertisement during the blackout period is also prohibited.

Example:

A coordinated promotional campaign of volunteers sending unsolicited mass emails that contain web videos or a coordinated negative campaign by paid bloggers attacking a registered candidate would be prohibited.

Exceptions to the blackout period

The following advertising activities are permitted during the blackout period:

- genuine news reporting, including interviews, commentaries, or other works prepared for and published by any newspaper, magazine, or other periodical publication in any medium without any charge to the registered candidate's campaign. A broadcaster may similarly broadcast genuine news stories; however, these are subject to the provisions of and regulations and guidelines under the *Broadcasting Act (Canada)*;
- the publication of political advertising, on polling day or the day before polling day, in a newspaper that is published once a week or less often and whose regular day of publication falls on that day;
- a political advertisement on the internet or in a similar electronic medium, if posted before and not altered or further distributed during a blackout period;
- a registered candidate's official website, including edits and updates to the website; and
- a political advertisement in the form of a poster or billboard, if posted before and not altered during a blackout period, such as advertisements on public transit buses, bus shelters, and subway stations.

[Act references 37(4) and 37(7)]

Lawn signs displayed and brochures distributed are not considered to be paid commercial political advertising and can appear at any time.

Personal emails and similar personal communications on the Internet are generally not considered political advertising and are not subject to the blackout period.

The following activities are also permitted during the blackout period:

- advertising public meetings in constituencies;
- announcing the location of registered candidates' and constituency associations' headquarters;
- advertising for volunteer campaign workers;
- announcing services for electors, regarding enumeration and the revision of electors' lists, that are offered by candidates' campaigns or constituency associations;

- announcing services for electors that are offered by registered candidates' campaigns or constituency associations on polling day (for example, "Babysitting services provided while you go out to vote" or "Rides to the polling station"); and
- anything involving administrative functions of registered constituency associations.

[Act reference 37(5)]

Such advertisements or announcements that are paid commercial political advertising may contain the name of a registered candidate and may include a picture of the candidate. However, mention of the particular exempt service or activity listed above must be the main feature of the advertisement or announcement. Also, the advertisement or announcement must not contain any slogan, motto, or other wording promoting the candidate or opposing another candidate, such as "Join the winning team," "Our candidate is best qualified," "Vote for," etc.

Rates charged during campaign

No publisher or broadcaster may charge any more for advertising at election time than it would normally charge anyone else for an equivalent amount of space or time during the same period. [Act reference 37(6)]

Example:

When selling radio time, the station may not charge "triple A" rates for mid-morning slots.

The media may not give special low rates either.

Example:

A broadcaster or publisher charging less for space or time than it would normally charge anyone else for an equivalent amount of space or time over the same period must have the difference between the normal rates and what they charge to the registered candidate's campaign considered a contribution.

In certain media, advertising rates may depend upon the volume of time or space purchased over the year. For the purposes of the *Election Finances Act*, the lowest rate must refer to the lowest rate available to any other customer purchasing the same volume of advertising as the volume of political advertising carried on by or on behalf of a registered candidate's campaign during the same period.

Information provided to broadcaster or publisher

A political advertisement must not appear without providing the following information to the broadcaster or publisher, in writing:

- the name of the person, corporation, or trade union causing the political advertisement to appear;
- the name, business address, and telephone number of the individual dealing with the broadcaster or publisher on behalf of the person or entity causing it to appear; and

- the name of any other person, corporation, or trade union sponsoring or paying for the political advertisement.

[Act reference 22(5)]

Political advertising contributed to a candidate

Political advertising is a contribution and a campaign expense for a registered candidate's campaign if:

- it promotes a registered candidate;
- it is provided or arranged for by a person, corporation, or trade union with knowledge or consent of the candidate's campaign;
- it costs either individually or in total more than $100; and
- it is done during the election campaign.

[Act references 22(1), 22(2) and 22(3)]

Advertising counts toward the total campaign expense limit at fair market value. This includes any production costs, posting costs, or service fees related to print, broadcast or Internet advertising (for example audio and video production, web design, hosting fees or domain name registration).

If political advertising is simply added to an existing product used, such as menus, place mats, or shopping bags, the expense is the additional cost of that advertising. Costs must include direct identifiable costs such as artwork and special dyes. However, when the product itself is distributed by the registered candidate's campaign, the entire cost of the product is a campaign expense.

Retention of records for broadcaster or publisher

The broadcaster or publisher of a political advertisement must keep records for two years after the date the political advertisement appeared and must permit the public to inspect the records during normal office hours. Records must contain:

- the name of the person, corporation, or trade union causing the political advertisement to appear;
- the name, business address, and telephone number of the individual dealing with the broadcaster or publisher on behalf of the person or entity causing it to appear;
- the name of any other person, corporation, or trade union sponsoring or paying for the political advertisement;
- a copy of the political advertisement, or the means of reproducing it for inspection; and
- a statement of the charge made for its appearance.

[Act references 22(7), 22(8) and 22(9)]

Restriction on election surveys

An election survey is defined as an opinion survey of how electors voted or will vote at an election or regarding an issue with which a registered candidate is associated. [Act reference 36.1(3)]

No registered candidate’s campaign may publish, broadcast, or transmit to the public, in an electoral district on polling day before the close of all the polling stations in that electoral district, the results of an election survey that have not previously been made available to the public. [Act reference 36.1(1) and 36.1(2)]

Campaign Expenses

Campaign expenses incurred by a registered constituency association are for the benefit of its registered candidate's campaign, and as a result the constituency association's CFO and candidate's CFO must work closely together during the campaign. It is ultimately the responsibility of the candidate's CFO to create a campaign budget and managing spending to stay within the joint spending limit.

All expenses are to be recorded and reported on the relevant financial statements. However, only certain expenses are treated as campaign expenses subject to the expense limit imposed by the *Election Finances Act*. For a fixed date general election, the campaign period is the period commencing at 12:01AM on the day the writ is issued and terminating three months after polling day. For a by-election or general election with a non-fixed election date, the campaign period is the period commencing with the issuance of the writ for an election and terminating three months after polling day. [Act reference 1(1)]

Campaign expense limits

General

The *Election Finances Act* sets a joint limit on the amount that a registered candidate's campaign and constituency association may spend during a campaign. This is to help ensure that all candidates have an equal chance of being elected.

Campaign expense limit

The total campaign expenses incurred by a registered candidate's campaign, its registered constituency association, and anyone acting on behalf of the candidate's campaign or constituency association during a campaign period must not exceed the amount determined by multiplying an indexed amount currently at $1.28 by the number of electors in the candidate's electoral district. [Act reference 38(3)]

The indexed amount is determined by multiplying a fixed amount per the *Election Finances Act* by an indexation factor that is revised every five years. The current indexed amount applies for the period from January 1, 2014, to December 31, 2018.

Sample Campaign Expense Limits Based on Constituency Size

Number of Electors Entitled to Vote	Joint Limits for Candidate and Constituency Association
80,000	80,000 × $1.28 = $102,400
120,000	120,000 × $1.28 = $153,600

Example:

The number of electors entitled to vote in a candidate's electoral district during an election is 80,000 so this number must be multiplied by $1.28 to determine a joint campaign expense limit of $102,400.

The number of electors entitled to vote in a candidate's electoral district is 120,000 so this number must be multiplied by $1.28 to determine a joint campaign expense limit of $153,600.

For registered candidates in the electoral districts of Kenora-Rainy River, Thunder Bay-Superior North, Thunder Bay-Atikokan, Timmins-James Bay, Algoma-Manitoulin, Nickel Belt and Timiskaming-Cochrane, the amount of the joint campaign expense limit is increased by an indexed amount. The indexed amount is amended every five years and is currently $9,310. [Act reference 38(3.4)]

Expenses incurred by a registered political party or constituency association acting on behalf of a registered candidate's campaign must be included in the total campaign expenses incurred by the candidate's campaign, not the political party or constituency association.

Number of electors for determining expense limit

In order to determine the limit on campaign expenses, the number of electors is defined as the greater of:

- the number of electors shown in the preliminary list of electors provided to candidates; and
- the number of electors entitled to vote as determined by the CEO after polling day.

[Act reference 38(3.2)]

The CEO will provide the preliminary elector count to each registered candidate's campaign to assist in preparing campaign budgets.

Following polling day and immediately after preparing the certified list of electors, the CEO will notify each registered candidate's campaign of the number of electors upon which the campaign expense limit is to be determined.

Consequences where campaign expense limit is exceeded

If a registered candidate's campaign spending exceeds the campaign expense limit, and the candidate is elected as a member of the Assembly, the member may be forced to vacate their seat by the Assembly. [Act reference 43(2)]

Approval of constituency association spending

A registered candidate's CFO must state in writing to a registered constituency association endorsing that candidate the aggregate amount the constituency association may spend during a campaign.

A registered constituency association must not spend in excess of this amount without written approval by the candidate's CFO. [Act reference 38(5)]

Campaign expenses subject to the expense limit

A campaign expense subject to the expense limit is any expense incurred for goods or services related to an election by or on behalf of a registered candidate's campaign for use in whole or in part during the period beginning with the commencement of the campaign period and ending on polling day. Campaign expenses subject to the expense limit do not include the following:

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

[Act reference 1(1)]

Campaign expenses include the value of any contribution of goods and services to the registered candidate's campaign for use in whole or in part during the period beginning with the issue of the writ for an election and ending on polling day. [Act reference 1(1)]

Any expenses incurred by a registered political party or constituency association on behalf of a registered candidate's campaign before a writ is issued must be examined to determine whether they must be accounted for as a campaign expense for the candidate's campaign and subject to the candidate's expense limit.

Political organizations are not exempt from paying HST. As a result, all HST charges must be included in the expenses.

Goods and services

All goods or services provided, whether or not they are considered to be a contribution for the purposes of the *Election Finances Act*, are considered to be expenses incurred at fair market value.

Inventory of campaign materials

Definition

The CEO considers campaign materials to normally consist of such things as lawn stakes, sign supports, usable literature, signs, office supplies, and other campaign materials for use in an election campaign.

Value of inventory

Fair market value is used as the basis for determining the value of inventory transferred into the campaign accounts. Fair market value may be determined in several ways, with the more common methods being:

- recent invoice or quoted price;
- the lower of replacement or reproduction cost; or
- the price of recent comparable sales.

To value campaign materials available for use that were left from a previous campaign, replacement cost must be used. All reusable materials from a previous campaign must be included. This price will vary across the province and depends on local supply, competition, and the candidate's campaign's ability to produce its own signs or secure salvage materials, for example, to construct signs.

At the issuance of a writ for an election

Once there has been a writ for an election, the value of all campaign materials in a constituency association's inventory account must be transferred from the registered constituency association to a registered candidate's campaign. The constituency association must provide to the candidate's campaign a detailed list of each item transferred and their fair market value.

Signs and brochures purchased and displayed or distributed before the writ was issued are not considered campaign expenses.

At the end of a campaign period

At the end of a campaign period, the CFO of the registered candidate must determine the quantity of reusable campaign materials and the value of each item. A detailed list of these items and their value must be made by the CFO. Their value can be determined as follows:

- if the items are on hand at the start of the campaign period, use the value determined at that time; or
- if the items were acquired during the campaign, use the invoice price as the value.

The inventory of any reusable campaign materials remaining with the registered candidate's campaign at the end of the campaign period must be transferred back to its registered constituency association or political party.

Prepaid campaign expenses

Definition

The CEO considers prepaid campaign expenses to consist of things such as the cost of consulting services, production costs of advertising for use during the campaign, expenses incurred to create product used during the campaign, deposits for campaign offices and equipment, and rent for campaign offices and equipment.

Only a registered political party or constituency association can incur prepaid campaign expenses prior to the start of a campaign period. A candidate and his or her campaign must not have any financial activity prior to the start of a campaign period and prior to registration with the CEO.

Renting a campaign office

The rent negotiated for a campaign office must be at the going rate for that space as if it were being rented to anyone else in the community. If it is rented at a reduced rate, the discounted amount must be considered a contribution and must be acknowledged with a tax receipt for goods and services, which will count toward that contributor's contribution limit.

If a goods and services tax receipt is issued for all or any portion of the campaign office rent, the tax receipt must be issued to the owner of the property being rented.

> **Example:**
>
> XYZ Inc. owns the building, so the tax receipt must be issued to XYZ Inc., not Mr. A and Mrs. B even though they may own XYZ Inc.

If a lease is being negotiated before the writ is issued, only the registered political party or constituency association may be involved financially as opposed to a candidate.

If improvements or modifications are made to an office rented for the campaign, part of these costs is subject to the expense limit.

> **Example:**
>
> When premises are leased for four months (120 days) with renovations carried out before the writ is issued, and the period from the day the writ was issued up to and including polling day is 30 days, then 30/120 of the total renovations and lease costs must be considered as expenses subject to the limit.

Installation and activation of communication devices

Installation and activation charges of communication devices, such as telephones, cell phones, fax machines and Internet connections, are subject to the expense limit even if installed before the day the writ is issued. The usage charges incurred between the day the writ is issued and polling day are also subject to the expense limit.

Payment of campaign expenses

Submission of payment claims

Every person, corporation, or trade union that has any claim for payment in relation to a campaign expense must submit that claim (and related invoice or statement of account) within three months after polling day to the CFO of the registered candidate to which the expense relates. [Act reference 38(6)]

Payment by CFO

Every payment of a campaign expense must be made by the CFO of the registered candidate that incurred the campaign expense. All campaign expenses must be accompanied by supporting documentation except where the expense is less than $25. [Act reference 38(7)]

Disputed claims

If the CFO disputes or refuses to pay any claim for payment for a campaign expense, the claim must be considered a disputed claim. The claimant may bring to court an action for payment. [Act reference 38(8)]

The details of disputed claims and the reason the claim is disputed must be reported in the audited financial statements to be filed with the CEO.

Recording and reporting of campaign expenses

Records of all expenditures must be kept. A list of all campaign expenses paid and outstanding, as well as any disputed claims for payment, must be reported to the CEO with the campaign period audited financial statements.

Public Funding of Expenses

The CEO provides public funding for certain expenses:

- a subsidy for audit fees incurred by a registered candidate's campaign; and
- reimbursement for campaign expenses incurred by a registered candidate's campaign.

Audit subsidy

The CEO will subsidize the cost of auditors' services for the examination and reporting on the financial statements by paying to the auditor of a registered candidate the lesser of the total auditor's fee and an indexed amount. The indexed amount is amended every five years and is currently $1,330 for a registered candidate's campaign. [Act reference 40(7)]

To receive the audit subsidy, a registered candidate's campaign must include with the audited financial statements a copy of the auditor's invoice.

The audit subsidy will be paid directly to the auditor, with the registered candidate's campaign responsible for the remaining portion of the invoice.

Campaign expense reimbursement

Reimbursement of expenses

A registered candidate who receives at least 15 percent of the popular vote in his or her electoral district is entitled to be reimbursed by the CEO for its campaign expenses. The popular vote is defined as the total valid ballots cast.

The amount of the reimbursement for eligible registered candidates is the lesser of:

- 20 percent of the campaign expenses of the candidate's campaign and registered constituency association endorsing the candidate for the campaign period, as shown on the campaign period audited statement of income and expenses filed with the Chief Electoral Officer; and
- 20 percent of the campaign expense limit to which the candidate's campaign and constituency association are subject.

[Act reference 44(1)]

For registered candidates in the electoral districts of Kenora-Rainy River, Thunder Bay-Superior North, Thunder Bay-Atikokan, Timmins-James Bay, Algoma-Manitoulin, Nickel Belt and Timiskaming-Cochrane, the amount of reimbursement is increased by an indexed amount. The indexed amount is amended every five years and is currently $9,310. [Act reference 44(2)]

Following polling day and immediately after preparing the certified list of electors, the CEO will notify each registered candidate's CFO of the number of electors upon which the reimbursement of expenses is to be determined.

Refer to the Form Completion Guide for further details on how to calculate the campaign expense reimbursement.

Any reimbursement that a registered candidate's campaign is entitled to will be sent to the candidate's mailing address on file with the CEO.

Conditions for reimbursement

A registered candidate's campaign is not entitled to a reimbursement unless:

- the campaign period audited financial statements of the registered candidate have been filed;
- the campaign period audited financial statement of a registered constituency association endorsing the candidate has been filed; and
- the CEO is satisfied that the registered candidate and constituency association meet the requirements of the *Election Finances Act.*

[Act reference 44(3)]

Deficit in a candidate's account

Where a registered candidate's financial statements show a deficit, any reimbursement that the candidate's campaign is entitled to must be first used to reduce the deficit.

Any remaining deficit must be assumed by the registered constituency association or political party endorsing the candidate. [Act reference 44(4)]

Financial Statements

Every registered candidate's campaign must file audited financial statements after each campaign period. The accounting policies and procedures used for the financial statements are prescribed by the CEO for compliance with the *Election Finances Act*. The act also requires the CEO to examine and review all financial statements submitted.

Content and filing date

A campaign period is the period beginning with the issue of a writ for an election and ending three months after polling day. [Act reference 1(1)]

The CFO of a registered candidate must file signed, campaign period audited financial statements (Form CR-1) and supporting documentation with the CEO within six months after polling day. The campaign period financial statements must include all activities relating to the campaign period.

The campaign period financial statements includes the following:

- registered candidate information;
- certification by the candidate and CFO of the information reported in the financial statements;
- signed auditor's report on the financial statements and a copy of the auditor's invoice;
- statement of assets and liabilities;
- statement of income and expenses;
- notes to the financial statements and schedules of accounting policies and procedures used;
- signed auditor's report on the supporting schedules of the financial statements;
- supporting schedules for the following:
  - borrowings and overdrafts;
  - contributions and tax receipt form reconciliation;
  - fund-raising activities;
  - social functions and general collections at meetings;
  - transfers;
  - campaign period expenses, which consists of a list of suppliers where expenditures exceed $100 and statement of disputed claims;
  - inventory and prepaid expenses;
  - list of accounts receivable;
  - list of accounts payable;
  - calculation of candidate's campaign expense limit and reimbursement entitlement; and

- a copy of all used tax receipts and cancellation notices.

[Act reference 42(1)]

The supporting schedules are an integral part of the financial statements. It is important that each schedule agrees with the primary statements.

Refer to the Form Completion Guide for directions on how to complete these financial statements.

Deficit in a candidate's account

Where a registered candidate's financial statements show a deficit, any reimbursement that the candidate's campaign is entitled to must be first used to reduce the deficit.

Any remaining deficit must be assumed by the registered constituency association or political party endorsing the candidate. [Act reference 44(4)]

Surplus in a candidate's account

Any surplus in a registered candidate's campaign account, determined by taking into account the candidate's financial statements and any reimbursement that the candidate's campaign is entitled to, shall be immediately paid:

- in the case of a candidate endorsed by a registered political party or constituency association, to the political party or constituency association endorsing that candidate; or
- in the case of an independent candidate, to the CEO.

[Act reference 44(5)]

Financial statements format

A registered candidate's campaign may keep computerized records of the information required by the statutory disclosure provisions and generate the statements from computers.

Computer-generated statements must contain all the required information in a format substantially similar to the CEO's forms.

Accounting methods to be followed

The accounting methods set out below are prescribed by the CEO for use in preparation of all financial statements:

- Cash basis for contributions

  Contributions are considered accepted when deposited and cleared through the bank. When issuing tax receipts, the acceptance date must be the date of deposit.

- Accrual basis

The accrual basis of accounting must be used so that expenses are recorded when they are incurred.

The accrual basis of accounting takes into account:

- expenses incurred but not paid or for which bills have not yet been received (accounts payable);
- income on investments that has been earned but not yet received;
- contributions received in the mail after the end of the period in envelopes postmarked in the reporting period; and
- transfer payments not yet received but in transit.

- Furniture and other equipment

  Furniture, fixtures, printing equipment, etc. must be charged to expenses when purchased. The existence of such assets must be indicated by showing them at the nominal value of $1 in any statement of assets and liabilities.

All figures contained in financial statements may be rounded to the nearest dollar.

Communication with the auditor

The auditor must report on whether the financial statements and supporting schedules fairly present the information contained in the financial records. As a result, it is necessary that the CFO and auditor meet to discuss the audit and filing process. It is recommended that the two meet before the period-end date to determine cut-off and closing procedures and to agree on a date when the auditor will be given access to all records, documents, books, accounts, and vouchers of the candidate’s campaign that may be necessary to issue the auditor’s reports. [Act reference 40(4)]

Delivery of financial statements

The CEO will accept financial statements by any delivery method so long as the filing is complete. Examples of accepted delivery methods include mail, fax, email, or hand delivery. Mailed financial statements that are postmarked or courier receipted on or before the filing date will be accepted as on time so long as they are complete.

Retention of records

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

The financial records must be retained at the place where records are kept on file with the CEO.

Failure to file financial statements

Where the CFO of a registered candidate who is elected as a member of the Assembly fails to file any part of the campaign period financial statements, the member may be forced to vacate their seat by the Assembly. [Act reference 43(2)]

Where the CFO of a registered candidate who is not elected to the Assembly fails to file any part of the campaign period financial statements, the candidate will be ineligible to run in any election up to and including the next general election, until the financial statements are properly filed. [Act reference 43(1)]

If a person knowingly fails to file financial statements, this may be an offence under the *Election Finances Act*. [Act reference 46]