

# Election Finances CFO Handbook for Political Parties

# 2025

Note: This handbook is effective until December 31<sup>st</sup>, 2025.

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## Disclaimer

This handbook provides guidance from Elections Ontario about how to comply with the *Election Finances Act*. To the extent that any conflict exists between this handbook and the *Election Finances Act*, the *Election Finances Act* prevails.

The most recently published handbook and forms for Political Parties can be found online, by clicking this [link](#) or by scanning the quick response (QR) code below using the camera on a smartphone.



## Further information

Elections Ontario’s staff is always available to provide assistance. Please contact the Compliance Division at:

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## Online resources provided by Elections Ontario

The Elections Ontario website features tools that our stakeholders can use to view information on financial returns, contributions and filing data. The webpages feature information related to the following topics:

- Registered political parties, reserved party names, and third party advertiser information;
- CFO handbooks and forms;
- Financial returns and contributions;
- Graphics and charts utilities;

- A bulk download utility for contributions;
- Searchable database of political financing and party information;
- Eligible and paid quarterly allowances to political parties and constituency associations;
- Nomination and leadership contests and contestants; and
- Information for candidates.

The “[Graphics and Charts](#)” section provides stakeholders with utilities to represent the contribution data using a graphical interface. Political entities can use this to view contribution information from past events, and totals per year and per event by party and electoral district.

More information can be found on our [website](#).

## Political Entity Portal (PEP)

The [Political Entity Portal](#) (PEP) is an optional online filing tool that political entities can use to file their financial statements. All active key stakeholders who are affiliated to a registered political entity have access to the portal pending a brief sign-up activity.

Some of its key features include:

- Ability to complete financial statements – from data entry, to audit and submission – all online;
- Access to historically filed financial returns and download capabilities;
- Update your personal contact information; and
- Attachments, comments, and return PDF.

Contact us at [eFiling@elections.on.ca](mailto:eFiling@elections.on.ca) for more information on PEP.

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## **Introduction**

The purpose of this handbook is to provide guidance to individuals appointed as the chief financial officer (CFO), under the *Election Finances Act* (the Act), of a registered political party, or for those interested in establishing a political party in Ontario.

## Definitions

This section explains the election periods for by-elections, and fixed and non-fixed date general elections.

### Election period

For a fixed date general election, the election period is the period commencing at 12:01AM on the day the writ is issued, and terminating on polling day.

For a by-election or general election with a non-fixed election date, the election period is the period commencing with the issuance of the writ for an election and terminating on polling day. [Act reference 37.1]

### General election

The following text explains the two types of general elections: fixed date and non-fixed date.

#### Fixed date general election

An election in all electoral districts, following the dissolution of the legislative assembly, where election day is scheduled by section 9.1 of the *Election Act*.

#### Non-fixed date general election

An election in all electoral districts, following the dissolution of the legislative assembly, where election day is not scheduled by section 9.1 of the *Election Act*.

### By-election

An election in an electoral district, between general elections.

### Non-election period

This only applies to fixed date general elections, and, for political parties, represents the six-month period preceding the date the writs are issued. For third parties, the non-election period represents the 12-month period preceding the date the writs are issued.



## **Prohibitions on Pre-Registration Activity**

This section explains activities prohibited prior to a political party registering under the *Election Finances Act*.

### **Limitations on financial activity before registration**

A political party must not engage in financial activities, excluding accepting memberships for \$25 or less, for political purposes before registering with Elections Ontario. Financial activity includes, but is not limited to, accepting contributions and incurring expenses. [Act reference 10(1)]

## Roles and Responsibilities

This section explains the roles and responsibilities of a chief financial officer and an auditor of a political party.

### Chief Financial Officer (CFO)

A chief financial officer (CFO) is a person appointed by a political party to record, report and keep financial information in accordance with the *Election Finances Act*. All political parties must appoint a CFO before registration.

If the appointment ends for any reason, a new CFO must be appointed immediately and Elections Ontario informed in writing immediately. [Act references 33(1) 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 their own political party.

Submit the Political Party Registration and Change Notice Form (P-1) to Elections Ontario when appointing a CFO.

### Responsibilities of the CFO of a registered political party with an Elections Ontario-approved electronic database

The CFO is legally responsible for:

- preparing a statement of assets and liabilities as part of the initial registration process;
- certifying any changes in registration information reported to Elections Ontario;
- keeping proper financial records of all income and expenditures, including deposit slips, invoices, etc.;
- maintaining an electronic database for recording contributions and issuing tax receipts, if required by Elections Ontario;
- ensuring that only eligible contributions are accepted, and corrective action is taken where ineligible contributions have been accepted;
- depositing all funds received in the financial institution on record with Elections Ontario;
- recording contributions consisting of goods and services at fair market value;

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- keeping a list of all contributions received, including name and address of contributors;
- reporting, within 15 business days to Elections Ontario, deposited contributions totaling more than \$200 from a single source;
- issuing tax receipts for the purpose of acknowledging contributions after they have been accepted;
- filing all required financial statements with Elections Ontario by the deadline dates;
- processing all payments on time;
- creating a budget before a campaign and authorizing 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.

### **Responsibilities of the CFO of a registered political party without an Elections Ontario-approved electronic database**

The CFO is legally responsible for:

- preparing a statement of assets and liabilities as part of the initial registration process;
- certifying any changes in registration information reported to Elections Ontario;
- 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;
- depositing all funds received in the financial institution on record with Elections Ontario;
- recording contributions consisting of goods and services at fair market value;

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- keeping a list of all contributions received, including name and address of contributors;
- reporting, within 15 business days to Elections Ontario, deposited contributions totaling more than \$200 from a single source;
- issuing tax receipts for the purpose of acknowledging contributions after they have been accepted;
- keeping all required copies of issued, cancelled, and unused tax receipts and cancellation notices;
- filing all required financial statements with Elections Ontario by the deadline dates;
- processing all payments on time;
- creating a budget before a campaign and authorizing 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**

A registered political party is required to appoint an auditor within 30 days of receiving at least \$10,000 in contributions or incurring expenses of at least \$10,000, with respect to an election or with respect to a calendar year for which a financial statement is required. [Act reference 40(1)]

An auditor is appointed by a registered political party to provide an opinion on whether financial statements fairly present the information contained in the financial records.

### **Selecting and appointing an auditor**

To audit a registered political party's annual or campaign period financial statements, an auditor must be a person or firm whose partners residing in Ontario are licensed under the *Public Accounting Act, 2004*. [Act reference 40(1.1)]

## Elections Ontario – CFO Handbook for Political Parties Roles and Responsibilities

An auditor for a political party cannot be:

- a returning officer or deputy returning officer;
- an election clerk;
- a candidate or leadership contestant;
- a CFO of a candidate or leadership contestant; or
- a CFO of a registered party or constituency association.

The partners or the firm with which such a person is associated, is not ineligible to act as an auditor for a political party. The appointment of an auditor must be communicated in writing by submitting either the Appointment of Auditor and Change Notice Form (AUD-1), or the Political Party Registration and Change Notice Form (P-1) to Elections Ontario.

### **Responsibilities of the auditor**

The auditor must:

- meet with the CFO of the registered political party 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 political party that may be necessary to issue the auditor's report;
- provide an opinion on all annual and campaign period financial statements of the registered political party;
- provide an opinion on all supporting schedules of the financial statements of the registered political party;
- provide to the registered political party the auditor's invoice for the work performed. The CFO must file the invoice with the audited financial statements to Elections Ontario; and
- collect payment from the registered political party for the work performed, less any audit subsidy received directly from Elections Ontario.

## Registration

This section explains the process and forms to register a political party, and update changes in registration information. It also covers political parties holding leadership and nomination contests, endorsing constituency associations and candidates, and deregistration.

A political party needs to register with Elections Ontario in order to:

- receive contributions and issue tax receipts to its contributors;
- finance its political activities in a campaign period;
- be reimbursed for campaign expenses, if eligible;
- have constituency associations and candidates; and
- to have the party’s name appear beneath the candidate’s name on the ballot.

## Reserving a political party name and abbreviation

The first step for a political party intending to register with Elections Ontario is to reserve a name (and abbreviation, if any). This is done by completing and submitting a Request to Reserve Name of a Political Party (P-3) to Elections Ontario. [Act reference 10(8)]

Elections Ontario will determine whether a proposed name and abbreviation is acceptable for registration based on the following criteria:

- the proposed name and abbreviation must not contain the word “independent”; [Act reference 10(5)]
- the proposed name and abbreviation must not be similar to another political party or entity in Canada; [Act reference 10(5)]
- the proposed name and abbreviation must not be abusive or offensive; and
- whether the applicant already has a current and unexpired reservation for a different political party name and abbreviation.

An acceptable name reservation will be reserved for a year from the date of Elections Ontario’s decision.

## How to qualify for registration?

A political party may register with Elections Ontario using one of two registration methods.

### **Option 1: During a campaign period by having two candidates**

A political party intending to register during a general election (or concurrent by-elections) must:

- if it has not already done so, submit its name reservation request to Elections Ontario no later than two days before the close of nominations to provide sufficient time for the registration process; and
- nominate and endorse a candidate in two or more electoral districts to represent it.

The political party must apply for registration in writing to Elections Ontario by submitting a Political Party Registration and Change Notice Form (P-1) once two candidates have been issued their Certificate of Nomination (F0403) forms.

### **Option 2: Outside a campaign period by using the petition process**

At any time other than a campaign period, a political party intending to register must submit a petition to Elections Ontario with 1,000 signatures collected from eligible voters using the Petition to Register a Political Party Form (P-4). A petition to register cannot be submitted during a campaign period. The signatures must be collected only within the one-year period that the party name has been reserved, including any campaign period. Beyond the one-year period, the signatures become “stale dated” and cannot be used on an application for registration.

Elections Ontario requires time to review the petition to check that it is complete and also to contact a random sample of the signatories to verify their endorsements. After this review, Elections Ontario will decide whether or not to register the political party. Therefore, a petition must be submitted at least two months prior to a campaign period to allow enough time for this process. [Act reference 10(2)]

### **Appointing a CFO**

A political party must appoint a CFO before registering with Elections Ontario.

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

### **Contents of application and filing methods**

The following text explains completing and submitting a political party registration form.

### **Application form**

The registration requirements are listed within the Political Party Registration and Change Notice Form (P-1) and the Form Completion Guide and requires, among other things, information at the time of making the application regarding the officers of the applicant and who is appointed as the CFO. The Form P-1 must be submitted at the time of application for registration. [Act reference 10(3)]

### **Statement of assets and liabilities**

As part of its application for registration, the CFO of the political party must provide Elections Ontario with a Statement of Assets and Liabilities as of a date within 90 days of the date of its application for registration.

This initial statement is not required to be audited. However, it must be attested to by the CFO of the political party and the attestation must be witnessed.

Refer to the Form Completion Guide for details to be included within the statement of assets and liabilities.

### **Statement of fundamental purpose**

The Statement of Fundamental Purpose is an attestation given by the leader of a political party. It declares that a fundamental purpose of the party involves participating in public affairs by endorsing candidates and supporting their election. The statement is included as part of the Political Party Registration and Change Notice Form (P-1) and must be provided at the time of registration. The leader of the political party must attest to the statement and the attestation must be witnessed.

In addition, a registered political party must file an Annual Statement of Fundamental Purpose of a Political Party Form (P-2) on or before May 31 of each year with Elections Ontario. [Act reference 10(6.1)]

### **Application filing methods**

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

### **Effective date of registration**

Elections Ontario will register the political party upon approval of the registration application, providing the registration form is complete and signed.



Elections Ontario will send written confirmation of registration to the political party. Elections Ontario will provide training materials and other information for the ongoing operations of the registered political party. [Act reference 10(4)]

### **Bank Account – name of account**

The *Election Finances Act* does not specify the exact wording for the name of a bank account for an entity. Each registered entity must open a bank account to be used for all financial activity of the entity.

We recommend that the name on the account should be clearly identified as an account for that entity.

The Act does not specify the type of account that must be opened, but typically, it would be similar to an account for a non-profit organization.

Consult with your financial institution regarding their requirements for opening an account.

### **Endorsing a constituency association or candidate**

Once a political party is registered, for the purposes of the *Election Finances Act*, the political party may endorse constituency associations and candidates. It endorses constituency associations by signing their Constituency Association Registration and Change Notice Form (A-1). It endorses candidates by providing a letter to the candidate that is filed with the Candidate Nomination Paper (F0400).

Refer to the Constituency Association handbook and Candidate handbook for additional requirements for registration.

### **Holding a leadership contest**

Elections Ontario defines a leadership contest to be any procedure by which a registered political party elects a leader.

A registered political party that proposes to hold a leadership contest must file with Elections Ontario a statement setting out the date of the official call of the leadership contest and the date fixed for the leadership vote. [Act reference 14(2)]

Refer to the Leadership Contestant handbook for requirements of a leadership contestant.

### **Holding a nomination contest**

A registered political party or registered constituency association that proposes to hold a nomination contest shall file with Elections Ontario a

statement setting out the date of the official call of the nomination contest and the date fixed for the vote (Form NC-2 Notice of Nomination Contest). [Act reference 12.1(2)]

Nomination contestant registration is only permitted once Elections Ontario has been notified of the nomination contest. A person who actively engages in the contest must register with Elections Ontario as soon as Elections Ontario is advised that a contest is taking place (Form NC-1 Nomination Contestant Registration and Change Notice Form).

If notification is provided late, before the contest concludes, the registration requirements may be applied at the discretion of Elections Ontario.

Additionally, the registered party must promptly advise Elections Ontario after a candidate is appointed with respect to a registered party for an electoral district, the registered party shall notify the Chief Electoral Officer of the name of the candidate who was selected. [Act reference 41.1] This is achieved by submitting the Notice of Selected Candidate (Form NCR-2) to Elections Ontario.

If a party charges a fee to become a contestant, the payment of that fee is not treated as a contribution to the party or constituency association. However, once a contest is called, the rules governing contributions apply when a contestant is collecting funds to pay such fees. Internal party contest rules and fees are not regulated by Elections Ontario.

If Elections Ontario is not notified of the contest being held or if Elections Ontario is notified after the contest is held, the matter is an infringement of the Act and the party or constituency association, its officials and the contestants may be reported to the Ministry of the Attorney General by the Chief Electoral Officer.

Refer to the Nomination Contestant handbook for requirements of a nomination contestant.

## **Change in registration information**

The following text explains how to affect changes in registration information.

### **Written notice of changes**

Whenever there is any change of registration information, a registered political party must provide written notice of the change to Elections Ontario within 30 days by filing a revised Political Party Registration and Change Notice Form (P-1). The revised form must be signed by the CFO and President (or equivalent).

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A change in registration information includes a change to:

- the full name or abbreviation of the name of a registered political party to be shown in any election documents;
- the leader of a registered political party;
- the CFO of a registered political party;
- the auditor (if applicable) of a registered political party;
- the principal officers of a registered political party;
- the persons authorized by a registered political party to accept contributions;
- the address of the place or places in Ontario where records of a registered political party 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 political party for holding contributions; and
- the signing officers responsible for each bank account.

[Act reference 10(6)]

Any change to the information provided in the original statement of assets and liabilities is not considered a change in registration information and should not be reported as such.

### **Change in party leader**

When there is a change in party leader, the new leader of the registered political party must complete and sign the Statement of Fundamental Purpose of a Political Party, which is a part of the Political Party Registration and Change Notice Form (P-1). The attestation must be witnessed.

The CFO and President (or equivalent) must also sign the revised form. For a change in party leader that occurred through a leadership contest, refer to the Leadership Contestant handbook for additional requirements.

### **Change in CFO**

When there is a change in CFO, the registered political party must immediately appoint another CFO and file a revised Political Party Registration and Change Notice Form (P-1) containing the name, address, and telephone number of the new CFO. [Act reference 33(3)]

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For a change in CFO, the revised form must be signed by the incoming and outgoing CFOs as well as the president (or equivalent).

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 political party;
- the complete supply of tax receipt forms provided by Elections Ontario (where an electronic database is not used to issue tax receipts); and
- a reconciliation of used and unused tax receipts (where an electronic database is not used to issue tax receipts) from the date the last financial statements were filed with Elections Ontario to the date the transfer of responsibility is effective.

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

### **Responsibility for notification**

The responsibility for notifying Elections Ontario of changes in registration information lies with the registered political party. Elections Ontario will rely and act on information submitted by the president or equivalent and CFO last on record with Elections Ontario.

### **Deregistration**

The following text explains the three types of deregistration that apply to a political party.

#### **Types of deregistration**

There are three types of deregistration of a registered political party:

- voluntary deregistration;
- discretionary deregistration; and
- mandatory deregistration.

#### **Voluntary deregistration**

A registered political party may address a request in writing to Elections Ontario to be deregistered. [Act reference 12(1)]

#### **Discretionary deregistration by Elections Ontario**

Elections Ontario may deregister a registered political party where:

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- the registered political party fails to immediately appoint a CFO or fails to inform Elections Ontario in writing within 30 days of any of the following changes in registration information:
  - the name of the leader of the political party;
  - the address of the place or places in Ontario where records of the political party are maintained and of the place in Ontario to which communications may be addressed;
  - the names of the principal officers of the political party;
  - the name of the chief financial officer of the political party;
  - the names of all persons authorized by the political party to accept contributions;
  - the name and address of every financial institution to be used by the political party as the depositories for contributions made to that political party;
  - the names of the political party signing officers responsible for each bank account;
- the CFO of the registered political party fails to file complete annual or campaign period financial statements;
- the leader of the registered political party fails to file the complete Annual Statement of Fundamental Purpose of a Political Party Form (P-2); or
- the registered political party fails, in Elections Ontario’s opinion, to participate in public affairs in accordance with its Statement of Fundamental Purpose.

[Act reference 12(2)]

For discretionary deregistration, the notice of proposal process is as follows:

- Elections Ontario will send notice of the proposal with written reasons to the registered political party by registered mail; [Act reference 12(3)]
- A registered political party that receives the above notice may, within 30 days after the notice is sent, make a written request to Elections Ontario to review the proposal; [Act reference 12(4.1)]

## Elections Ontario – CFO Handbook for Political Parties Registration

- On receiving the request, Elections Ontario must review the proposal and give the registered political party an opportunity to make representations to Elections Ontario; [Act reference 12(4.2)]
- Following the review, Elections Ontario may decide to withdraw the proposal or to carry it out, and must give written notice of the decision to the registered political party; and [Act reference 12(4.3)]
- If Elections Ontario does not receive a request for review from the registered political party within 30 days, the party will be deregistered.

### **Mandatory deregistration by Elections Ontario**

Elections Ontario will deregister a registered political party where fewer than two candidates are nominated by the party or its constituency associations at a general election.

Where a political party is deregistered, the registered constituency associations of such political party are thereby also deregistered. [Act reference 12(5)]

### **Consequences of deregistration**

The following text explains the consequences of a political party's deregistration.

#### **Filing requirements for a deregistered political party**

When a registered political party applies for voluntary deregistration or is deregistered, the CFO must file the following with Elections Ontario:

- financial statements for the current period up to the date of deregistration;
- for discretionary or mandatory deregistration, financial statements for all previous periods for which financial statements are outstanding; and
- for political parties where manual tax receipts are issued, all used and unused tax receipts.

[Act references 12(9), 25(2), 41 and 42]

#### **Political party's funds upon deregistration**

When a registered political party is deregistered, all its funds that are not required to pay outstanding debts must be paid to Elections Ontario, who will hold them in trust for the political party.

If the political party does not become reregistered within two years after its deregistration, the funds become the property of Elections Ontario. [Act reference 12(7)]

**Constituency associations of a political party**

When a political party is deregistered, all constituency associations of that political party will also be deregistered. [Act reference 12(5)]

Refer to the Constituency Association handbook for requirements upon deregistration.

**Reregistration for a deregistered political party**

A political party deregistered as a result of failure to meet financial statement reporting requirements may not apply for reregistration until all financial statements and supporting documentation up to the date of deregistration have been filed with and approved by Elections Ontario. To reregister, the political party must go through the entire registration process again, beginning from reserving a political party name. [Act reference 12(6)]

## Contributions

This section explains administering contributions: the sources, limits, types, and disclosure for a political party.

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

Contributions may only be made by individuals normally resident in Ontario using their own funds.

Contributions do not include:

- any money, goods or services solicited by or donated to a registered political party by a constituency association, leadership contestant, candidate, or nomination contestant not registered under the Act. [Act references 10(1), 11(1), 12.1(1), 13(2), and 14(1)];
- membership fees less than \$25, if the registered political party has opted not to include this fee amount as a contribution in their policies; and
- any goods produced, or services performed, for any registered political party, by voluntary labour.

For the purposes of contributions, voluntary labour is defined as any service provided free of charge by a person outside their working hours, but does not include such a service provided by a person who is self-employed and the service is one that is normally charged for by that person.

In any calendar year all the goods and services contributed by a person and having an aggregate value of \$100 or less, may not be considered as a contribution, at the option of the person providing the goods or services.

Refer to the Goods and services section under Non-monetary contributions.

### Eligible contributions

Only contributions solicited for the purposes of the *Election Finances Act* will be considered to be a contribution. Purposes of the Act are interpreted by Elections Ontario 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. Contributions may only be made by individuals normally resident in Ontario using their own funds. [Act reference 19(1)]

Refer to the section on Fund-raising events for guidance on contributions received from fund-raising events.

## **Literature and communication used to solicit contributions**

All literature and communication used to solicit contributions by or on behalf of a registered political party must clearly identify the political party receiving the contribution.

## **Sources of contributions**

The following text explains sources of political contributions.

### **Eligible contributors**

Contributions may be made to a registered political party at any time 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; or
- a deceased person's estate.

Contributions from an affiliated political organization are considered eligible (refer to the section below). [Act references 16(1), 16(4) and 29(1)]

No registered political party shall accept a contribution made in contravention of the above.

### **Certain contributions by estate**

An estate may make contributions to a political party, and for the purposes of those contributions, the estate is deemed to be one person.

### **Contributions from trade unions, corporations, unincorporated associations, and organizations**

Contributions to a political party registered under the Act through any trade union, corporation, unincorporated association or organization are not permitted.

### **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)]

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 political party 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)]

#### **Example:**

If a person purchases a ticket or multiple tickets to a fundraising event, that person must pay for the ticket(s) from their own funds and not be reimbursed for that payment. That person is deemed to be the contributor. The maximum contribution limit applies.

Refer to the section on Fund-raising events for guidance on contributions received from fund-raising events.

### **Ineligible contributions**

The following text explains ineligible contributors, and anonymous and conditional contributions.

#### **Ineligible contributors**

No registered political party may directly or indirectly knowingly accept contributions from an ineligible contributor. [Act reference 29(1)]

Ineligible contributors to a registered political party include, but are not limited to:

- any source outside Ontario;
- registered charities;
- any corporation or trade union;
- any person normally resident outside Ontario;

## Elections Ontario – CFO Handbook for Political Parties Contributions

- members of the House of Commons living in Ontario but representing an electoral district outside Ontario;
- federal constituency associations; and
- political parties or constituency associations from other provinces.

### **Anonymous contributions**

A registered political party must not accept anonymous contributions.

A registered political party must return anonymous contributions to the contributor. If the contributor cannot be identified, the funds must be paid to Elections Ontario. [Act reference 17(2)]

### **Conditional contributions**

A registered political party may accept directed contributions so long as they are for the general or specific purposes of the registered political party.

#### **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 political party and held in Ontario; this is an acceptable contribution.

However, a registered political party 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 political party such that the contribution limit of the political party 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 political party 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 contributor cannot donate \$200 on the condition that the recipient purchase a bicycle using those funds to give to the contributor.

**Contribution limits**

There are limits on contributions that may be accepted by a registered political party. All eligible contributors to a registered political party 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 political party or person acting on its behalf may knowingly accept any contributions in excess of the limits imposed by the *Election Finances Act*. [Act reference 18(1)]

In the 2025 calendar year, a person can contribute up to a limit of \$3,400.

Should the contribution limit be exceeded in any year, the amount of the excess contribution must be returned to the contributor or, if it cannot be returned, then remitted to Elections Ontario. [Act reference 17(2)]

**2025 Contribution Limits to Political Parties**

Source	Period	Contribution Limit	Recipients Included in the Limit
Individual contributor using own funds	Calendar year (including all campaign periods in that year)	\$3,400	Individual political party

**Example:**

An individual contributor may contribute an amount up to \$3,400 to an individual political party. In 2025, Brigitte can contribute \$3,400 to each political party registered in Ontario.

**Forms of contributions**

The following text explains the two forms of contributions: monetary and non-monetary.

### **Monetary contributions**

A monetary contribution to a registered political party of up to \$25 may be given in cash. Any monetary contribution of more than \$25 shall not be contributed through cash. Such contributions 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, E-transfer, money order signed by the contributor, debit card, or online payment (e.g. PayPal). [Act reference 16(2)]

Crowdfunding, or crowdsourcing, through the internet for contributions is also permitted, provided that the proceeds are accompanied by information that allows the CFO to trace and track contributions from individual donors. If for any reason a CFO cannot facilitate the collection of this information for crowd-funded proceeds, then it should not accept contributions through these means. Contributions must be from eligible contributors, using their own funds, and within the contribution limits.

Where there is a processing fee, the full amount sent by a contributor is the contribution amount and the processing fee is an expense.

### **Non-monetary contributions**

The following text explains non-monetary contributions: cryptocurrency and goods and services.

#### **Cryptocurrency**

Contributions in the form of cryptocurrencies are considered to be non-monetary contributions.

Contributions of cryptocurrency are permitted, provided that they are accompanied by information that allows the CFO to trace and track the individual donor. Contributions must be from eligible contributors, using their own funds, and within the contribution limits.

The amount of contribution to be recorded is the commercial value of the cryptocurrency in Canadian dollars at the time that it was received, based on the actual exchange rate or the rate on a major exchange platform. The amount of the contribution should be recorded as a contribution of goods and services, with an offsetting Other Assets account on the Statement of Assets and Liabilities. Any transaction fees incurred should be recorded as an expense.

#### **Goods and services**

All goods or services provided by an individual are considered a contribution with an offsetting expense if their annual total value is more than \$100. If the

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annual 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.

An exception, where goods and services are not considered to be a contribution, is when goods and services are produced by voluntary labour, which are not paid for by the registered political party. [Act reference 1(1)]

Refer to the section on ‘voluntary labour’ in Non-Contribution Income.

### Examples:

- Rahul brought pizza totaling \$30 to the political party’s meeting held in August 2025. Since the fair market value of the pizza is less than \$100, the CFO of the political party must ask Rahul if he would like to treat the donation of pizza as a contribution, for which Rahul would be issued a tax receipt for goods and services. Rahul does not want the pizza to be considered a contribution.

Rahul also shows up at another meeting in September 2025 with pizza totaling \$40 for which he also does not treat as a contribution.

In October 2025, Rahul purchases office supplies totaling \$40 for the political party. Rahul has now provided goods totaling \$110 for the political party. The CFO for the political party must now inform Rahul that his donations of pizza and office supplies has exceeded the \$100 threshold and the total \$110 must now be considered a contribution of goods and services and a tax receipt for \$110 will be issued to Rahul.

- Suyin is a bookkeeper who provides bookkeeping services to ABCD political party in 2025. The fair market value of her services is \$400 for the year. Since the fair market value exceeds \$100 for that year, the CFO for ABCD political party must consider Suyin’s bookkeeping services as a contribution of goods and services and a tax receipt for \$400 will be issued to Suyin.

The following is the exception, and is not considered a contribution:

- goods produced by voluntary labour which are not paid for by the registered political party. [Act reference 1(1)]

### **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 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 time by any other person providing similar goods on a commercial retail basis or similar services on a commercial basis in the same market area. [Act reference 21(1)]

If the goods and services contributed has an aggregate fair market value of \$100 or less, the contributor has the option to not have it considered as a contribution.

### **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)]

However, the rules regarding the eligibility of contributors still apply.

### **Payment of suppliers**

All suppliers must be paid promptly within the normal credit terms as provided by the supplier. Any delay in payment may also be considered an ineligible contribution or an ineligible loan.

### **Supporting documentation for goods and services**

All contributions of goods and services must be supported by an invoice, statement of account, or receipt from the supplier of the goods and services. [Act reference 38(7)]

### **Fees for certain meetings may be considered a contribution**

Funds given to a registered political party or constituency association covering fees for meetings, seminars, workshops or conferences, provided that such events are sponsored by the political party or constituency association, and are held in Ontario, may be considered a contribution and are eligible for a tax receipt subject to the maximum contribution limit.

Attendance at such events is considered to be part of the Ontario political process and, therefore, such contributions are accepted for the purposes set

forth in the *Election Finances Act*. Where the registration fee includes hotel, meal and travel costs, the entire amount of the fee may be considered to be a contribution subject to the maximum contribution limit.

## **Administering contributions**

The following text explains accepting, recording, receipting, and returning contributions.

### **Accepting contributions**

The following text explains accepting and depositing contributions.

#### **Deposit of contributions**

A political party may accept contributions only if it is registered with Elections Ontario.

Contributions will be considered accepted:

- if paid by cash, cheque, E-transfer, cryptocurrency (e.g. Bitcoin), money order, or debit card, at the time the contributions are deposited in the financial institution on record with Elections Ontario; or
- if paid by credit card, online payment (e.g. 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 political party must be deposited. [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 Political Party Registration and Change Notice Form (P-1) filed with Elections Ontario 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.

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 Elections Ontario, along with a list of the names and addresses of the contributors and the amounts of their individual contributions.

### **Recording of contributions**

All contributions accepted on behalf of a registered political party must be recorded by the CFO.

The details of all contributors and contributions accepted on behalf of a registered political party during a campaign period relating to an election must be recorded separately from those accepted on behalf of the registered political party during the year excluding the campaign period. [Act reference 34(3)]

### **Use of an Elections Ontario-approved electronic database for recording contributions and issuing tax receipts**

If a registered political party 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 accepting, recording and disclosing contributions for the political party.

### **Receipting of contributions**

All contributions accepted by a registered political party must have a receipt issued by the CFO or other authorized persons on record with Elections Ontario.

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’s campaign.

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 political party must not be used for any purpose and must be paid to Elections Ontario. [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**

The following text explains the requirement to disclose contributions with filed financial statements and through the real-time disclosure of contributions.

### **Public disclosure**

It is recommended that contributors donating more than \$200 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 Elections Ontario on the Elections Ontario website. [Act reference 2(1)]

### **Reporting on financial statements**

All the recorded information for contributions during any year, except campaign contributions, must be reported with the annual financial statements to be filed with Elections Ontario.

All the recorded information for contributions specific to a campaign must be reported in the campaign period financial statement filed with Elections Ontario.

### **Real-time disclosure of contributions**

In addition to financial statement reporting, the CFO of a registered political party must report contributor information for any total monetary contributions that in aggregate exceed \$200 from a single source within a reporting period to Elections Ontario within 15 business days of deposit. The 15-day count does not include Saturdays, Sundays, and public holidays as defined in the *Employment Standards Act*. The current public holidays are New Year’s Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour

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Day, Thanksgiving Day, Christmas Day and Boxing Day. [Act references 34.1(3) and 34.1(5)]

### **Example:**

A contribution subject to disclosure is deposited on a Monday; the reporting of that contribution is due by the third following Monday, assuming there are no public holidays during the period.

A CFO of a registered political party can complete a Submission Authorization by Chief Financial Officer – Disclosure of Contributions (DC-1) which allows designates to prepare and submit the real-time disclosure files to Elections Ontario on behalf of the CFO. However, the CFO must still take full responsibility for all information submitted by a designate.

The contributor information to be disclosed in the report must include:

- political entity identifier as assigned by Elections Ontario;
- entity CFO name;
- contribution year;
- contribution period identifier;
- contributor last name;
- contributor first name;
- acceptance/deposit date;
- contribution amount;
- aggregated amount of monetary contributions by the contributor; and
- party-assigned contributor ID (only applies to parties using Elections Ontario approved electronic databases).

The disclosure report must be filed in either pipe (|) delimited text (\*.txt) or comma separated values (\*.csv) formats as prescribed by Elections Ontario. The file must be named as: “<Contribution Year>\_RTD\_<Party ID>\_MMDDYYYYHHMM” [month, day, year, hour, minute].

The file should be electronically submitted to the dedicated Elections Ontario email address ([eFinContributions@elections.on.ca](mailto:eFinContributions@elections.on.ca)).

Within 2 business days after the contribution report is filed by a registered political party, Elections Ontario must ensure that the report or the

information it contains is published on the Elections Ontario website for public transparency. [Act reference 34.1(4)]

If a CFO is made aware that information submitted as part of the real-time disclosure reports is incorrect or represents ineligible contributions, the information can be amended by signing and submitting an Amendment Certification by Chief Financial Officer – Disclosure of Contributions Form (DC-1A) to Elections Ontario.

If a person knowingly contravenes the reporting requirements contained in subsection 34.1, this may be an offence under the *Election Finances Act*. [Act reference 46.1]

### **Real-Time disclosure escalation process**

Elections Ontario’s publication of its regulated stakeholders’ disclosure of political contributions plays an important role in the democratic process and also in the provision of up to date and accurate information to all who have an interest in accessing it. The *Election Finances Act* places a duty on Elections Ontario to publish this information, and on regulated stakeholders to provide it in a timely manner.

On December 1, 2016, Elections Ontario introduced stricter enforcement measures to raise stakeholder compliance standards and to foster a culture of compliance. This will ensure that up to date and accurate information on political contributions to Ontario’s political parties and party leadership contestants is consistently available to all.

### **The requirements of the *Election Finances Act***

Subsection 34.1(3) of the *Election Finances Act* requires that:

*“Within 15 days after the contribution is deposited in accordance with subsection 16 (3)\*, the chief financial officer of the political party or leadership contestant shall file with the Chief Electoral Officer a report about the contribution”.*

\*The aforementioned subsection 16(3) of the Act relates to the requirement that all money accepted by or on behalf of a political party, constituency association, candidate or leadership contestant registered under the Act shall be paid into the appropriate depository on record with Elections Ontario.

Section 46.1 of the Act sets out the penalties upon conviction for an infraction of subsection 34.1(3) as follows:

*“If the chief financial officer of a party or leadership contestant registered under this Act knowingly contravenes subsection 34.1 (3),*

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*(a) the chief financial officer is guilty of an offence and on conviction is liable to a fine of not more than \$5,000; and*

*(b) the party or leadership contestant is also guilty of an offence and on conviction is liable to a fine of not more than double the amount of the contribution with respect to which no report was filed”.*

**The Escalation Process**

Elections Ontario accepts that chief financial officers are of varying levels of experience and that there will be occasions when it may be appropriate for minor instances of non-compliance to be dealt with less formally. For that reason, a level of tolerance has been built into our escalation process. Our process consists of a two-part framework, which covers both late filing and unexplained inaccurate filing, as detailed below.

It is important to note that all instances of non-compliance will be assessed with regards to the time delay in disclosure and also in relation to the monetary value of undisclosed contributions. It is possible that the first or second instance of non-compliance may be of sufficient gravity to cause immediate escalation to the ultimate level of the process.

**The Escalation Process in relation to Late Disclosure**

<p><b>1. First instance of non-compliance*</b></p>	<p>Elections Ontario will request an explanation and remind the CFO of the legal requirement to comply with the Act.</p>
<p><b>2. Second instance of non-compliance (in the same reporting period)*</b></p>	<p>Elections Ontario will issue a request for explanation, pointing out that this is the second instance of non-compliance and that subsequent infractions may result in consideration for reporting the matter to the Ministry of the Attorney General as an apparent contravention.</p>
<p><b>3. Third instance of non-compliance (in the same reporting period)*</b></p>	<p>Elections Ontario will request a submission as to why the CFO and party or contestant should not be reported to the Ministry of the Attorney General for an apparent contravention of the Act. Any submission subsequently provided and details of the previous instances of non-compliance will be considered by Elections Ontario.</p>

\* All instances of non-compliance will be assessed with regards to the time delay in disclosure and also in relation to the monetary value of undisclosed

contributions, and consideration for reporting to the Ministry of the Attorney General may take place at any stage.

**The Escalation Process in relation to Unexplained Inaccurate Disclosure**

<p><b>1. Questionable disclosure identified on review of financial statements*</b></p>	<p>Elections Ontario will request a written explanation for any discrepancy with a 30-day response deadline.</p>
<p><b>2. 30 days elapse - CFO does not respond to initial letter*</b></p>	<p>A second letter will be sent, pointing out that failure to respond with an explanation may result in consideration for reporting the matter to the Ministry of the Attorney General as an apparent contravention. This letter will have a 30-day response deadline.</p>
<p><b>3. 30 days elapse - CFO does not respond to final letter*</b></p>	<p>Elections Ontario will request a submission as to why the CFO and party or contestant should not be reported to the Ministry of the Attorney General for an apparent contravention of the Act. Any submission subsequently provided and details of the previous instances of non-compliance will be considered by Elections Ontario.</p>

\* All instances of questionable disclosure will be assessed with regards to the monetary value of contributions erroneously reported, and consideration for reporting to the Ministry of the Attorney General may take place at any stage.

**Contributions accepted by a political party on behalf of a constituency association or candidate (agency contributions)**

The following text explains contributions accepted on behalf of a constituency association or candidate.

**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 constituency associations or candidates. These monetary contributions are referred to as “agency contributions”.

Agency contributions may be accepted on behalf of a registered candidate only during the campaign period.

No agency contributions may be accepted by a registered political party on behalf of a registered leadership contestant.

### **Prior to accepting any contributions on behalf of a constituency association or candidate**

Before contributions are accepted on behalf of any registered constituency association or candidate, a registered political party must establish a general trust account with a financial institution for all such contributions to be deposited and provide Elections Ontario with the name and address of the financial institution, and the names of the signing officers.

### **Accepting contributions on behalf of a constituency association or candidate**

Under no circumstances may a registered political party accept agency contributions as if they were for the benefit of the party itself. The agency contributions accepted on behalf of a particular registered constituency association or candidate must be receipted in the name of and remitted to the particular constituency association or candidate specified by the contributor.

Communication between the registered constituency association or candidate's campaign and the registered political party is essential to ensure that the political party is not inadvertently accepting a contribution that when combined with previous contributions in the relevant period exceeds the contribution limits for a constituency association or candidate.

### **Forwarding contributions to the constituency association or candidate**

The registered political party's CFO must forward promptly to the CFO of the registered constituency association or candidate on whose behalf the contributions have been accepted:

- the amount of the contribution;
- written instruction stating that the contributions remitted be recorded as contributions and reported to Elections Ontario; and
- written instruction specifying the applicable period in which the contribution must be reported.

The written instruction is required to help the auditor of the registered constituency association or candidate of the agency verify contributions received with party officials.

### **Recording of contributions accepted on behalf of a constituency association or candidate**

The registered political party's CFO must record full details of the agency contributions accepted and remitted to the CFO of the registered constituency association or candidate. Copies of these lists must be provided to Elections Ontario for:

- constituency association agency contributions, before the deadline date for the filing of the annual or campaign financial statements; and
- candidate agency contributions, as soon as possible following polling day to facilitate the examination of the candidate financial statements that must be filed by six months after polling day.

Without the registered political party's agency contribution records, candidate filings that reflect agency contributions received may not be cleared for the approval of Elections Ontario. This will result in a delay in the payment of any candidate campaign expense reimbursement.

### **Responsibility of CFO of constituency association or candidate**

The registered constituency association's or candidate's CFO must:

- ensure every agency contribution accepted by the constituency association's or candidate's party is recorded in the financial statements of the constituency association or 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 \$200, which is a part of the financial statements filed with Elections Ontario; 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 constituency association's or 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



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political party and reported as part of contributions received by the constituency association or candidate.

## **Tax Receipts**

This section explains obtaining and processing tax receipts for contributions to a political party.

In the case of political parties that are not using an Elections Ontario-approved electronic database, only tax receipt forms provided by Elections Ontario may be used for tax purposes. These must be obtained from Elections Ontario. The Elections Ontario copy of issued tax receipts, and all copies of cancelled and voided tax receipts must be submitted to Elections Ontario with the political party financial statements (Forms CR-4 and AR-10).

A tax receipt must be issued for every eligible contribution to a registered political party.

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

### **Use of an Elections Ontario-approved electronic database for recording contributions and issuing tax receipts**

If a registered political party is required or has chosen to use an electronic database for recording contributions and issuing tax receipts, refer to the Electronic Database section for details on the requirements for issuing electronic tax receipts.

### **Obtaining tax receipts**

Elections Ontario will supply blank tax receipts to the CFO of a registered political party upon request. Only the CFO or authorized persons on record with Elections Ontario may request blank tax receipts.

The request must be in writing and include the following information:

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

## Issuing tax receipts

The following text explains issuing tax receipts.

### Who can issue tax receipts?

Only CFOs or persons authorized to accept contributions on record with Elections Ontario 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.

Tax receipts must be issued promptly and submitted with the political party financial statements (Forms CR-4 and AR-10).

### Information on tax receipts

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

The image shows a sample tax receipt form from Elections Ontario. The form is pink and white, with a large diagonal line across it and the word "SPECIMEN" written in large letters. The form includes the following fields and text:

- Received / Reçu**
- Date accepted / Date de l'acceptation** (Day, Month, Year)
- Date issued / Date de l'émission** (Day, Month, Year)
- Amount received / Montant reçu** (XXXXXX)
- From / De** (Individual particulier, Monetary monétaire, Goods/Services/Advertising articles/services publicité)
- Signature of Chief Financial Officer / Signature du directeur de finances**
- Full Name - Individual / Mailing address / Nom complet du particulier / Adresse postale**
- CONTRIBUTOR'S COPY / COPIE DU DONATEUR**

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

- date of acceptance of contribution (date of deposit or transaction);
- date of issuance of tax receipt (date of writing or printing receipt);
- amount of contribution (a dollar sign (\$) must appear immediately to the left of the first digit);
- form of contribution (monetary or goods and services);
- full name and address of contributor;

## Tax Receipts

- name of issuing registered political party, constituency association, candidate, or leadership contestant; and
- 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 constituency association or candidate must be acknowledged by a receipt in the name of the particular constituency association or candidate as specified by the contributor.

Constituency association tax receipt forms must be used for contributions accepted on behalf of a registered constituency association, and candidate tax receipt forms must be used for contributions accepted on behalf of a registered candidate.

Elections Ontario must provide the registered political party's CFO with constituency association and candidate tax receipt forms upon request.

### **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 Elections Ontario.

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 political party to be submitted to Elections Ontario.

### **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 financial statements, the CFO of a registered political party must submit the following to Elections Ontario:

- for all valid issued tax receipts, Elections Ontario’s copy of the tax receipts;
- for cancelled tax receipts where the contributor’s copies were recovered, the contributor’s and Election Ontario’s copy of the tax receipts, both marked “cancelled”;
- for cancelled tax receipts where cancellation notices were issued, Elections Ontario’s copy of the tax receipts and a copy of the tax receipt cancellation notice;
- for voided tax receipts, the contributor’s and Election Ontario’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 Elections Ontario must be submitted only with the annual or campaign period financial statements unless requested otherwise.

## **Keeping tax receipts**

The registered political party’s CFO is responsible to Elections Ontario 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 Elections Ontario.

## **Returning tax receipts**

The unused supply of tax receipt forms of a registered political party must be returned to Elections Ontario upon deregistration.

## **Tax credits for individuals**

The tax credit discussed in this section is only for political contributions to registered Ontario political parties, constituency associations, leadership

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contestants and candidates. The tax credit is separate from the tax benefits available for contributions to federal political parties or charitable organizations.

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

If you need assistance, consult your tax adviser or the Canada Revenue Agency (CRA).

## **Elections Ontario-approved Electronic Database**

This section is to assist registered political parties that are required to, or choose to, use an electronic database for recording contributions and issuing tax receipts. [Act reference 25.1(1)]

**This section is only applicable to the following political parties:**

- Freedom Party of Ontario
- Green Party of Ontario;
- New Blue Party of Ontario;
- New Democratic Party of Ontario;
- Ontario Liberal Party;
- Ontario Libertarian Party;
- Ontario Party; and
- Progressive Conservative Party of Ontario.

## **Electronic database for recording contributions and issuing tax receipts**

The following text includes Elections Ontario’s requirement to provide guidelines to ensure the following:

- The information in the electronic database is accurate;
- The CFO of the registered political party can verify the information in the electronic database; and
- The information in the electronic database can be audited.

[Act references 25.2(1) and 25.2(2)]

## **Requirement for a party to use an electronic database**

After June 1, 2011, every registered political party with candidates in 50 percent or more of Ontario’s provincial electoral districts in the 2007 general election or in any subsequent general election:

- must use an electronic database for contributions made to the registered political party, its constituency associations, its candidates; and its leadership contestants.[Act reference 25.5]

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After June 1, 2011, any registered political party that has not met the 50 percent candidate threshold described above may choose to use an electronic database. [Act reference 25.4]

Elections Ontario must assess and approve any electronic database before it can be used by a registered political party for recording contributions and issuing tax receipts.

The following registered political parties are required to use an electronic database and their database has been approved by Elections Ontario:

- Freedom Party of Ontario
- Green Party of Ontario;
- New Blue Party of Ontario;
- New Democratic Party of Ontario;
- Ontario Liberal Party;
- Ontario Libertarian Party;
- Ontario Party; and
- Progressive Conservative Party of Ontario.

### **Opting in (Exemption, 50 per cent threshold)**

A registered political party may choose to opt in although they did not have candidates in 50 percent or more of Ontario's provincial electoral districts in the most recent general election. [Act reference 25.4(1)]

The CFO of the registered political party must give Elections Ontario written notice and the effective date of implementation.

The requirements for assessment and approval of the electronic database must be approved by Elections Ontario before it is launched. [Act reference 25.3]

Note: Once a registered political party has opted to use an electronic database for recording contributions and issuing receipts, it will not be permitted to subsequently opt out.

### **Assessment and approval of the electronic database**

The following text explains the assessment and approval required in order for a political party to use an electronic database for recording contributions and issuing tax receipts.



### **Initial assessment and approval**

The electronic database must be assessed and approved by Elections Ontario before it is used. The electronic database will be approved if it meets the requirements of the *Election Finances Act* and the requirements outlined in this section. [Act references 25.2(5) and 25.2(6)(a)]

The registered political party must apply with Elections Ontario to begin the assessment by writing to Elections Ontario.

After receiving the registered political party's application for assessment, Elections Ontario will need 20 business days to perform a site visit and apply the Electronic Database Evaluation Tool to determine if the requirements have been met by the electronic database. A copy of the Electronic Database Evaluation Tool may be obtained by the registered political party upon request from Elections Ontario for reference.

The registered political party must help the assessment by providing Elections Ontario with reasonable access to the information required.

If the registered political party's electronic database meets the requirements as outlined in the Electronic Database Evaluation Tool, the electronic database will be approved by Elections Ontario for use by the registered political party.

The electronic database will not be approved until all mandatory elements of the Electronic Database Evaluation Tool have been met. Any requirements outlined in this section are considered mandatory. The Electronic Database Evaluation Tool has several items for which the 'Not Applicable' section is not shaded; those items are not considered mandatory.

The registered political party may start generating electronic tax receipts from the electronic database for contributions accepted only after the effective date that Elections Ontario approved the electronic database for use. All contributions accepted before the effective date of implementation must have receipts issued from existing tax receipts provided by Elections Ontario, regardless of when the receipts are actually issued.

### **Assessment and approval for subsequent electronic database changes**

Any material changes to the electronic database require approval by Elections Ontario before being implemented in a production version of the system. [Act reference 25.2(6)(b)]

If the registered political party makes a change to the electronic database that affects the way in which the requirements as outlined in the Electronic Database Evaluation Tool are met, and the party is unsure if the change is

considered “material”, it is recommended that the political party consult with Elections Ontario. Elections Ontario will determine whether the change is to be considered a “material change” requiring a re-assessment and re-approval of the electronic database.

## **Compliance**

Elections Ontario will work with CFOs of registered political parties to ensure compliance with the electronic database requirements of the *Election Finances Act*. [Act reference 25.2(7)]

## **Role of the CFO**

At their discretion, the CFO may delegate the administrative duties for the electronic database to political party staff or volunteers. However, it is the CFO’s responsibility to ensure contributions are recorded and tax receipts are issued appropriately.

The registered political party’s CFO is not permitted to delegate their duties to a constituency association CFO, a candidate CFO, or a leadership contestant CFO.

## **Recording of contributions**

The following text explains the recording of contributions in a political party’s electronic database.

### **Recording of contributions to a political party**

The CFO must record all contributions received by the registered political party in the political party’s electronic database. [Act reference 25.1(2)]

Contribution information that must be recorded by the CFO includes:

- who the contribution was made to;
- contributor’s name and address;
- contribution type;
- contribution amount;
- date of contribution acceptance; and
- contribution year or reporting period.

### **Recording of contributions accepted by a political party on behalf of its constituency associations or candidates**

The CFO of a registered political party may accept contributions on behalf of its registered constituency associations or candidates if the registered political party:

- is authorized to accept agency contributions and follows the requirements for agency contributions (refer to the Contributions section for further details on requirements for accepting agency contributions); or
- has received from the constituency association or candidate:
  - o written authorization to accept contributions and deposit those contributions directly into their bank accounts; and
  - o the details of the contribution.

The contributions may be received directly from the contributor or sent from the CFO of the constituency association or candidate.

The CFO of the registered political party must record these contributions in the political party's electronic database.

### **Recording of contributions to a constituency association or candidate**

The CFO of a registered constituency association or candidate is responsible for ensuring all contributions received by the constituency association or candidate are recorded in the 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 references 25.1(3) and 25.1(4)]

If the CFO of the registered constituency association or 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 must verify all contribution information in the electronic database before issuing the tax receipts.

It is recommended that the registered political party set up enough internal controls and processes to allow for the review and approval of contribution information in the electronic database before issuing the tax receipts.

It is also recommended that CFOs of the registered political party's constituency associations, candidates and leadership contestants using the electronic database understand the processes and controls set up by the registered political party for recording contributions and issuing receipts.

The CFO of the registered political party must issue all tax receipts generated from the political party's electronic database, whether in paper or electronic form, for all contributions received by the registered political party, its constituency associations, its candidates and its leadership contestants. [Act reference 25.1(5)]

The CFO of the registered political party must issue tax receipts from the electronic database for both monetary, and goods and services contributions.

The CFOs of the registered political party's constituency associations, candidates and leadership contestants must not issue tax receipts for contributions. [Act reference 25.1(6)]

Elections Ontario may require the CFO of a registered political party to cease issuing tax receipts for contributions. As soon as the CFO receives notice to do so, they must stop issuing tax receipts for contributions. [Act reference 25.1(7)]

### **Contribution reporting to constituency associations, candidates, and leadership contestants**

The registered political party is required to provide contribution reporting to the CFO of each registered constituency association, candidate and leadership contestant to allow them to complete the required financial statements and for audit purposes (if applicable).

Contribution reporting must be provided to the CFO of each registered constituency association, candidate and leadership contestant:

- on a regular basis; or
- as requested by the CFO of a constituency association, candidate or leadership contestant.

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

Based on the contribution reporting provided by the registered political party, the CFO of the constituency association, candidate and/or leadership contestant must ensure all contributions received by the constituency

association, candidate, leadership contestant have been recorded in the political party's electronic database.

## **Required functions of the electronic database**

The following text explains the technical requirements for a political party's electronic database.

### **System**

The electronic database must allow relationships to exist between data entities to improve and increase the accuracy and integrity of the data being captured.

The following technologies meet the requirements for an electronic database: Microsoft SQL Server, Oracle, MySQL, and Microsoft Access.

Given the functional limitations of electronic spreadsheets (for example, their inability to provide audit trails, basic security structure, etc.), an electronic spreadsheet is not an acceptable solution for an electronic database.

The guidance provided by Elections Ontario describes only the required system capabilities for the central political party's electronic database. It does not determine how they must be put into place. Registered political parties are free to determine how the functionality is provided.

### **Security**

The electronic database must have controls over access to the system to protect the accuracy, completeness, and integrity of data. Specifically, it must allow:

- only users with an assigned username and password to access the system;
- new database users to be created;
- all users to be uniquely identified within the database;
- roles to be created (for example, CFO or auditor);
- roles to be assigned access to various system functions (for example, contributions, reports, or administration);
- roles to be assigned to electronic database users;
- a system administrator role to be assigned to one or more users;
- user accounts to be designated as inactive, disabling the user's account access; and

- users to change their passwords at their own discretion.

### **Transaction history (audit trail)**

The electronic database must provide an audit trail to allow tracing of all information from the source of each contribution to the tax receipt.

Specifically, the electronic database must:

- uniquely identify all transactions (for example, a unique transaction number associated with the transaction, or one or more fields that distinguishes the record from other records in the database); and
- record information on all transactions that are made within the database including:
  - o the creation of a new record;
  - o new value of a record being modified;
  - o old value of a record being modified;
  - o user who modified the record;
  - o date and time that the record was modified; and
  - o description of the task.

#### **Example:**

The contributor's name is Brigitte Martin, and she marries Rahul Lee and changes her name; her contributor record must be changed. The old value of the last name field is Martin, and the new value of the last name field is Lee.

For audit trail purposes, records must not be deleted from the electronic database, regardless of whether the tax receipt has been issued or if the contribution has been subsequently refunded. Records must be kept in the electronic database to meet Canada Revenue Agency requirements.

### **Accuracy**

The electronic database must be designed to enter, maintain, store, and report on records so that these records present a complete and accurate representation of the contribution activities for the registered political party, constituency association, and candidate.

In addition to the system access controls described above, it is recommended that the registered political party also consider putting into place the following types of system controls as provided in *Canada Revenue Agency's Information Circular (ICO5-1R1): Electronic Record Keeping*:

- input and output controls that ensure the accuracy and security of the information created, received and transmitted;
- processing controls that protect and ensure the integrity of the information processed by the system;
- back-up controls that guarantee the keeping of back-up copies of electronic records, computer programs, system documentation, and the recovery of electronic records in the case of system failure; and
- controls to ensure there is no accidental or intentional editing or deletion of recorded or completed transactions.

### **Information recorded in the electronic database**

Each contributor who makes a contribution must have their information recorded once in the electronic database in a contributor record.

The contributor record must, in turn, be associated to the contribution information in a contribution record that contains the data for the contribution that was made.

Each contributor record must:

- be uniquely identified in the database;
- identify the contributor's name:
  - o for individuals, the individual's first and last name (last name first); and
- identify the contributor's mailing address.

Each contribution record must:

- be uniquely identified in the database;
- identify the registered political party, constituency association, candidate, or leadership contestant for whom the contribution was made;
- identify if the contribution is an agency contribution;
- identify the type of contribution being made (monetary or goods and services);
- identify the amount of the contribution;

- o for an agency contribution, identify each of the amounts allocated to the registered political party, constituency association(s), and/or candidate(s);
- identify the day, month, and year that the contribution was accepted (deposited); and
- identify the contribution period as:
  - o annual (specifying year); or
  - o campaign period (specifying particular general election, by-election, or contest period).

### **Validation and controls within the electronic database**

The electronic database must provide a way for the registered political party, constituency association, candidate or leadership contestant to identify contributions and contributors that are non-compliant with the *Election Finances Act*. Specifically, the electronic database shall allow the party to identify:

- ineligible contributors as defined in the *Election Finances Act* along with any associated contribution records;
- contributors that are duplicated in the electronic database (for example, contributors that have similar names or similar addresses);
- contribution records that are duplicated in the electronic database (for example, records may have the same contributor, on the same date, for the same contribution amount, made to the same registered political party, constituency association candidate or leadership contestant); and
- contributors that may have exceeded the maximum contribution limits as defined in the *Election Finances Act*.

Flagged contributor records and contribution records must be resolved by an electronic database user.

The action taken by an electronic database user to resolve flagged contributor records and contribution records (for example, refunded, approved, disapproved) must be recorded.

### **Generating tax receipts from the electronic database**

The electronic database must allow generation of electronic tax receipts for all approved contribution records in the electronic database.



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The electronic database must allow tax receipts to be generated from the contribution record information stored in the electronic database.

The electronic database must record the contribution information that was used to create the tax receipt (tax receipt record). This is to comply with Canada Revenue Agency requirements that require a duplicate copy to be kept. Refer to the *Canada Revenue Agency Policy Statement (CPS-014): Computer-Generated Official Donation Receipts*.

Once a tax receipt has been generated, there must not be any changes to that tax receipt record.

For audit trail purposes, the electronic database must record the following for each tax receipt generated from the electronic database:

- the electronic database user’s identifier in order to determine the user who generated the tax receipt;
- the time, day, month, and year that the tax receipt was generated; and
- the contribution record(s) that was used to generate the tax receipt.

The registered political party must use a sequential numbering system to uniquely identify tax receipts issued for the registered political party, constituency associations, candidates, and leadership contestants. Based on this sequential numbering system, the electronic database must uniquely identify each tax receipt record.

Elections Ontario will not provide the unique sequential numbering system to the registered political party. It is up to the registered political party to develop its own sequential numbering system to uniquely identify the tax receipts issued.

The electronic database must generate tax receipts containing the following information:

- a statement that it is an “official receipt for income tax purposes”;
- the name of the registered political party, constituency association; candidate, or leadership contestant for whom the contribution was made;
- the date of acceptance of the contribution;
- the date the tax receipt was issued;
- the amount of the contribution;

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- the name and address of the contributor;
- the signature of an authorized person;
- a unique tax receipt identifier;
- the contribution type (monetary or goods and services); and
- the registered political party’s name (to appear on all tax receipts generated).

As long as the tax receipt captures all of the fields required as outlined above, Elections Ontario does not prescribe a specific layout for the tax receipts generated from the electronic database.

If the contributor has lost a tax receipt, the electronic database must be able to reprint the tax receipt. No information may be altered from the original tax receipt (including the tax receipt number) and the reprinted tax receipt must say “Copy”. The electronic database must have a way to identify the tax receipt as “lost” in the system.

If a tax receipt must be cancelled, the electronic database must be able to generate a Cancellation Notice and issue a new tax receipt if required. The new tax receipt must say “This cancels and replaces receipt # [insert the tax receipt number of the cancelled tax receipt]”. The electronic database must have a way to identify the original tax receipt as “cancelled” in the system.

The electronic database may allow generated electronic tax receipts to be emailed to a contributor. If a tax receipt is emailed to a contributor:

- the tax receipt shall be in a read-only or non-editable format. The recipient contributor must be able to only read and print the tax receipt in accordance with Canada Revenue Agency requirements. Refer to the *Canada Revenue Agency Policy Statement (CPS-014): Computer-Generated Official Donation Receipts*. Some examples of these formats include PDF, BMP, JPEG, and GIF; and
- the electronic database must contain the email address that is being used, which must be associated to the contributor.

It is recommended that registered political parties use an electronic signature. This means that the document is encrypted and signed with an electronic signature such as Entrust technology. Refer to the *Canada Revenue Agency Policy Statement (CPS-014): Computer-Generated Official Donation Receipts*.

## Reporting from the electronic database

The electronic database must allow reports to be generated from information that is stored in the electronic database.

The electronic database must provide sufficient security so that only authorized users are able to generate reports.

The electronic database must be able to provide Elections Ontario with the following reports:

- **A Tax Receipt Summary Report** that must:
  - list all contributions received by tax receipt number. The report must include tax receipts issued for the registered political party, its constituency associations, its candidates, and its leadership contestants; and
  - be generated by the registered political party and be submitted to Elections Ontario with the financial statements.
- **A List of Contributors Whose Contributions Totaled More than \$200 Report** that must:
  - be generated by the registered political party and submitted to Elections Ontario with the financial statements. This must be a separate report that accompanies the financial statements provided by the registered political party, its constituency associations, its candidates, and its leadership contestants.

The structure of the reports to be provided to Elections Ontario must comply with Elections Ontario's Contribution Reporting Technical Specifications. This can be obtained upon request to Elections Ontario.

Refer to the Contributions section for further details on real-time disclosure requirements.

## Electronic record keeping

It is recommended that registered political parties refer to *Canada Revenue Agency's Information Circular (ICO5-1R1): Electronic Record Keeping*. The circular covers topics such as retention of records, location of records, record keeping, electronic records management and imaging, business system documentation, audit trail, transaction integrity and security, inspections audits and examinations, etc.

### **Better-practice considerations for password policy**

The following are better-practice recommendations for password policy for registered political parties to consider implementing. This content has been obtained from Microsoft’s “Password Best Practices”:

- Enforce password history policy so that users may not use the same password when their password expires;
- Define a maximum password age policy so that passwords expire as often as necessary for your environment, typically, every 30 to 90 days;
- Define a minimum password age policy so that passwords may not be changed until they are more than a certain number of days old;
- Define a minimum password length policy so that passwords consist of at least a specified number of characters; and
- Enable a password complexity requirement so that new passwords are checked to ensure that they meet basic strong password requirements.

### **Better-practice considerations for performing backups**

The following are better-practice recommendations for performing backups for registered political parties to consider implementing. This content has been obtained from Microsoft’s “Best Practices for Backup”:

- Develop backup and restore strategies and test them;
- Train appropriate personnel;
- Back up all data on the system and boot volumes and the System State;
- Create an automated system recovery backup set;
- Create a backup log;
- Keep at least three copies of the media. Keep at least one copy off-site in a properly controlled environment;
- Perform a trial restoration periodically to confirm that files were properly backed up;
- Secure both the storage device and the backup media; and
- Back up your server cluster effectively.

## Non-Contribution Income

This section explains other forms of income that are not considered to be contributions.

In Ontario, other forms of income may be received by a registered political party and not considered to be a contribution. These include the non-contribution portion of proceeds from fund-raising, general collections at meetings, membership fees, goods and services not considered a contribution, transfers, interest income, candidates' and leadership contestants' surplus, and other income.

### Fund-raising events

Refer to the Political events section for rules and requirements on fund-raising events.

### Collection of money at meetings

Where funds are collected for a registered political party at a 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 Elections Ontario as part of the financial statements. [Act reference 24]

Only funds collected at 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.

### Annual membership fees below \$25

An annual membership fee paid for membership in a registered political party must be treated as a contribution unless:

- the total fee paid to the registered political party does not exceed \$25 per person; and
- the registered political party keeps a membership list indicating the amount, expiry date of membership and allocation of fees paid by each member.

[Act reference 30]

The registered political party must have a documented policy on how it will treat membership fees. It must be consistent in the amount charged for membership fees and whether fees under \$25 are to be treated as a contribution. The total amount of membership fees greater than \$25 must be treated as a contribution.

In the case of family memberships, the total family membership fee divided by the family members included in the fee must not exceed \$25 per person in order to not be considered a contribution.

Annual membership fees must be recorded and reported to Elections Ontario as part of the financial statements.

## **Goods and services supplied**

Goods and services provided to a registered political party as a contribution can only be provided by an eligible contributor (a person and not a corporation or trade union) and must be treated as a contribution unless the total value of all goods and services provided in a calendar year is \$100 or less, and the contributor 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 Elections Ontario as part of the financial statements. [Act reference 21(2)]

## **Voluntary labour**

Under the Act, “voluntary labour” is defined as any service provided free of charge by a person outside their working hours, but does not include such a service provided by a self-employed person if that service is normally charged for by that person. Any goods or services provided to any political party by voluntary labour is not considered as contribution under the Act.

Volunteer labour is work done on an individual’s own time for a function for which they do not ordinarily get paid.

If the contributor is in the business of supplying such goods and services, this cannot be voluntary labour and would be considered a contribution. The fair market value of the services provided must be shown as a contribution at fair market value. Fair market value is the lowest amount charged by the contributor for an equivalent amount of goods and services at the time and in the same market area.

## **Transfers**

The following text explains allowable and prohibited transfers applicable to a political party.

### **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]

### **Transfers between a political party and its leadership contestants**

A registered political party may transfer funds, goods, or services to and from its registered leadership contestants. These transactions will not be considered contributions.

### **Transfers between a political party and a federal political party**

A registered political party may receive funds from a registered federal political party only during a provincial campaign period and only up to \$100 for each registered candidate endorsed by that registered party. Such funds must be considered transfers and not contributions. [Act reference 20]

A registered political party may transfer funds to a registered federal political party only during a federal election and only up to \$100 for each candidate in a federal electoral district in Ontario who is endorsed as a candidate by that federal party. [Act reference 29(1.2)]

### **Prohibited transfers**

A registered political party must not directly or indirectly transfer funds to a constituency association, candidate, or leadership contestant not registered with Elections Ontario. Funds may not be transferred to registered or unregistered nomination contestants.

A registered political party 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(1.2)]

### **Recording of transfers**

The registered political party, constituency association, candidate, or leadership contestant 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 Elections Ontario as part of the financial statements.

The source and amount of funds, goods, or services transferred must be recorded by the registered political party'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 Elections Ontario as part of the financial statements.

## Candidates' and leadership contestants' surplus

For a registered candidate's campaign, any surplus remaining is to be transferred to the registered political party or constituency association endorsing the candidate. The amount of the surplus must be recorded as income by that political party or constituency association. [Act reference 44(5)(a)]

For a registered leadership contestant, any surplus remaining at the end of the second reporting period must be paid to the registered political party that held the leadership contest. The amount of the surplus must be recorded as income by that political party. [Act reference 42(5)]

Candidates' and leadership contestants' surplus must be recorded and reported to Elections Ontario as part of the financial statements.

## Quarterly allowances

Elections Ontario shall determine an allowance payable to each qualifying registered political party for each quarter of a calendar year starting from the year 2017 and ending at the end of the year 2026.

Refer to the Public Funding of Expenses section for additional information on quarterly allowances for political parties.

## 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, Elections Ontario 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



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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.

## Political Events

This section explains the two types of political events and other activities.

There are two types of political events:

- Fund-raising events
- Social events

### Fund-raising events

A “fund-raising event” means an event held for the purpose of raising funds for the party, constituency association, nomination contestant, candidate or leadership contestant registered under the Act by whom or on whose behalf the event is held, and where a charge by the sale of tickets or otherwise is made for attendance. Fund-raising events include activities such as dinners, dances, sporting events, shows, etc. for which an admission charge is paid. [Act reference 23(1)]

#### What is not a fund-raising event?

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

#### Promoting a fund-raising event

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

Any expenses incurred for advertising fund-raising events appearing in the six-month non-election period, which is the six-month period preceding the date of the issuance of the writs for a fixed date general election, are subject to the political advertising spending limit.

Any advertising of a fund-raising event appearing between the day the writ is issued and polling day, must comply with the blackout period rules. This advertising will be exempt from the campaign expense limit.

#### Mandatory posting of information on the political party website

Every political party with an Elections Ontario-approved electronic database must post the following information for fund-raising events held by or on behalf of the political party, its constituency associations and candidates on its website:

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- the date of the fund-raising event;
- the location of the fund-raising event;
- the amount of the charge for attending the fund-raising event; and
- the identity of the recipient or recipients of the funds to be raised at the fund-raising event.

The Chief Electoral Officer has directed that the posting of the name of the town or city in which a fund-raising event is to be held as the location of the event is sufficient to satisfy the requirements of this section of the Act.

The above information shall be posted at least three (3) days before the fund-raising event.

### **Sale of tickets to events**

The following are recommended for organizing ticket sales:

- have pre-numbered tickets printed for the event;
- 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.

#### **Example:**

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 \$30 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(2.1)]

**Example:**

A ticket for a dance is sold for \$100 per person and the per-person direct costs are \$20; therefore, the CFO has the discretion in advance to set the contribution portion to be between \$50 and \$80.

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.

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 event by purchasing a ticket at the cost of the direct expenses but no contribution can be made.

**Sale of advertising space**

Any amount paid for advertising at a fund-raising event must be considered a contribution. [Act reference 23(4)]

**Example:**

At a golf tournament, a sponsor (a person and not a corporation or trade union) may have paid for signs on the golf course or attached to golf carts. The full amount that the sponsor pays to the political entity for the signs displayed must be considered a contribution.

**Social events**

Social events are activities where the purpose 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 political entity.

Any amount charged at a social event is minimal and is just enough to cover the expenses of the activity. The gross (total) amount collected from social

events must be separately recorded and reported as part of the financial statements.

## Other activities

The following text explains auctions, and lotteries and games of chance in relation to a political entity.

### 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. Only eligible contributors (individuals using their own funds) may contribute items to 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 an event that is more than fair market value, must be considered a contribution. [Act reference 23(3)]

#### Example:

An auction is held to raise funds. Daniel donates a painting valued at \$130 that is bought by Rahul at the auction for \$350. Contributions recorded by the political entity are:

- from Daniel for \$130, as a goods and services contribution for the donation of the painting; and
- from Rahul for \$220, as a monetary contribution for the purchase of the painting, the contribution amount being the difference between the fair market 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.

### **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, contact the Alcohol and Gaming Commission of Ontario at 416-326-8700 or toll-free in Ontario at 1-800-522-2876.

## Loans and Guarantees

This section explains loans and guarantees secured for a political party.

A registered political party may borrow funds to assist in its operations. However, there are restrictions on the source of loans, guarantees, and collateral security.

### Borrowing sources

A registered political party may borrow funds only from:

- a financial institution; or
- a registered political party or constituency association in Ontario.

[Act reference 35(1)]

Financial institution means,

- a) a bank or authorized foreign bank within the meaning of section 2 of the *Bank Act* (Canada),
- b) a corporation registered under the *Loan and Trust Corporations Act*,
- c) a credit union within the meaning of the *Credit Unions and Caisses Populaires Act, 2020*, or
- d) a retail association as defined under the *Cooperative Credit Associations Act* (Canada).

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

#### 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.

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

### Financial institutions and market rate

A financial institution must not make a loan at a rate of interest below the applicable market rate charged by the financial institution for an equivalent amount at or about the time and in the market area where the loan is provided. [Act reference 35(6)]

## Timing of borrowing

A registered political party may borrow at any time as part of its ongoing regular operations.

## Guarantees and collateral security

A registered political party may receive support in the form of a guarantee or collateral security only from:

- an entity entitled to make a loan; or
- a person 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 political party. [Act reference 35(6.1)]

A guarantee is considered a contribution for the purposes of this Act, and contribution requirements and limits apply. But a guarantee is not receiptable until it is paid. Therefore, the limit on a guarantee for a new loan is \$3,400, which is applied to the guarantor’s annual contribution limit.

The table below provides an overview of how guarantees are capped in a similar way to contributions:

Example #	Value of Guarantee	Guarantee Limit	Number of Guarantors Required
1	\$3,400	\$3,400	1
2	\$34,000	\$3,400	10
3	\$340,000	\$3,400	100

## Loans as contributions

A financial institution must not waive the right to recover the loan, and a loan must not be made at an interest rate lower than the applicable market rate. [Act reference 35(7)]

If the borrower defaults on a loan, the financial obligation of the registered political party is transferred to the guarantor. Terms of repayment shall be reported to Elections Ontario.



## **Time limits – loans and guarantees**

Every political party that receives a loan must repay the loan in full no more than two years from the day that the loan is due according to its terms. [Act reference 35(9)]

No person shall guarantee the loan for a period longer than the applicable period of two years from the day that loan is due according to its terms. [Act reference 35(10)]

## **Reporting of loans**

Information regarding any borrowings must be reported to Elections Ontario as part of the 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

This section explains political advertising: the authorization requirements, the blackout period and survey restrictions.

Political party advertising is any political advertising that appears in the six months before a fixed date general election or during any election period and is placed by or on behalf of a registered political party.

The *Election Finances Act* imposes limits on political advertising by registered parties in the six months before a fixed date general election and during any election period. [Act reference 37.1]

### 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 its leader, 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.

Political advertising also includes advertising with respect to an issue of public policy during an election, for which one or more registered political parties or candidates may also have taken a position.

The Chief Electoral Officer considers the following criteria to determine if any advertising is political advertising:

- whether it is reasonable to conclude that the advertising was specifically planned to coincide with the period referred to in the Spending Limits section of the *Election Finances Act* (election period);
- whether the formatting or branding of the advertisement is similar to a registered political party's or registered candidate's formatting or branding or election material;
- whether the advertising makes reference to the election, election day, voting day, or similar terms;
- whether the advertisement makes reference to a registered political party or registered candidate either directly or indirectly;

- whether there is a material increase in the normal volume of advertising conducted by the person, organization, or entity;
- whether the advertising has historically occurred during the relevant time of the year;
- whether the advertising is consistent with previous advertising conducted by the person, organization, or entity;
- whether the advertising is within the normal parameters of promotion of a specific program or activity; and
- whether the content of the advertisement is similar to the political advertising of a party, constituency association, nomination contestant, candidate or leadership contestant registered under the Act.

## **What is not political advertising?**

Political Advertising does not include:

- the transmission to the public of an editorial, a debate, a speech, an interview, a column, a letter, a commentary or news;
- the distribution of a book, or the promotion of the sale of a book, for no less than its commercial value, if the book was planned to be made available to the public regardless of whether there was to be an election;
- communication in any form directly by a person, group, corporation or trade union to their members, employees or shareholders, as the case may be;
- the transmission by an individual, on a non-commercial basis on the Internet, of their personal political views; or
- the making of telephone calls to electors only to encourage them to vote.

Personal emails and similar personal communications on the Internet, mass or individual mailing, automated or individual telephone calls, and social media communications are generally not considered political advertising.

## **Authorization on political advertising**

All political advertising must name the registered political party authorizing the advertising.

No specific language is required for the authorization but it must be apparent what person or entity has caused the advertisement to appear and any other person or entity that has sponsored or paid for it.

An example of appropriate authorization wording is “Authorized by the XYZ entity”.

## **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**

The following text explains the blackout period related to political advertising.

### **Blackout period**

A blackout period is defined as, in any election, the polling day and the day before polling day. No registered political party may conduct paid commercial political advertising during a blackout period. [Act reference 37(2)]

Any media advertising of a fund-raising event 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.

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.

### **Exceptions to the blackout period**

The restrictions around the blackout period do not apply to an official Internet website of a registered political party, registered constituency association or registered candidate, or their authorized lawn signs, pamphlets, mass or individual mailings, automated or individual telephone calls, or social media communications.

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 political party. A broadcaster may similarly broadcast

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- 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; 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, mass or individual mailing, automated or individual telephone calls, and social media communications 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 or constituency associations;
- announcing services for electors that are offered by registered candidates 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 or political party and may include a picture of the candidate or the logo of the political party. 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 political party or opposing another candidate or political party, such as “Join the winning team”, “Work for continued good government”, “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 political party 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 a registered political party during the same period.

### **Restrictions 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 political party or candidate is associated. [Act reference 36.1(3)]

No registered political party 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)]

## Political Advertising Expenses

This section explains political advertising expenses and limits for a political party.

All expenses incurred by a registered party for political advertising purposes are to be recorded and reported on the relevant financial statements.

### Political advertising spending limit

For fixed date general elections, during the six-month period immediately before the issuance of a writ for a general election (the non-election period), a political party must not spend more than the indexed spending limit. For the year 2025, the indexed amount is \$1,257,000.

For information on the spending limit for a political party during an election period, see the Campaign expense limits section.

### No combination to exceed limit

No political party shall circumvent, or attempt to circumvent, the limits set out in the Act by acting in collusion with any third party.

### Examples of advertising expenses subject to the spending limit:

- paid commercial advertising on TV, radio, newspaper etc.,
- design and printing costs associated with the production of lawn signs and brochures,
- paid advertising on social media such as Facebook,
- no specific language is required for the authorization but it must be apparent what person or entity has caused the advertisement to appear and any other person or entity that has sponsored or paid for it, and
- costs associated with the production and promotion for the advertising of fund-raising events.

### Examples of advertising expenses not subject to the spending limit:

- costs associated with mass mailings to members/supporters appealing for contributions, and
- Facebook posts, Twitter tweets etc. where there is no charge, and
- personal emails and similar personal communications on the Internet, mass or individual mailing, automated or individual telephone calls,



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and social media communications are generally not considered political advertising.

## Campaign Expenses

This section explains campaign periods, and the related expenses and limits for a political party.

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

The following text explains the campaign expense limits for a political party.

The *Election Finances Act* sets limits on the amount that a registered political party may spend during a campaign. This is to help ensure that all have an equal chance of being elected.

### Campaign expense limit calculations

The total campaign expenses incurred by a registered political party and anyone acting on behalf of the registered political party during a campaign period must not exceed the amount determined by multiplying an indexed amount, currently at \$1.01, by the following amounts:

- for a general election, the number of electors in the electoral districts in which there are official candidates of the registered political party; or
- for a by-election, the number of electors in the electoral district where the by-election is held.

The indexed amount is determined by multiplying a fixed amount per the *Election Finances Act* by an indexation factor that is revised every year.

**Sample Campaign Expense Limits**

Number of Electors Entitled to Vote	Limits for Political Party
80,000	80,000 × \$1.01 = \$80,800
1,000,000	1,000,000 × \$1.01 = \$1,010,000

**Examples:**

- The number of electors entitled to vote in an electoral district during a by-election is 80,000, so this number must be multiplied by \$1.01 to determine a campaign expense limit of \$80,800.
- The number of electors entitled to vote in a general election is 1,000,000 and a party fielded candidates in these electoral districts, so this number must be multiplied by \$1.01 to determine a campaign expense limit of \$1,010,000.

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

**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 Elections Ontario after polling day.

[Act reference 38(3.2)]

Elections Ontario will provide the preliminary elector count to each registered political party to assist in preparing campaign budgets.

Following polling day and immediately after preparing the certified list of electors, Elections Ontario will notify each registered political party 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 political party’s campaign spending exceeds the campaign expense limit, any campaign expense reimbursement that the political party may be eligible for will be reduced by an amount equal to the overspending.

Refer to Public Funding of Expenses section for further details on the campaign expense reimbursement. [Act reference 38(4)]

In some cases, campaign spending above the campaign expense limit may also result in further penalties.

### **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 political party 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 not subject to the expense limit**

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 event;
- expenses incurred for “victory parties” held and “thank you” advertising published after polling day;
- expenses incurred relating to administration of the registered political party;
- 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;
- travel expenses; and
- other expenses not of partisan value that are set out in guidelines provided by Elections Ontario.

[Act reference 1(1)]

Campaign expenses include the value of any goods held in inventory or prepaid expenses for services for a registered political party, and any contribution of goods and services to the registered political party 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 on behalf of a registered candidate before a writ is issued must be examined to determine whether they must be accounted for as a campaign expense for the candidate 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**

The following text explains the treatment of campaign materials for a general or by-election.

### **Definition**

Elections Ontario 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.

In the case of inventory purchases made within one year of the writ, the invoice price must be used.

For inventory purchases made between the last election and one year before the call of the next election, the replacement cost must be used.

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 party's ability to produce its own signs or secure salvage materials, for example, to construct signs. Before the issue of a writ for an election, all expenses relating to a potential campaign must be collected in an inventory account by the registered political party.

In all instances, proper documentation must be prepared to support any opening inventory value.

### **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 the inventory account must be either considered a campaign period expense of the registered political party or transferred to a registered candidate's campaign. If the materials are transferred to a candidate's campaign, the political party must provide to the candidate 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**

The CFO of the registered political party 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 at the end of the campaign period must be transferred back to its registered constituency association or political party.

All reusable campaign materials remaining at the end of a campaign period must be valued and reported and must be included as part of the campaign expenses subject to limit. All inventory remaining at the end of a campaign period must be included at the start of any subsequent campaign.

## **Prepaid campaign expenses**

The following text explains the treatment of prepaid campaign expenses for a general or by-election.

### **Definition**

Elections Ontario 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.

The portion of the rent that applies to the period from the day the writ is issued to polling day must be calculated by pro-rating the total cost for the campaign expense period.

Prepaid campaign expenses do not include any expenses incurred in connection with the ongoing activities of the political party.

### **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. A corporation or union must not rent out a campaign office at a reduced rate.

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**

The following text explains the payment of expenses for a general or by-election.

### **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 political party 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 political party 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 financial statements to be filed with Elections Ontario.

## **Recording and reporting of campaign expenses**

The following text explains the recording and reporting of campaign expenses by a political party.

### **For a campaign period**

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 Elections Ontario with the campaign period financial statement.

In a campaign period, the value of inventory and prepaid campaign expenses must be included as part of the total campaign expenses. Any inventory and prepaid expenses remaining at the end of the period is included in total expenses, but is then deducted and shown as an adjustment to determine overall campaign surplus or deficit.



## Elections Ontario – CFO Handbook for Political Parties Campaign Expenses

Each campaign period financial statement must be accompanied by a detailed list supporting the total value of the items transferred into the registered political party's campaign accounts for each of the following:

- opening reusable campaign materials;
- prepaid campaign expenses; and
- current purchases of campaign materials.

In addition, the campaign period financial statement must provide a list of reusable campaign materials inventory at the close of the campaign.

### **For a period other than a campaign period**

At the end of a reporting period where a writ for an election has not been issued, the value of inventory of campaign materials and prepaid campaign expenses should be shown as an asset on the statement of assets and liabilities.

Annual financial statements must be accompanied by a detailed list supporting the total value of the items on the statement of assets and liabilities for each of the following:

- reusable campaign materials inventory;
- prepaid campaign expenses; and
- current purchases of campaign materials.

## Public Funding of Expenses

This section explains the publicly funded quarterly allowances, audit subsidy and campaign expense reimbursement for a political party.

Elections Ontario provides public funding for certain expenses:

- quarterly allowances;
- a subsidy for audit fees incurred by a registered political party; and
- reimbursement for campaign expenses incurred by a registered political party.

### Quarterly allowance

A quarterly allowance is determined for each eligible registered political party.

The payment of quarterly allowances ceases on December 31, 2026.

### Eligibility threshold

A party is eligible to receive a quarterly allowance if, in the last general election, it received:

- 2% of valid votes cast province wide, or
- 5% of valid votes cast in an electoral district where the party ran a candidate.

### Calculation of quarterly allowance

The allowance paid in each quarter is calculated by multiplying the quarterly rate for that year by the number of valid votes a party's candidates received in the previous general election. The quarterly rate is \$0.636.

### Audit subsidy

If an audit is required, Elections Ontario will subsidize the cost of auditors' services for the examination and reporting on the financial statements by paying a subsidy to the auditor of a registered political party. The amount of the subsidy is up to \$2,000 for a registered political party. [Act reference 40(7)]

### When is an audit required?

The CFO must file audited financial statements for reporting periods where at least \$10,000 in contributions was accepted or expenses of at least \$10,000 were incurred.

To receive the audit subsidy, if an audit is required by the Act, a CFO must include with the audited financial statements a copy of the auditor's invoice. If an audit is not required by the Act, Elections Ontario will not subsidize the cost of the audit.

The audit subsidy will be paid directly to the auditor, with the registered political party responsible for the remaining portion of the invoice.

Elections Ontario offers a Direct Deposit service for payment of audit subsidies to auditors appointed by political parties registered under the *Election Finances Act*. This process will allow our office to deposit the payment directly into the auditor's bank account instead of issuing a cheque. Contact the Compliance Division at [ElectFin@elections.on.ca](mailto:ElectFin@elections.on.ca) for more information.

## **Campaign expense reimbursement**

The following text explains the campaign expense reimbursement entitlement and payments for a political party.

### **Reimbursement of expenses**

A registered political party is entitled to be reimbursed by Elections Ontario in each electoral district where its registered candidates receive at least 15 percent of the popular vote. The popular vote is defined as the total valid ballots cast. [Act references 44(6) and 44(8)]

For each electoral district in which the registered political party is eligible for reimbursement, the amount of the reimbursement will be the lesser of the total campaign expenses incurred subject to the expense limit or the amount determined by multiplying 5¢ by the number of electors entitled to vote in that electoral district. [Act reference 44(6)]

Following polling day and immediately after preparing the certified list of electors, Elections Ontario will notify each registered political party'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.

### **Conditions for reimbursement**

A registered political party is not entitled to a reimbursement unless:

- the campaign period financial statement has been filed; and

- Elections Ontario is satisfied that the registered political party meets the requirements of the *Election Finances Act*.

[Act reference 44(7)]

### **Interim payment of reimbursement**

Elections Ontario may make an interim payment of up to 50 percent of a registered political party's reimbursement amount once Elections Ontario is satisfied with the financial statement and supporting documentation. [Act reference 44(7.1)]

### **Reduction of reimbursement**

If a registered political party's campaign spending exceeds the campaign expense limit, any campaign expense reimbursement that the political party may be eligible for will be reduced by an amount equal to the overspending. [Act reference 38(4)]

## Financial Statements

This section explains the requirement for and filing of financial statements for a registered political party, and the consequences for the failure to file.

Every registered political party must file financial statements annually and after each campaign period. The accounting policies and procedures used for the financial statements are prescribed by Elections Ontario for compliance with the *Election Finances Act*. The Act also requires Elections Ontario to examine and review all financial statements submitted. The review process is considered complete when our office sends the CFO an approval letter.

### When is an audit required?

The CFO must file audited financial statements for reporting periods where at least \$10,000 in contributions was accepted or expenses of at least \$10,000 were incurred.

To appoint an auditor, complete the Appointment of Auditor and Change Notice Form (AUD-1).

### Content and filing date

The following text explains the reporting periods, and required annual and campaign period filings for a registered political party.

#### Annual financial statements

The CFO of a registered political party must file signed, annual financial statements (Form AR-10) and supporting documentation with Elections Ontario on or before May 31 of the following year. The annual financial statements must include all activities for the calendar year ending December 31 other than those relating to an election occurring during a campaign period.

The annual financial statements include the following:

- registered political party information;
- certification by the 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 (if applicable);
- statement of assets and liabilities as of period end;
- statement of income and expenses for the annual period;

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- 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 (if applicable);
- supporting schedules for the following:
  - o borrowings and overdrafts;
  - o contributions and tax receipt form reconciliation;
  - o fund-raising events;
  - o social events and general collections at meetings;
  - o transfers;
  - o list of suppliers where current year expenditure exceeds \$1,000;
  - o inventory and prepaid expenses;
  - o campaign period income statement;
  - o list of accounts receivable;
  - o list of accounts payable;
  - o agency contributions accepted during the reporting period;
  - o candidates’ and leadership contestants’ surplus funds received and candidates’ deficits assumed; and
  - o a copy of all used tax receipts and cancellation notices.

[Act reference 41(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.

### **Campaign period financial statements**

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 political party must file a signed, campaign period financial statement (Form CR-4) and supporting documentation with Elections Ontario within six (6) months after polling day. The campaign period

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financial statement must include all activities related to the election occurring in the campaign period.

The campaign period financial statement includes the following:

- registered political party information;
- certification by the CFO of the information reported in the financial statement;
- signed auditor’s report on the financial statement and a copy of the auditor’s invoice (if applicable);
- statement of income and expenses;
- notes to the financial statement and schedules of accounting policies and procedures used;
- signed auditor’s report on the supporting schedules of the financial statement (if applicable);
- supporting schedules for the following:
  - o borrowings and overdrafts;
  - o contributions and tax receipt form reconciliation;
  - o fund-raising events;
  - o social events and general collections at meetings;
  - o transfers;
  - o campaign period expenses, which consists of a list of suppliers where expenditures exceed \$1,000 and statement of disputed claims;
  - o inventory and prepaid expenses;
  - o list of accounts payable;
  - o calculation of political party campaign expense limit and reimbursement entitlement;
  - o agency contributions accepted during the reporting period; and
  - o a copy of all used tax receipts and cancellation notices.
- for fixed date general elections: Political Party 6 Months Pre-Writ Advertising Report (Form CR-PW).

[Act references 42(1) and 38.1]

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

Refer to the Form Completion Guide for directions on how to complete this financial statement.

### **Declaration for a by-election campaign period**

If a by-election is held where a registered political party does not receive contributions or make expenditures in relation to the by-election, the political party is not required to file a campaign period financial statement. However, the political party must then file a Party By-election Declaration Form (P-1A) stating that neither contributions were received nor expenditures made in relation to the by-election. [Act reference 42(3)]

### **Financial statements format**

A registered political party 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 Elections Ontario's forms.

### **Accounting methods to be followed**

The accounting methods set out below are prescribed by Elections Ontario 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.
- Securities:
    - o Bonds, stocks, and other securities owned must be valued at quoted market value on the date of the initial statement of assets and liabilities. Securities purchased after that must be valued at cost. When securities are sold, any resulting profit or loss (difference between carrying value and proceeds on sale) must be reflected in the statement of income and expenses.
  - Furniture and other equipment:
    - o 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 (if applicable)**

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 political party that may be necessary to issue the auditor's reports. [Act reference 40(4)]

### **Delivery of financial statements**

Elections Ontario 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.

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The Political Entity Portal (PEP) is an optional online filing tool that political parties can use to file their financial statements. All active key stakeholders who are affiliated to the registered political entity have access to the portal pending a brief sign-up activity. Contact us at [eFiling@elections.on.ca](mailto:eFiling@elections.on.ca) for more information on PEP.

### **Retention of records**

The financial records must be kept for a minimum of six (6) years as recommended by the Canada Revenue Agency (CRA).

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

### **Failure to file financial statements**

Where the CFO of a registered political party fails to file any part of the annual financial statements or campaign period financial statement, the political party may be subject to deregistration at the discretion of Elections Ontario. [Act reference 12(2)]

Refer to the Registration section for further information on steps taken upon discretionary deregistration by Elections Ontario.

If a person fails to file financial statements, this is an offence under the *Election Finances Act*. Under section 46 of the *Election Finances Act*, the chief financial officer may be subject, upon conviction, to a fine of up to \$5,000 and the political party may be subject, upon conviction, to a fine of \$50 for each day the default continues upon conviction.

## Administrative Penalties

This section explains penalties administered by the Chief Electoral Officer for certain contraventions of the Act.

The *Election Finances Act* was amended with the introduction of administrative monetary penalties on April 19, 2021. The payment of administrative penalties may be ordered by the Chief Electoral Officer for certain contraventions of the Act. [Act reference 45.1]

The Chief Electoral Officer is obligated by s. 2(1)(g) of the *Election Finances Act* to report to the Attorney General any apparent contravention of that Act. Payment of an administrative penalty by an entity or individual does not release the Chief Electoral Officer from this reporting obligation, and the default giving rise to the administrative penalty may be considered by the Ministry of the Attorney General for prosecution should the default continue.

If an administrative penalty applies to any area covered by this handbook the maximum amount of the penalty, which is specified by the Act, will be shown.

The application of administrative penalties and the amount of the penalty, subject to the legislated maximum, is entirely at the discretion of the Chief Electoral Officer. The Act sets out criteria that the Chief Electoral Officer must consider when deciding on an administrative penalty.

A person or entity who is served with an order to pay an administrative penalty may appeal the Chief Electoral Officer's decision by filing an application with the Superior Court of Justice within 30 days from the date the order was served.

If a person or entity who is required to pay an administrative penalty fails to comply with the requirement, the Chief Electoral Officer may file the order that requires payment with a local registrar of the Superior Court of Justice and the order may be enforced as if it were an order of the court.

## Applicable Administrative Penalties

The following administrative penalties are applicable to political parties.

- **Failure to report the name of an appointed or selected candidate to Elections Ontario.**  
Maximum penalty is \$1, 500 for individuals and \$5,000 for corporations or other entities.
- **Failure to include authorization on political advertising.**

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Maximum penalty is \$10,000 for individuals and \$100,000 for corporations or other entities.

- **Violation of the blackout period.**  
Maximum penalty is \$10,000 for individuals and \$100,000 for corporations or other entities.
- **Publishing or broadcasting previously unpublicized election survey results.**  
Maximum penalty is \$1,500 for individuals and \$5,000 for corporations or other entities.
- **Exceeding the campaign expense limits.**  
Maximum penalty is \$1,500 for individuals and \$5,000 for corporations or other entities.
- **Exceeding the advertising spending limits.**  
Maximum penalty is \$1,500 for individuals and \$5,000 for corporations or other entities.