

This document is Elections Canada's guideline: OGI 2016-04.

Political Financing Handbook for
**Registered Parties
and Chief Agents**

EC 20231

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About This Document

Introduction to the Political Financing Handbook for Registered Parties and Chief Agents

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

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

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

The handbook consists of four chapters:

1. Registering a Political Party
2. Roles and Responsibilities
3. Financial Administration
4. Reporting Requirements

What's new in this release?

Release	Where	Title	Summary
June 2016	All	n/a	Regular updates (dates, limits, formatting).
June 2016	All	n/a	Updates as per comments received on OGI's 2014-03, 2015-01, 2015-02 and 2015-06 from members of the Advisory Committee of Political Parties and the Commissioner of Canada Elections.
June 2016	All	n/a	References to OGI's added throughout the handbook as applicable.
June 2016	Chapter 3	Leadership and nomination contest finances	New section to discuss finances related to leadership and nomination contests.

Contact information

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

Tables and Reminders

The tables and reminders in this section are quick reference tools for the use of registered parties, chief agents and registered agents.

The section contains the following:

- Contribution limits summary
- Transfers – types and rules
- Reporting requirements
- Filing deadline extensions

Limits on contributions, loans and loan guarantees

Limits on contributions, loans and loan guarantees		
Political entity	2016 annual limit	Limit per election called between Jan. 1, 2016 and Dec. 31, 2016
To each registered party	\$1,525*	n/a
In total to all the registered associations, nomination contestants and candidates of each registered party	\$1,525*	n/a
In total to all leadership contestants in a particular contest	\$1,525*	n/a
To each independent candidate	n/a	\$1,525*
<p>Notes:</p> <ul style="list-style-type: none"> The contribution limits apply to: total contributions, the unpaid balance of loans made during the contribution period and the amount of any loan guarantees made during the contribution period that an individual is still liable for. The sum of these three amounts cannot at any time exceed the contribution limit. A nomination contestant is permitted to give an additional \$1,000 in total per contest in contributions, loans and loan guarantees to his or her own campaign. A candidate is permitted to give a total of \$5,000 in contributions, loans and loan guarantees to his or her campaign. A candidate is also permitted to give an additional \$1,525* in total per year in contributions, loans and loan guarantees to other candidates, registered associations and nomination contestants of each party. (This includes contributions to the registered association in the candidate's electoral district and contributions to the candidate's own nomination campaign.) A leadership contestant is permitted to give a total of \$25,000 in contributions, loans and loan guarantees to his or her campaign. A leadership contestant is also permitted to give an additional \$1,525* in total per year in contributions, loans and loan guarantees to other leadership contestants. <p>* The limits increase by \$25 on January 1st in each subsequent year.</p>		

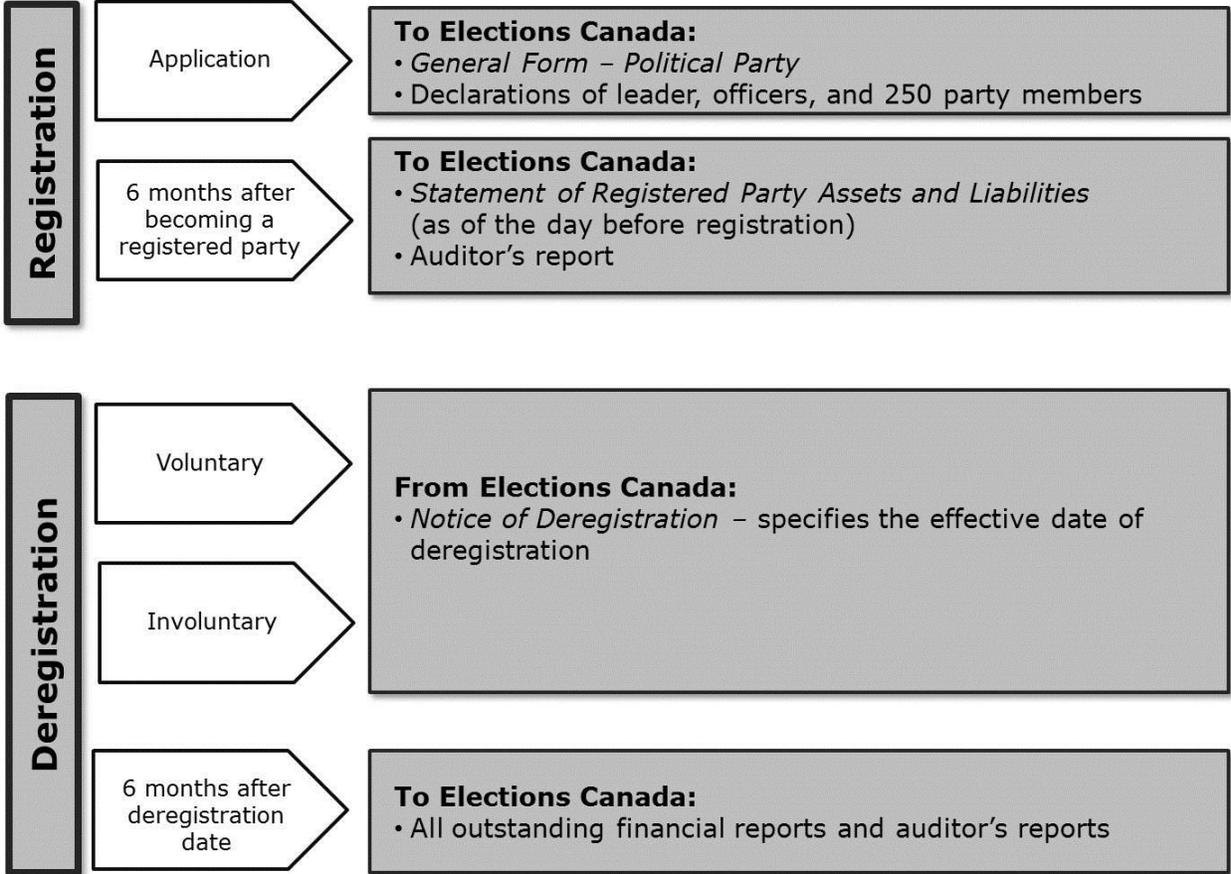
Transfers – types and rules

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

		TO									
		Nomination Contestant		Leadership Contestant		Candidate		Registered Electoral District Association		Registered Party	
		Monetary	Non-monetary	Monetary	Non-monetary	Monetary	Non-monetary	Monetary	Non-monetary	Monetary	Non-monetary
FROM	Nomination Contestant	No	No	No	No	Yes ¹	No	Yes ²	No	Yes	No
	Leadership Contestant	No	No	No	No	No	No	Yes	No	Yes	No
	Candidate	Yes ³	Yes ³	No	No	No	No	Yes	Yes	Yes	Yes
	Registered Electoral District Association	No	Yes ⁴	No	Yes ⁴	Yes ⁷	Yes	Yes	Yes	Yes	Yes
	Registered Party	No	Yes ⁴	No ⁵	Yes ⁴	Yes ⁷	Yes	Yes ⁶	Yes ⁶	N/A	N/A
¹ A nomination contestant may transfer funds (but not property or services) to a candidate of the same party in the electoral district in which the nomination contest was held.											
² A nomination contestant can only transfer funds to the registered electoral district association that held the nomination contest.											
³ Candidates may transfer property, services and funds to their own nomination contestant campaign for the same election.											
⁴ Non-monetary transfers must be offered equally to all contestants.											
⁵ Directed contributions are the only exception: they may be transferred to the leadership contestant.											
⁶ Registered parties may transfer property, services and funds to electoral district associations, whether registered or not.											
⁷ Monetary transfers other than trust funds are allowed. After election day, monetary transfers are allowed only to pay claims and loans related to the candidate's campaign.											

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

Reporting requirements



Reporting requirements (cont.)

Reports to be submitted	30 days after change of registry information	To Elections Canada: <ul style="list-style-type: none"> Report change of registry information including change of leader or appointment of officers and registered agents
	June 30 every third year (starting from 2016)	To Elections Canada: <ul style="list-style-type: none"> <i>General Form – Political Party</i> (declarations of 250 members of a registered party or an eligible party)
	30 days after the period it relates to	To Elections Canada: <ul style="list-style-type: none"> <i>Registered Party Financial Transactions Quarterly Return*</i>
	June 30 every year	To the Canada Revenue Agency (CRA): <ul style="list-style-type: none"> <i>Contributions to a Registered Party or to a Registered Association – Information Return</i> To Elections Canada: <ul style="list-style-type: none"> <i>Declaration of the leader of a political party</i> Provide annual statement of registry information <i>Registered Party Financial Transactions Annual Return</i> Auditor's report
	Within 10 days after a general election is called	To Elections Canada: <ul style="list-style-type: none"> Report change or confirm the validity of registry information Report names of designated representatives
	8 months after election day	To Elections Canada: <ul style="list-style-type: none"> <i>Registered Party Return in Respect of General Election Expenses</i> Auditor's report
	30 days after a nomination contest held by the party	To Elections Canada: <ul style="list-style-type: none"> <i>General Form – Nomination Contest</i>
	Send to leadership contestant with transferred funds	To leadership contestants: <ul style="list-style-type: none"> <i>Statement of Directed Contributions Received and Transferred to a Leadership Contestant</i>

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

Filing deadline extensions

Registered party reports – extension requests			
Document to submit	Extension from Elections Canada	Additional extension from Elections Canada	Extension from a judge
<i>Registered Party Financial Transactions Annual Return</i>	Yes	No	Yes
<i>Registered Party Return in Respect of General Election Expenses</i>	Yes	No	Yes
Corrected or revised <i>Registered Party Financial Transactions Annual Return</i> requested by the registered party	Yes	Yes	No
Corrected or revised <i>Registered Party Return in Respect of General Election Expenses</i> requested by the registered party	Yes	Yes	No
Corrected or revised <i>Registered Party Financial Transactions Annual Return</i> requested by Elections Canada	No	No	No*
Corrected or revised <i>Registered Party Return in Respect of General Election Expenses</i> requested by Elections Canada	No	No	No*
*Corrections or revisions requested by Elections Canada are not eligible for extensions and must be filed within the specified period. However, the chief agent can apply to a judge to be relieved of the obligation of complying with the request.			

This chapter covers the following topics:

- 1.1 *The registration process*
- 1.2 *Deregistration*
- 1.3 *Merger of registered parties*

Introduction

This chapter focuses on the process of becoming a registered political party. The chapter also explains the reasons for and consequences of deregistration, and the consequences of party mergers.

1.1 The registration process

Definition

A political party is an organization whose fundamental purpose is to participate in public affairs by endorsing one or more of its members as candidates and supporting their election.

The *Canada Elections Act* differentiates between the following:

- Eligible party – a political party that has fulfilled the requirements for registration but has yet to endorse a candidate in an election in order to become a registered party
- Registered party – a political party that is entered as a registered party in the Registry of Political Parties maintained by Elections Canada
- Deregistered party – a party that has been deregistered under the *Canada Elections Act*

Registering with Elections Canada

A political party has to apply to register with Elections Canada to participate in a federal election and qualify for certain rights and benefits.

The application to register must include the following:

- the full name of the political party
- the short-form name of the party or its abbreviation, if any, that is to be shown in election documents
- the party's logo, if any
- the name and address of the leader of the party and a copy of the party's resolution to appoint the leader, certified by the leader and another officer of the party
- the address of the party office where records are kept and to which communications may be addressed
- the names and addresses of the officers of the party and their signed consent to act
- the name and address of the party's auditor and his or her signed consent to act
- the name and address of the party's chief agent and his or her signed consent to act
- the names and addresses of a minimum of 250 electors and their declarations in the prescribed form that they are members of the party and support the party's application for registration
- the leader's declaration in the prescribed form that one of the party's fundamental purposes is to participate in public affairs by endorsing one or more of its members as candidates and supporting their election

Verifying the information

When Elections Canada receives an application for registration, the Registrar of Political Parties verifies the information provided by the party members listed on the application.

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

Eligibility for registration

A political party becomes eligible for registration if:

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

Elections Canada will determine whether the political party is eligible for registration and inform the leader of the party:

- If all requirements are met, Elections Canada informs the party that it is eligible to become registered.
- If the requirements are not met, Elections Canada informs the party which requirements have not been met.

An eligible party becomes a registered party when:

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

Note: An eligible party that makes an application after the 60-day deadline becomes a registered party for the next general election or by-election if it satisfies the requirements for registration.

Elections Canada notifies the leader of an eligible party after the closure of nominations:

- if the party has been registered, or
- if the party has lost its eligibility for registration

From a political financing perspective, an eligible party that becomes registered is deemed to have been registered from the day the general election or by-election was called.

Registry of Political Parties

The registered status of a party is maintained in the *Registry of Political Parties* for as long as the party meets the requirements of the law to maintain that status. The party does not need to reapply at each general election.

Benefits of being a registered party

Being registered means that the party may:

- include the short-form name or abbreviation of the party's name on ballots under the name of the confirmed candidates endorsed by the party
- issue receipts valid for income tax purposes
- be eligible for a reimbursement of paid election expenses after a general election
- purchase from broadcasters an allocated amount of prime broadcasting time in a general election
- provide the returning officer with names of suitable persons to act as election officers
- obtain from Elections Canada, by November 15th of each year, the updated voters lists in electoral districts where its candidates ran in the last general election
- transfer funds or property or services to a candidate endorsed by the registered party or to a registered association of the party without being subject to restrictions on contributions
- accept surplus funds from a candidate, leadership contestant or nomination contestant
- register electoral district associations

Note: A registered party may not have more than one registered association in an electoral district.

Obligations after registration

Establish a fiscal year

The fiscal year of a registered party must be a calendar year. Depending on the date of the registration, the party must modify the length of its first fiscal period so that it ends on December 31. The first fiscal period may not be less than six months or more than 18 months.

Examples

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

Reporting obligations

Registered and eligible parties must meet various reporting obligations. These include the following:

- Notify Elections Canada about changes in the party's registry information within 30 days after a change.
- Confirm the validity of the registry information or report changes annually.
- Within 10 days after a general election is called: confirm the validity of the registry information or report changes, and list the party's designated representatives for the purpose of endorsing candidates at the election.
- Provide Elections Canada with the names and addresses and declarations of 250 party members every third year.
- Provide a declaration by the party's leader annually.

The following reporting obligations apply to registered parties only:

- Within 30 days after the appointment, report the names and addresses of the party's registered agents, including the terms and conditions of the appointments.
- Within six months after becoming registered, report assets and liabilities as of the day before the date of registration, accompanied by an audit report and a declaration from the chief agent.
- Submit quarterly financial reports, accompanied by a declaration from the chief agent, if the candidates endorsed by the party received at least 2% of the valid votes cast at the most recent election, or 5% of the valid votes cast in the electoral districts where the party endorsed a candidate.
- Submit financial reports annually, accompanied by an audit report and a declaration from the chief agent.
- Report the party's election expenses after a general election, accompanied by an audit report and a declaration from the chief agent.
- Report in the annual financial report and in the quarterly reports (if applicable) any directed contributions received and transferred to leadership contestants.
- Send a statement of directed contributions to a leadership contestant campaign with the transfer.
- Report in the annual financial report any general election and by-election expenses.
- Report a nomination contest held by the party within one month after the contest. (Nomination contests held by electoral district associations have to be reported by the electoral district associations.)
- Notify Elections Canada about a leadership contest.

Note: Elections Canada may deregister a registered party if it fails to comply with reporting obligations. Similarly, an eligible party may lose its eligibility if it fails to comply with the reporting obligations.

For more about reporting obligations, see Chapter 4, **Reporting Requirements**.

Advisory Committee of Political Parties

The Advisory Committee of Political Parties was established to provide Elections Canada with advice and recommendations relating to elections and political financing. The Chief Electoral Officer presides over the committee.

The committee meets at least once per year and consists of two representatives per party.

Provincial or territorial divisions of a registered party

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

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

1.2 Deregistration

Introduction

Registered parties may be deregistered for several reasons. The party might ask to be deregistered, or the registered party may be deregistered for failing to perform an obligation required under the *Canada Elections Act*.

This section discusses the reasons for and consequences of deregistration.

Voluntary deregistration

The registered party may send a request to Elections Canada to become deregistered. The leader and two officers of the party have to sign the application.

Note: Elections Canada cannot deregister a party during an election period.

Involuntary deregistration

- Elections Canada will deregister a registered party if it fails to endorse a candidate in a general election.
- Elections Canada may deregister a registered party if it fails to submit reports or financial returns required by the *Canada Elections Act*.

If the registered party has failed to perform its obligations with respect to officers or members, Elections Canada notifies the party and requests that:

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

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

If the registered party has failed to perform its obligations with respect to reporting, Elections Canada notifies the party and requests that:

- within 5 days of receiving a notice about confirming the registry information during an election period, the party sends the required statement
- within 30 days of receiving a notice about a reporting omission, the party submits the required report
- the party satisfies Elections Canada that the omission was not the result of negligence or lack of good faith

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

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

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

Court-ordered deregistration

If a registered party, its chief agent or registered agent or one of its officers has been convicted of an offence under the *Canada Elections Act*, the court may order Elections Canada to deregister the party.

After a judicial application by the Commissioner of Canada Elections, should the court be satisfied that the party does not have as one of its fundamental purposes to participate in public affairs by endorsing one or more of its members as candidates and supporting their election, the court shall, by order, direct the Chief Electoral Officer to deregister the party.

Process of deregistration

If a registered party is deregistered, Elections Canada notifies the party and its registered associations in writing. The written notice contains the effective date of deregistration, which will be at least 15 days after the date of the notice.

Elections Canada enters the deregistration of the party in the *Registry of Political Parties* and publishes the notice of deregistration on its website and in the *Canada Gazette*.

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

Obligations after deregistration

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

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

A political party that is deregistered remains responsible for filing financial returns within six months after becoming deregistered. The financial returns have to cover:

- financial returns for the fiscal period in which it is deregistered and any other fiscal period for which the party has not filed a return
- any election expenses return not yet filed
- any audit reports, as required

1.3 Merger of registered parties

Application for merger

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

An application for merger must include:

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

After 30 days of receiving the application for a merger, Elections Canada updates the *Registry of Political Parties* if the following conditions are met:

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

Elections Canada then notifies the officers of the merging parties in writing and publishes the information about the merger in the *Canada Gazette*. The effective date of the merger is the day on which Elections Canada amends the *Registry of Political Parties*.

Consequences of merger

The following happens when two or more registered parties merge:

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

What happens with the registered associations of merging parties

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

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

Obligations after a merger

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

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

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

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

This chapter covers the following topics:

- 2.1 *Mandatory appointments*
- 2.2 *Optional appointments*

Introduction

A political party must appoint a leader and at least three officers, as well as a chief agent and an auditor, before applying for registration. In addition, a party may later appoint registered agents to perform certain financial tasks. This chapter discusses these mandatory and optional appointments and the responsibilities of the appointees.

2.1 Mandatory appointments

Party leader

The party must appoint a leader before applying for registration. The party leader must be an individual who is eligible to vote and is a resident of Canada.

Appointment process

If for any reason a leader is no longer able to continue in that role, the party must select a new leader. If a registered party decides to hold a leadership contest, the chief agent of the party must notify Elections Canada about the start and end dates of the contest. A notice with that information is then published on the Elections Canada website.

The party must notify Elections Canada of the new appointment within 30 days after the appointment. The report must include a copy of the resolution of the party to appoint the new leader, certified by the new leader and another officer of the party.

The leader's responsibilities and obligations

The party leader's responsibilities include:

- signing the declaration on the *General Form – Political Party*
- signing the declaration on the *Provincial and Territorial Divisions of a Registered Party*
- signing the authorization so that a registered association of the party may issue tax receipts for contributions
- signing the application for deregistration
- signing the application for merger

Officers

An eligible party or a registered party must have at least three officers in addition to the leader of the party.

Eligibility

An individual who is eligible to vote and is a resident of Canada can become an officer of an eligible or a registered party.

Appointment process

The *General Form – Political Party* must include the names and addresses of the officers as well as their signed consent to act in that capacity.

An eligible party or a registered party must have at least three officers in addition to the party leader. If for any reason an officer is no longer able to continue in that role, and the number of officers (including the party leader) is less than four, the party must appoint a new officer within 30 days. The party must notify Elections Canada of the new appointment within 30 days after the appointment. The report must include a signed consent from the new officer.

Chief agent

The party must appoint a chief agent before applying for registration.

The chief agent of a registered party is responsible for administering its financial transactions and for reporting them as required by the *Canada Elections Act*.

An eligible party or a registered party may have only one chief agent at a time.

Eligibility

Who can become a chief agent of an eligible or a registered party?

- an individual who is eligible to vote and is a resident of Canada
- a corporation incorporated under the laws of Canada or a province

Who is not eligible to act as chief agent?

- a candidate
- an election officer or a member of the staff of a returning officer
- an undischarged bankrupt
- an auditor appointed as required by the *Canada Elections Act*
- an individual who is not an elector
- a person who does not have the capacity to enter into contracts in the province or territory in which the person ordinarily resides

Appointment process

The party's application for registration must include the name and address of the chief agent and a signed consent from the chief agent to act in that capacity.

If for any reason the chief agent is no longer able to continue in that role, the party must appoint a new chief agent without delay. The party must notify Elections Canada of the new appointment within 30 days. The report must include a signed consent from the new chief agent.

The chief agent's responsibilities and obligations

- The chief agent of a registered party is responsible for administering the party's financial transactions and for reporting them in accordance with the *Canada Elections Act*.
- Only the chief agent and authorized registered agents can accept contributions or loans on the registered party's behalf.
- Only the chief agent and authorized registered agents can accept or send transfers on the registered party's behalf.
- Only the chief agent and authorized registered agents can issue receipts for contributions.
- Only the chief agent and authorized registered agents can incur the registered party's expenses.
- Only the chief agent, authorized registered agents or a person authorized by the chief agent can pay the registered party's expenses.
- The chief agent is responsible for submitting financial returns as required by the *Canada Elections Act*.

Best practices for financial management

It is strongly recommended that the chief agent put in place effective controls for monitoring election expenses to ensure that the expenses limit is not exceeded. One good practice is to introduce a purchase requisition form that requires every purchase to be authorized by the chief agent.

Although a campaign budget is not mandatory, it is highly advisable to create one. Creating a budget helps the campaign to control, oversee and communicate about election expenditures. The chief agent should insist that he or she be kept informed of the financial transactions of the campaign, and should intervene to address any non-compliance in a timely fashion.

Auditor

The party must appoint an auditor before applying for registration. An eligible party or a registered party may have only one auditor at a time.

Eligibility

Who can become an auditor?

- a person who is a member in good standing of a corporation, an association or an institute of provincially incorporated professional accountants
- a partnership of which every partner is a member in good standing of a corporation, an association or an institute of provincially incorporated professional accountants
- provincially incorporated professional accounting designations include: Chartered Professional Accountant (CPA), Chartered Accountant (CA), Certified General Accountant (CGA) or Certified Management Accountant (CMA)

Who is not eligible to be an auditor?

- a candidate, the official agent of that candidate or any other candidate
- an election officer or a member of the staff of the returning officer
- the chief agent of a registered party or an eligible party
- an officer of a registered party or an eligible party
- a registered agent of a registered party
- electoral district agents of registered associations
- leadership contestants, their financial agents and leadership campaign agents
- nomination contestants and their financial agents
- financial agents of registered third parties

Appointment process

The party's application for registration must include the name and address of the auditor and a signed consent from the auditor to act in that capacity.

If for any reason the auditor is no longer able to continue in that role, the party must appoint a new auditor without delay. The party must notify Elections Canada of the new appointment within 30 days. The report must include a signed consent from the new auditor.

The auditor's responsibilities and obligations

The auditor has a right to access all documents of the party, and may require the chief agent to provide any information or explanation that is necessary to enable the auditor to prepare the report.

The auditor's report is required for the party's annual financial return as well as for the party's return in respect of general election expenses.

In accordance with generally accepted auditing standards, the auditor has to examine the party's financial records and give an opinion in a report as to whether the party's financial return presents the information contained in the financial records on which it is based.

The auditor's report has to include any statement the auditor considers necessary if:

- the financial return does not present fairly and in accordance with generally accepted accounting standards the information contained in the financial records on which it is based
- if the auditor has not received all of the information and explanations that the auditor required
- based on the examination, it appears that the registered party has not kept proper financial records

Note: In addition, when preparing a report on the *Registered Party Return in Respect of General Election Expenses*, the auditor must include a statement if based on the auditor's examination it appears that the registered party and the chief agent have not complied with the requirements of sections 363 to 445 of the *Canada Elections Act*.

2.2 *Optional appointments*

Registered agents

A registered party may appoint registered agents, who are authorized to accept contributions, or incur and pay expenses on behalf of the party.

A registered party may have any number of registered agents.

Eligibility

Eligibility requirements for this role are the same as for the role of the chief agent. In addition, the party has to specify the terms and conditions of the appointment(s) (e.g. as a best practice, the party may want to establish limits on amounts registered agents are authorized to incur).

Appointment process

An eligible party or a registered party may appoint agents or registered agents at any time.

Within 30 days after a party becomes eligible for registration, the eligible party must provide Elections Canada with a written report certified by the party leader or the chief agent, listing the names and addresses of the persons appointed as agents and specifying the terms and conditions of the appointments.

Within 30 days after the appointment of registered agents, the registered party must notify Elections Canada in a report certified by the party leader or the chief agent. The written report lists the names and addresses of the new registered agents and specifies the terms and conditions of the appointments.

Elections Canada enters the information in the *Registry of Political Parties*.

The registered agent's responsibilities and obligations

Authorized registered agents may perform one or all of the following tasks:

- accept contributions or loans on the registered party's behalf
- accept or send transfers on the registered party's behalf
- issue receipts for contributions
- incur or pay the registered party's expenses

This chapter covers the following topics:

- 3.1** *Contributions*
- 3.2** *Loans*
- 3.3** *Transfers*
- 3.4** *Expenses*
- 3.5** *Leadership and nomination contest finances*

Introduction

This chapter helps to explain how the rules and regulations of the *Canada Elections Act* apply to the registered party's financial administration.

Limits on contributions, loans and loan guarantees to a registered party	
Political entity	2016 annual limit
To each registered party	\$1,525*
<ul style="list-style-type: none"> The contribution limits apply to: total contributions, the unpaid balance of loans made during the contribution period and the amount of any loan guarantees made during the contribution period that an individual is still liable for. The sum of these three amounts cannot at any time exceed the contribution limit. <p>There are some exceptions to the limits on contributions:</p> <ul style="list-style-type: none"> Fees collected for membership in a registered party of no more than \$25 per year for a period of no more than five years are not contributions. For example, a party could charge \$125 for a five-year membership without a contribution being made. However, this exception applies only if the payment is made by the individual who wishes to become a member of the registered party. <p>* The limits will increase by \$25 on January 1st in each subsequent year.</p>	

Example

Max decides to contribute \$1,000 to the registered party he supports. Later that year, he makes a \$525 contribution to the same party. With that, Max reaches the annual limit for contributions to the registered party.

Note: This example uses the limits in effect for 2016.

3.1 Contributions

This section provides details and practical examples about contributions: Who can contribute what and how much? Is volunteer labour a contribution? What are the rules about anonymous contributions, ticketed fundraising events or directed contributions?

In addition, this section provides basic information about how to administer contributions.

Note: The term “individual” used in the **Financial Administration** chapter refers to a Canadian citizen or permanent resident.

Definitions

What is a contribution?

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

Note: Contributions made to a provincial or territorial division of a registered party are contributions to the party.

Monetary contribution

A monetary contribution is an amount of money provided that is not repayable.

Monetary contributions include cash, cheques or money orders, credit card or debit card payments, and contributions made using online payment services.

Non-monetary contribution

The amount of a non-monetary contribution is the commercial value of a service (other than volunteer labour) or of property, or the use of property or money, to the extent that it is provided without charge or at less than commercial value. This includes forgone interest on loans.

What is commercial value?

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

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

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

Example

A self-employed web designer offers to design the registered party's website and does not charge for the service. This is a non-monetary contribution from the web designer. The commercial value is equal to the lowest amount charged by that individual for the same kind of service of similar scope.

Volunteer labour

Volunteer labour is any service provided free of charge by a person outside of that individual's working hours. Volunteer labour is not a contribution.

Note: A service provided by a self-employed person who normally charges a fee for that service is a non-monetary contribution and is not volunteer labour. The person providing the service has to be eligible under the contribution rules.

Example

A person who is employed as a teacher offers to work in the evenings in the registered party's office to answer the phone and help with general office duties. This is volunteer labour and therefore is not a contribution.

Contribution rules

Who can contribute?

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

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

Contributor identification

Depending on the amount and type of the contribution, the contributor's personal information has to be recorded as follows:

- The chief agent or authorized registered agents can accept anonymous cash contributions of \$20 or less.
- For contributions over \$20, the contributor's name has to be recorded and a receipt must be issued.

Note: In order to issue a tax receipt, the chief agent or the registered agent has to record the address as well.

- For contributions over \$200, the contributor's name and address have to be recorded and a receipt must be issued.

Note: When recording a contributor's personal information, the full first and last name (initials are not acceptable) and the home address have to be recorded.

Ineligible contributions

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

- cash contributions over \$20
- contributions from corporations, trade unions, associations and groups
- contributions that exceed the limit
- indirect contributions (no individual can make a contribution that comes from money, property or the services of another person or entity)
- contributions from an individual who is not a Canadian citizen or a permanent resident
- contributions made as a result of a term of an agreement for the provision for payment of goods or services, directly or indirectly, to a registered party or a candidate.

Returning ineligible contributions

The chief agent or a registered agent must not knowingly accept a contribution that exceeds the limit. It is also advisable not to accept any other type of ineligible contribution.

If the registered party receives an ineligible contribution and it has been deposited into the party's bank account, the chief agent has to return the unused contribution to the contributor within 30 days of becoming aware that it is ineligible. If that is not possible, the chief agent has to send a cheque for the amount of the ineligible contribution to Elections Canada, payable to the Receiver General for Canada.

If the registered party receives an ineligible contribution and it has not been deposited into the bank account, the chief agent has to return the contribution to the contributor and no reporting is required.

A contribution is considered used if the bank account balance was below the contribution amount at some point after the contribution date. In this case, the chief agent has to send a cheque for the amount of the ineligible contribution to Elections Canada, payable to the Receiver General for Canada.

In the case of an ineligible non-monetary contribution that has been used, the chief agent has to send an amount equal to the commercial value of the property or service to the Receiver General for Canada.

Examples

1. A registered agent deposits a cheque for \$600 from a contributor into the party's bank account and later becomes aware that the same person has already contributed \$1,000 to the registered party in that year. The chief agent sends a cheque in the amount of \$75 to the contributor.
2. The chief agent receives a cheque for \$2,000 from a contributor. As this is obviously an over-contribution, the chief agent does not deposit the cheque, but sends it back to the contributor.

Note: These examples use the limits in effect for 2016.

Anonymous contributions

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

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

the chief agent has to send a cheque for the amount without delay to Elections Canada, payable to the Receiver General for Canada.

Ticketed fundraising

If a fundraising activity is held for the primary purpose of soliciting monetary contributions through the sale of tickets, the amount of a ticket purchaser's monetary contribution is the difference between the price of the ticket and the fair market value of the benefit that the ticket entitles the purchaser to receive. The benefit received includes the fair market value of using a rented venue, the cost of dinner and entertainment, etc. The chief agent must authorize all fundraising functions.

Example

A ticketed fundraiser was expected to attract 50 attendees. On the assumption that this number would attend, the following expenses were incurred in an open and competitive market:

- room rental – \$500
- meal – \$2,500
- decoration – \$300
- entertainment – \$500
- server staff and gratuities – \$200
- total – \$4,000

The fair market value of the benefit for each ticket purchaser is \$80, calculated by dividing \$4,000 by 50. The fair market value remains the same regardless of the number of individuals who actually attend the event.

Forty tickets were sold at \$200 each for the event. The amount of each monetary contribution is therefore \$120, calculated by subtracting \$80 (the fair market value) from the ticket price (\$200).

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

Attending a party convention or a leadership convention

The payment of fees by or on behalf of an individual to attend a party convention or a leadership contest is a contribution to the party.

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

Sponsorship or advertising

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

Administering contributions

Accepting contributions

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

Recording anonymous contributions

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

- a description of the function at which the contributions were collected
- the date of the function
- the approximate number of people at the function
- the total amount of anonymous contributions accepted

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

Example

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

After the event the chief agent has to record the following: the date and a description of the event, the approximate number of people who attended (40), and the amount collected in anonymous contributions (\$326).

Issuing contribution receipts

Only the chief agent and authorized registered agents can provide official receipts for contributions, including receipts issued for income tax purposes.

Receipts have to be issued for each contribution over \$20.

The chief agent may use Elections Canada's Electronic Financial Return (EFR) software to issue all receipts, including tax receipts. Please refer to the *EFR User Guide* for more information. The *EFR User Guide* can be found under the Help menu within the EFR software application. EFR is free and downloadable from the Elections Canada website.

What to keep in mind when administering contributions

As a best practice, it is recommended to only accept contributions made by way of a traceable instrument – such as a cheque or money order – that links the contributor to the contribution. Here are some important points to keep in mind when recording contributions or issuing receipts:

- Although it is recommended to only accept contributions made by way of a traceable instrument, in the event that a contribution is received on a cheque from a joint bank account, it is generally reported under the name of the individual that signed the cheque. However, if the cheque is accompanied by written instructions signed by both account holders indicating how the contribution is to be allocated to the contributors, the contributions are reported in accordance with that agreement.
- If a contribution is received through an online payment service, a processing fee might apply. The full contribution amount has to be recorded as a contribution and the processing fee has to be recorded as an expense. For example, if the registered party receives a \$500 contribution through an online payment service and the net deposit to the bank account is \$490, the chief agent has to record and issue a receipt for a contribution of \$500 and record an expense of \$10.
- Although it is recommended to only accept contributions made by way of a traceable instrument, in the event that the registered party receives a cheque from a partnership, the partnership has to provide the following information in writing: name and home address of each contributor, the voluntary nature of each contribution, who it is intended for, and the amount of each contribution. The instructions must be signed and dated by each contributor. Each contributing partner's share of a partnership draw should also be reduced by the amount of that partner's contribution.
- A contribution from an unincorporated sole proprietor has to be recorded in the individual's name (not the business name), using the contributor's home address (a contributor's address is required for contributions over \$200).

3.2 Loans

Loans are used as a source of financing. This section discusses how loans are received, reported and repaid.

Getting a loan

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

A written loan agreement must accompany all loans.

Loans from financial institutions

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

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

Loans from a registered association of the party

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

Loans from individuals

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

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

Note: An individual cannot make a loan to a registered party if the loan is made possible by money, property or the services of any person or entity that provided it to the individual for that purpose.

Loan interest

The chief agent has to record the interest rate of each loan in the *Registered Party Financial Transactions Annual Return*.

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

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

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

Demand loan

A demand loan is a loan with no specific payment deadline. It is due whenever the lender demands to be repaid. To report a demand loan, a loan agreement has to be submitted with the registered party's financial return. It is recommended that the agreement include a maximum term for the repayment.

Note: If the demand loan is from an individual, it is subject to the contribution limit.

Overdraft and line of credit

If overdraft protection or a line of credit is used, it has to be recorded as a loan at the maximum amount overdrawn during the reporting period. Note however that if the financial institution requires a guarantee, only a registered association of the party or individuals who are Canadian citizens or permanent residents can guarantee the overdraft or line of credit. The amount an individual guarantees is subject to the individual's contribution limit.

The chief agent has to include the following information when reporting an overdraft or a line of credit:

- the maximum amount used
- the name and address of the financial institution
- the interest rate charged
- the dates and amounts of any repayments of principal and payments of interest
- the full name and address of any guarantors and the amounts they have guaranteed
- the unpaid balance at the end of each calendar year

Example

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

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

Administering loans

The chief agent has to include the following information when reporting a loan:

- the full name and address of each lender
- the full name and address of any guarantors and the amount guaranteed
- the interest rate charged
- the amount of the loan
- the dates and amounts of repayments of principal and payments of interest

A copy of the loan agreement must accompany the return.

Note: If there is any amendment to the above information, the chief agent must send an update to Elections Canada without delay.

The *Canada Elections Act* does not specify a time period within which loans must be repaid.

3.3 Transfers

Definition

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

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

However, not all types of entities are authorized to provide all types of transfers. For a quick reference guide to eligible and ineligible transfers, see the *Transfers – types and rules* table in the **Tables and Reminders** section.

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

Transfer types

A monetary transfer is a transfer of funds. A non-monetary transfer is a transfer of property or services.

Incoming transfers

The following transfers may be accepted by the registered party:

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

Outgoing transfers

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

- an electoral district association of the registered party (whether it is registered or not)
- a candidate (after election day, monetary transfers to candidates are allowed only to pay claims related to the candidate's campaign)
- directed contributions to a leadership contestant (can be sent after the leadership contestant has registered with Elections Canada)

The registered party may transfer property or services, but not funds, to the following political entities:

- a nomination contestant, if the non-monetary transfer is offered equally to all contestants in that contest
- a leadership contestant, if the non-monetary transfer is offered equally to all contestants in that contest

Note: Transfers to or by a registered provincial division of a federal registered party are considered transfers to or by the registered party.

Property or services provided by the registered party to a candidate, nomination contestant or leadership contestant

When property or a service is provided to a candidate, nomination contestant or leadership contestant by the registered party, a copy of the original supplier invoice as well as the invoice from the party must be sent to the candidate's or contestant's campaign. The documentation should confirm the amount reported in the candidate's or contestant's return. Common items supplied by the party include signs and other promotional material.

Example

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

Administering transfers

The chief agent must include the following information when recording a transfer:

- the full name of the affiliated political entity
- the date the transfer was made or received
- the amount of funds transferred, or the commercial value of property or services provided

3.4 Expenses of a registered party

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

If an election is held in a given year, a registered party might also incur election expenses. Election expenses are subject to a limit and must be reported. In the case of a by-election, elections expenses must be reported in the annual financial return, and in the case of a general election, they must be reported in the return in respect of general election expenses.

Expenses include:

- amounts paid
- liabilities incurred
- the commercial value of donated property and services (other than volunteer labour)
- the difference between an amount paid or liability incurred and the commercial value of the property or services (when they are provided at less than their commercial value)

The registered party has to report the amount charged to the party for an expense. Generally this amount is the commercial value of the property or service received.

Commercial value is the lowest amount charged at the time that it was provided for the same kind and quantity of property or service, or for the same use of property or money, by:

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

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

If the party purchases a property or a service from an individual for less than commercial value, the chief agent has to report the difference as a non-monetary contribution from the individual.

Note: The party may purchase property or services for less than commercial value from individuals only, because only individuals can make contributions. However, if the commercial value of a non-monetary contribution is \$200 or less, and it is from an individual not in that business, the contribution amount is deemed to be nil.

If the party receives property or a service from an affiliated political entity for less than the commercial value, the chief agent has to report the difference as a non-monetary transfer from the affiliated political entity.

Election expenses

Definition

An election expense is:

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

This generally means that any expense reasonably incurred for property or service used during the election period in relation to an electoral campaign is an election expense of the party. Only some fundraising expenses are exceptions to that rule. The exceptions are contribution processing fees and non-promotional expenses for a fundraising activity. In other words, while expenses related to a fundraising activity are not election expenses, any promotion related to the fundraising activity is.

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

The concept of "directly promoting or opposing a registered party or its leader" is not limited to election advertising only. It is to be understood broadly as including expenses necessary to run a campaign, such as office rental, telecommunication services etc.

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

Limits on election expenses

The *Canada Elections Act* imposes a limit on election expenses to facilitate a level playing field among political participants. The limit applies to the total of all election expenses, whether paid, unpaid, or accepted as non-monetary contributions or transfers. The chief agent, registered agents and any person authorized in writing by the chief agent to incur expenses all have to respect the election expenses limit. They cannot enter into contracts or incur election expenses that exceed the limit. It is highly advisable to agree on an expense approval process; this will help ensure that the chief agent and any other authorized persons are informed and co-operate when incurring expenses. An expense approval process and a campaign budget created at the beginning of the campaign help manage campaign finances effectively.

How are the limits calculated?

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

1. \$0.735 is multiplied by the number of names on the preliminary or revised list (whichever is greater) of electors for electoral districts where the registered party has endorsed a candidate.
2. The limit is then adjusted by the inflation adjustment factor in effect on the day the election is called.

Limits for by-elections

If a by-election is called, Elections Canada calculates the limits for each electoral district in which a by-election is to be held. If multiple by-elections are held on the same day, the limit for a particular party is calculated by adding the limits for the electoral districts in which the party endorses a candidate. A registered party with endorsed candidates in more than one electoral district may distribute their election expenses limit among the electoral districts as they see fit.

For an advertising expense to be an election advertising expense, it must:

- promote or oppose a party that has endorsed a confirmed candidate in the election, and
- be transmitted during the election period.

All election advertising expenses, including the production, distribution or placement costs, are election advertising expenses subject to the election expenses limit. This includes expenses for election advertising communicated over the Internet.

Even though the advertising may be distributed to a broader area than the electoral district, 100% of the production cost, plus the actual cost to transmit in the region that includes the electoral district (which may be a broader area than the electoral district), are election expenses.

Example

A party purchases an advertisement in a local newspaper that is distributed in a region that includes an electoral district where a by-election is underway. Despite the fact that the newspaper has a distribution area that goes beyond the electoral district, 100% of the production cost, plus the distribution cost for the area that includes the electoral district, are election expenses of the party, subject to the limit for the by-election.

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

Examples

1. There are by-elections underway in three electoral districts. A party purchases election advertising that is transmitted in the broadcast area where the by-elections are underway. The party splits the production and transmission expenses evenly among the three electoral districts.
2. There are by-elections underway in three electoral districts. The electoral districts belong to different broadcast areas. A party purchases election advertising that is transmitted a different number of times in each of these broadcast areas. The party splits the production cost evenly among the three electoral districts and reports the actual transmission cost for each electoral district.

Limit increases for longer election period

If an election period is longer than 37 days, the election expenses limit increases as follows:

- the initial limit is divided by 37
- the result is then multiplied by the number of days by which the longer election period exceeds 37 days

Reimbursement of election expenses

A registered party eligible to receive a reimbursement, will receive 50% of paid election expenses (subject to the limit), as reported in the party's election expenses return.

A registered party is eligible for reimbursement in the following circumstances:

- The party has complied with the general election expenses reporting requirements with respect to the original and any amended returns.
- The auditor's report does not contain a statement indicating any of the following:
 - The return does not present the information contained in the financial records on which the return is based.
 - The auditor has not received all the required information from the party.
 - Based on the examination, it appears that proper accounting records have not been kept.
 - Based on the examination, it appears that the registered party and the chief agent have not complied with the requirements of sections 363 to 445 of the *Canada Elections Act*.
- The candidates endorsed by the party received at least:
 - 2% of the valid votes cast at the election, or
 - 5% of the valid votes cast in the electoral districts where the party endorsed a candidate

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

Reduction of reimbursement amount

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

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

Election expense categories

Election advertising

Election advertising is the transmission to the public of an advertising message promoting or opposing a registered party during the election period. Election advertising has to be authorized by the chief agent or a registered agent of the party. This authorization has to be mentioned in or on the message – for example, "Authorized by the registered agent of the XYZ Party of Canada."

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

Traditional election advertising

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

Some advertising material, such as signs, can often be used for more than one election. If these signs are reused in a second or subsequent election, the amount of the election expense to be recorded is the current commercial value of equivalent signs.

Examples

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

Election advertising on the Internet

Election messages communicated over the Internet are election advertising only if they have, or would normally have, a placement cost.

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

The following are not election advertising:

- messages sent or posted for free on social media platforms such as Twitter and Facebook
- messages sent by e-mail or through other messaging services (including texts sent through a cellular or mobile network)
- content posted on the party's website

However, any associated costs are election expenses.

If online content such as a video, website or Facebook page stays online during the election period, it has to be reported as an election expense. Alternatively, the party may remove all online content before the election period.

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

Examples

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

OGI reference

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

Broadcasting time allocation

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

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

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

Voter contact calling services

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

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

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

OGI reference

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2015-11, *Application of election advertising rules to telephone calls*, on the Elections Canada website.

Surveys and research

Expenses related to surveys or research conducted during the election period are election expenses. Expenses related to surveys or research conducted prior to the election period are not election expenses, even if the results of the survey are used during the election.

Intellectual property assets of the party

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

Pre-existing property

The party, as an ongoing political entity, might own property that is used in more than one election.

In the case of a capital asset that is used during the election period, the election expense to be recorded is the lower of: a) the commercial value of renting a similar asset for the same period, and b) the purchase price.

If a capital asset is reported at the commercial value of renting a similar asset during the election period, it will be eligible for the election expenses reimbursement each time it is used in an election.

If a capital asset is reported at the purchase price (the commercial value), it will be reimbursed only once, after the election for which it was obtained.

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

Office expenses

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

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

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

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

Leader's tour

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

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

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

Travel expenses

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

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

Expenses of senators and ministers or another candidate

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

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

Compensation

If employees on the staff of an elected Member engage in political activities to support a registered party during the election period, the salaries of these persons are election expenses of the party and non-monetary contributions from the elected Member. However, if the employees work on the party's campaign outside normal business hours or are on leave, their involvement is volunteer labour. Volunteer labour is any service provided free of charge by a person outside their working hours. It does not include a service provided by a self-employed person who normally charges for that service.

Administering the registered party's expenses

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

All expenses, including by-election expenses, are reported in the party's annual financial return. In addition, election expenses must be reported separately within eight months after election day.

For a detailed discussion on reporting expenses, see Chapter 4, **Reporting Requirements**.

Expenses cannot be transferred

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

Who can incur expenses?

Only the chief agent and authorized registered agents can incur registered party expenses.

Who can pay expenses?

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

Expenses can be paid from the petty cash by a person authorized in writing by the chief agent. (The chief agent must set the maximum amount that may be paid from the petty cash.)

Note: A registered agent of a registered party may incur or pay expenses for the electoral campaign of the leader of the registered party. This is an exception to the ordinary rule that only the candidate's official agent may incur and pay such expenses.

Non-monetary contributions and transfers are also recorded as expenses or assets

If the registered party receives a non-monetary contribution, the full commercial value of the property or service is a contribution from the individual.

If the registered party purchases property or a service from an individual for less than commercial value, the difference between the purchase price and the commercial value of the property or service is a non-monetary contribution from the individual.

In both cases, the full commercial value of the donated property or service is also an expense or an asset.

Note: If the commercial value of a non-monetary contribution is \$200 or less, and it is from an individual not in that business, the contribution is deemed to be nil and consequently no expense has to be reported. However, all non-monetary transfers, provided by a candidate or a registered association must be reported, regardless of commercial value.

If the registered party receives property or a service from an affiliated political entity at no charge, the full commercial value of the property or service is a non-monetary transfer from the affiliated political entity.

If the registered party purchases property or a service from an affiliated political entity for less than commercial value, the difference between the purchase price and the commercial value of the property or service is a non-monetary transfer from the affiliated political entity.

In both cases, the full commercial value of the transferred property or service is also an expense or an asset.

An expense related to a non-monetary contribution or transfer is incurred when the contribution or transfer is accepted.

Invoices

If an expense of \$50 or more was incurred and paid on behalf of the registered party, either the chief agent or the authorized registered agent who made the payment must keep a copy of the supplier invoice setting out the nature of the expense and the proof of payment.

If an expense of less than \$50 was incurred and paid on behalf of the registered party, either the chief agent or the authorized registered agent who made the payment must keep a record of the nature of the expense and the proof of payment.

For payments made from the petty cash, the person who is authorized to pay petty expenses has to provide the invoices and proof of payment within three months after the date the petty expense was incurred.

Claims and loans repayment and reporting

All invoices have to be submitted to the chief agent or authorized registered agents.

Claims have to be paid within 36 months after payment is due. There is no time limit for paying loans.

The party's annual financial return must include the following schedules when reporting unpaid claims and loans:

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

Maintaining books and records

The registered party has to maintain proper books and records to ensure accurate reporting and compliance with the *Canada Elections Act*.

The party's auditor shall have access to the party's books and records at any reasonable time and may require the provision of any additional information or explanation to enable the auditor to prepare the auditor's report.

3.5 Leadership and nomination contest finances

Registered parties usually set their own rules, in addition to those in the *Canada Elections Act*, for holding leadership and nomination contests. They may provide other restrictions on political financing aspects of the contest, which they administer themselves (e.g. expenses limits for leadership contestants). As long as these rules do not conflict with the requirements of the *Canada Elections Act*, this is not problematic.

Leadership and nomination contest fees

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

Directed contributions

A directed contribution is a contribution made to a registered party, with a written request from the contributor that the amount, or part of it, be transferred to a particular leadership contestant. Parties often charge a processing fee for directed contributions. The *Canada Elections Act* does not restrict the portion of the directed contribution that may be retained by the party.

Contribution processing fees charged to a leadership contestant are considered transfers from the leadership contestant to the party.

The amount directed to the leadership contestant by the contributor is a contribution to the contestant's campaign.

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

Administering directed contributions

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

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

Note: Income tax receipts are available for directed contributions and are issued by the registered party.

Contributions received during ticketed fundraising events

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

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

This means the individual who purchases a ticket for a fundraiser must issue two payments: one, paid to the party, for the contribution portion of the ticket price; and another, paid to the leadership campaign, for the difference between the ticket price and the contribution amount.

Example

Tickets are sold at \$100 each for a fundraising event organized by a leadership contestant's campaign during a leadership contest. The contribution portion of each ticket is \$80, calculated by subtracting \$20 (the fair market value of the benefit to be received during the event) from the ticket price (\$100).

Ticket purchasers are asked to issue two payments: one for \$20, paid to the campaign; and the other for \$80, paid to the registered party with written instructions requesting the amount to be forwarded to the leadership contestant as a directed contribution. The registered party issues tax receipts for the contribution amounts and transfers the funds as directed contributions to the leadership contestant.

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

Reporting Requirements

This chapter covers the following topics:

- 4.1 *Reporting timeline*
- 4.2 *Mandatory documents and supporting documentation*
- 4.3 *Submission to Elections Canada*
- 4.4 *Filing an amended financial return*

Introduction

A registered party or an eligible party has to complete and file certain reports with Elections Canada. This chapter outlines what they are and when they need to be filed.

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

4.1 Reporting timeline

The *Canada Elections Act* requires certain reports to be completed and submitted by set deadlines. The forms are available on the Elections Canada website.

Deadline	Who is responsible	Mandatory documents	Submit to whom
6 months after becoming a registered party	Chief agent	<ul style="list-style-type: none"> <i>Statement of Registered Party Assets and Liabilities</i> as of the day before registration Auditor's report 	Elections Canada
30 days after a change of registry information	Party's representative	<ul style="list-style-type: none"> Report on changes of registry information and relevant supporting documents (e.g. agent's consent to act) Report change of a leader 	Elections Canada
June 30 every third year (due in 2016)	Party's representative	<ul style="list-style-type: none"> A declaration of 250 members of a registered or an eligible party (<i>General Form – Political Party</i>) 	Elections Canada
June 30	Party leader	<ul style="list-style-type: none"> A declaration of the leader of a political party (<i>General Form – Political Party</i>) 	Elections Canada
30 days after the end of the quarter	Chief agent	<ul style="list-style-type: none"> <i>Registered Party Financial Transactions Quarterly Return*</i> 	Elections Canada
June 30	Chief agent	<ul style="list-style-type: none"> <i>Contributions to a Registered Party or to a Registered Association – Information Return</i> 	CRA
June 30	Chief agent	<ul style="list-style-type: none"> Provide annual statement of registry information 	Elections Canada
June 30	Chief agent	<ul style="list-style-type: none"> <i>Registered Party Financial Transactions Annual Return</i> Auditor's report 	Elections Canada
Within 10 days after a general election is called	Party's representative	<ul style="list-style-type: none"> Report change or confirm the validity of registry information Report names of designated representatives 	Elections Canada

Deadline	Who is responsible	Mandatory documents	Submit to whom
8 months after election day	Chief agent	<ul style="list-style-type: none"> • <i>Registered Party Return in Respect of General Election Expenses</i> • Auditor's report 	Elections Canada
If a party proposes to hold a leadership contest	Chief agent	<ul style="list-style-type: none"> • <i>General Form – Registered Party Leadership Contest</i> 	Elections Canada
30 days after a nomination contest held by the party	Party's representative	<ul style="list-style-type: none"> • <i>General Form – Nomination Contest</i> (unless the contest was held by a registered association) 	Elections Canada
Sent with the directed contributions	Chief agent	<ul style="list-style-type: none"> • <i>Statement of Directed Contributions Received and Transferred to a Leadership Contestant</i> 	Leadership contestant
<p>* Required if the candidates endorsed by the party received at least 2% of the valid votes cast at the most recent election, or 5% of the valid votes cast in the electoral districts where the party endorsed a candidate.</p>			

4.2 Mandatory documents and supporting documentation

Reporting after registration

The party has to inform Elections Canada about its assets and liabilities after it becomes registered.

The *Statement of Registered Party Assets and Liabilities* lists the party's assets and liabilities as of the day before the effective date of the registration. It must be submitted to Elections Canada by the chief agent within six months after the party becomes registered. The statement must be accompanied by the auditor's report.

Reporting changes in the registry information

If a change occurs in the registry information of a registered party or an eligible party (for example, the party changes address or appoints a new officer or a registered agent), the party's representative must inform Elections Canada about the change within 30 days in a written report certified by the party leader.

Elections Canada then updates the *Registry of Political Parties* accordingly.

Party members' declarations

A registered party or an eligible party must submit the names, addresses and declarations of at least 250 party members by June 30 every third year.

The next reporting year is 2016.

Annual reporting obligations

Certain reports must be completed and filed annually.

Declaration of the leader

Every year, a registered party or an eligible party must submit a declaration of the leader of a political party to Elections Canada by June 30. In the *General Form – Political Party*, signed by the party leader, the party leader declares that one of the party's fundamental purposes is to participate in public affairs by endorsing one or more of its members as candidates and supporting their election.

Reporting to the Canada Revenue Agency

Every year, the registered party must report to the Canada Revenue Agency the contributions it has received. The report must be submitted by the chief agent. The deadline for this report is the same as for the party's annual financial return, June 30.

Please follow the link on the Elections Canada website to access the required CRA form.

Annual statement of registry information

By June 30 every year, a registered or eligible party must send a report to Elections Canada about the information maintained in the registry. The statement must either confirm the validity of the information maintained in the registry or report any changes. The statement must be certified by the party leader.

Elections Canada then updates the *Registry of Political Parties* accordingly.

Registered Party Financial Transactions Quarterly Return

The *Registered Party Financial Transactions Quarterly Return* is required if the candidates endorsed by the party received at least 2% of the valid votes cast or 5% of the valid votes cast in the electoral districts where the party endorsed a candidate at the most recent general election. The quarterly financial return must be submitted by the chief agent to Elections Canada within 30 days after the end of the quarter it relates to and it covers the following:

- Declaration
 - registered party's information
 - chief agent's information
 - chief agent's signature, attesting to the completeness and accuracy of the return
- Statements of contributions and transfers received in the fiscal quarter
- Statement of directed contributions received in the fiscal quarter for transfer to a leadership contestant
- Statement of returned contributions

Registered Party Financial Transactions Annual Return

The *Registered Party Financial Transactions Annual Return* must be submitted by the chief agent to Elections Canada by June 30 every year. The return covers the following:

- Declaration
 - registered party's information
 - chief agent's information
 - chief agent's signature, attesting to the completeness and accuracy of the return
- Statements of contributions, loans and transfers received
- Statement of directed contributions received for transfer to a leadership contestant
- Statement of returned contributions
- Statements of by-election expenses and transfers made
- Statement of unpaid claims and loans
- Statement of previously reported claims and loans that have been paid in full since the last fiscal period
- Statement of claims and loans that remain unpaid 18 or 36 months after due date
- Financial statements, including the statement of assets and liabilities, any surplus or deficit, and the statement of revenues and expenses

Along with the *Registered Party Financial Transactions Annual Return*, the chief agent has to provide supporting schedules as applicable. The auditor's report must accompany the annual financial return.

Event-based reporting obligations

Statement after a general election is called

Within 10 days after a general election is called, a registered party or an eligible party must submit a statement certified by the party's leader to Elections Canada and either confirm the validity of the party's registry information or report any change. The statement must also include the names of the designated party representatives for endorsing candidates.

Registered Party Return in Respect of General Election Expenses

The *Registered Party Return in Respect of General Election Expenses* must be submitted by the chief agent to Elections Canada within eight months after election day. The party's election expenses return covers the following:

- Declaration
 - registered party's information
 - chief agent's information
 - chief agent's signature, attesting to the completeness and accuracy of the return
- Statement of general election expenses

Along with the *Registered Party Return in Respect of General Election Expenses*, the chief agent has to provide supporting schedules as applicable. The auditor's report must accompany the election expenses return.

Notice of a leadership contest

If a registered party plans to hold a leadership contest, the chief agent is responsible for sending a notice to Elections Canada. The *Notice of a Registered Party's Leadership Contest* informs about the start and end dates of the leadership contest.

Reporting a nomination contest

A registered party must submit a *General Form – Nomination Contest* to Elections Canada within 30 days after the contest selection date of any nomination contest held by the party. If the contest was held by a registered association, the registered association has to file the report. A nomination contest report must be submitted in all cases where the contest was made open to more than one person to propose their name for consideration. This applies even if only one contestant entered the contest.

Note: It is important to submit the nomination contest report within one month after the contest, as required by the *Canada Elections Act*. After receiving the nomination contest report, Elections Canada starts sending notifications to the nomination contestant and the financial agent about filing deadlines and other important reporting obligations.

The nomination contest report includes the following information:

- the name of the electoral district, the registered association and the registered party
- the date on which the nomination contest began and the selection date

- the names and addresses of the nomination contestants and their financial agents
- the name of the person selected in the nomination contest

Reporting directed contributions

In order to provide leadership contestants with the necessary information to complete their reporting obligations, the *Statement of Directed Contributions Received and Transferred to a Leadership Contestant* must be sent to the leadership contestant's campaign. If the registered party receives and sends directed contributions to a leadership contestant's campaign, it must send the statements of those contributions with the transfers.

Auditor's reports

The following financial returns must be accompanied by an auditor's report:

- *Statement of Registered Party's Assets and Liabilities* (required when a party becomes registered)
- *Registered Party Financial Transactions Annual Return*
- *Registered Party Return in Respect of General Election Expenses*

The auditor has a right to access all documents of the party, and may require the chief agent to provide any information or explanation that is necessary to enable the auditor to prepare the report.

In accordance with generally accepted auditing standards, the auditor has to examine the party's financial records and give an opinion in a report as to whether the party's financial return presents the information contained in the financial records on which it is based.

It is very important for the chief agent to give the auditor enough time to properly audit a financial report before a deadline. Therefore it is advised to give the complete financial report to the auditor well before the deadline for submission.

The auditor's report has to include any statement the auditor considers necessary if:

- the financial return does not present fairly and in accordance with generally accepted accounting standards the information contained in the financial records on which it is based
- if the auditor has not received all of the information and explanations that the auditor required
- based on the examination, it appears that the registered party has not kept proper financial records

Note: In addition, when preparing a report on the *Registered Party Return in Respect of General Election Expenses*, the auditor must include a statement if based on the auditor's examination it appears that the registered party and the chief agent have not complied with the requirements of sections 363 to 445 of the *Canada Elections Act*.

Note: The *Canada Elections Act* does not provide for a subsidy for audit services for parties.

4.3 Submission to Elections Canada

The registered party's quarterly financial returns (if applicable), annual financial returns and election expenses returns may be completed and submitted in a number of ways.

Completed how	How to submit	Where to send documents
Paper forms	<ol style="list-style-type: none"> 1. Sign the paper copy of the reports. 2. Send the reports by courier, mail, fax or e-mail (in PDF format) to Elections Canada. 3. Send the originals of all supporting documentation to Elections Canada by courier or mail. 	<p>E-mail: efr-rfe@elections.ca</p> <p>Mail: Elections Canada 30 Victoria Street Gatineau, Quebec K1A 0M6</p>
EFR	<ol style="list-style-type: none"> 1. EFR creates a submission file of the return. 2. Send the submission file as an attachment in an e-mail to Elections Canada. 3. Print the pages requiring signatures and send them by courier, mail, fax or e-mail (in PDF format) to Elections Canada. 4. Send the originals of all supporting documentation to Elections Canada by courier or mail. 	<p>Fax: Political Financing 1-888-523-9333 (toll-free) 1-819-939-1803</p>
<p>Notes:</p> <ul style="list-style-type: none"> • Always keep copies for your records. • For details about EFR submissions, please consult the <i>EFR User Guide</i>, available in the EFR software. 		

With the submission, please remember to give your name, role and the party's name. It is recommended to keep a copy of all documents submitted to Elections Canada. Documents filed with Elections Canada have to be signed.

Filing deadline and extensions

The *Canada Elections Act* specifies deadlines for submitting reports.

If the chief agent cannot submit the *Registered Party Financial Transactions Annual Return* or the *Registered Party Return in Respect of General Election Expenses* by the deadline, the chief agent may apply to Elections Canada for authorization to submit the return and the auditor's report within an extended period of time. However, the request has to be received by Elections Canada within two weeks after the applicable deadline.

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

The following table explains which documents are eligible for extension under the *Canada Elections Act*.

Registered party reports – extension requests			
Document to submit	Extension from Elections Canada	Additional extension from Elections Canada	Extension from a judge
<i>Registered Party Financial Transactions Annual Return</i>	Yes	No	Yes
<i>Registered Party Return in Respect of General Election Expenses</i>	Yes	No	Yes
Corrected or revised <i>Registered Party Financial Transactions Annual Return</i> requested by the registered party	Yes	Yes	No
Corrected or revised <i>Registered Party Return in Respect of General Election Expenses</i> requested by the registered party	Yes	Yes	No
Corrected or revised <i>Registered Party Financial Transactions Annual Return</i> requested by Elections Canada	No	No	No
Corrected or revised <i>Registered Party Return in Respect of General Election Expenses</i> requested by Elections Canada	No	No	No

The *Request for Extension of Filing Deadline* form should be used to apply for an extension. Elections Canada will grant an extension unless the chief agent's failure to provide the document was deliberate or was the result of a failure to exercise due diligence.

Note: The *Canada Elections Act* does not allow for extensions on quarterly financial returns and registry reports.

Documents not eligible for extension

Corrections or revisions requested by Elections Canada are not eligible for extensions and must be filed within the specified period. However, the chief agent can apply to a judge to be relieved of the obligation of complying with the request.

Court extension

If Elections Canada refuses to authorize an extension or the chief agent is unable to file the required documents within the extended period, the chief agent may apply to a judge for an extension. Note that court extensions are not available for corrected or revised returns.

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

4.4 Filing an amended financial return

In certain circumstances it may be necessary to amend the registered party's annual financial return or election expenses return. An amended return has to be filed with Elections Canada to correct errors or omissions.

Corrections or revisions requested by Elections Canada

On reviewing the registered party's annual financial return or election expenses return, Elections Canada may request the registered party to correct or revise the return within a specified period.

Corrections or revisions requested by the registered party

If there is a need to correct or revise the party's annual financial return, or election expenses return (for example, some information has to be corrected in the original return), the chief agent has to submit a written request to Elections Canada for authorization to file a corrected or revised return.

An amended return must be submitted within 30 days after the correction or revision is authorized.