



Elections
Ontario

Election Finances

**Handbook for Fund-raising Organizers
for Political Parties and Constituency
Associations**

2018

Note: This handbook is effective from Jan 1, 2018 to Dec 31, 2018

April 2018

Disclaimer

This handbook is for the calendar year 2018. It provides guidance from Elections Ontario about how to comply with the *Election Finances Act*. To the extent that any conflict exists between this handbook and the *Election Finances Act*, the *Election Finances Act* prevails.

Further information

Elections Ontario's staff is always available to provide assistance. Please contact us at:

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Introduction

This handbook has been developed to assist individuals organizing fund-raising activities and events for their registered political party or constituency association. The handbook provides guidance on how to be in compliance with the *Election Finances Act*.

It is recommended that organizers work closely with the Chief Financial Officer of their registered political party or constituency association to manage the reporting requirements.

Political Events

There are three types of political event:

- Fund-raising events
- Cost recovery events
- Social events

Fund-raising Events

A fund-raising event is defined as an event to raise funds for a political party, constituency association, nomination contestant, candidate, or leadership contestant registered under the Act. Fund-raising raises funds from the charge by the sale of tickets, or otherwise, for attendance. [Act reference 23(1)]. The attendance restrictions apply to these events [Act reference 23.1].

Please refer to the attendance restrictions section for additional information.

Promoting a fund-raising event

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

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

Mandatory Posting of Information on Political Party Website

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

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

The above information shall be posted at least 7 days before the fund-raising event. If the event is occurring within an election period, this information shall be posted at least 3 days before the fund-raising event.

Contribution limits at fund-raising events

The limits on contributions that may be accepted by a registered political party or constituency association apply to fund-raising events. All eligible contributors to a registered political party or constituency association are subject to the same limits.

Contribution limits apply to the total of monetary and goods and services contributions from any single source. No registered political party or constituency association or person(s) acting on its behalf may knowingly accept any contributions in excess of the limits imposed by the *Election Finances Act*. [Act reference 28]

In any calendar year, a person can contribute up to a limit of \$1,222, rounded to the nearest dollar.

Example:

If a political party, and one or more of its constituency associations hold a combined event, the maximum amount that an individual can contribute at this event is \$1,222 because, in addition to contributions limits, the Act limits the amount that can be contributed at a single event. Where a combined event is planned, please contact Elections Ontario for the details about the compliance requirements.

What are the Attendance Restrictions?

The *Election Finances Act* contains attendance restrictions about who can attend certain events. It means specific people cannot be present at an event. If someone is present, who is not supposed to be at an event, this may be a contravention of the Act.

Who do the Attendance Restrictions apply to?

The attendance restrictions apply to:

- MPPs;
- The Leaders of all political parties registered with Elections Ontario;
- All registered nomination contestants, candidates, and leadership contestants;
- All nominated and appointed candidates;
- All people employed in the Office of the Premier;
- All Chiefs of Staff (or the equivalent position) to provincial Cabinet Ministers; and
- All people employed in the Office of a Leader of an officially recognized party in the Legislative Assembly.
- The attendance restrictions do not apply to:
- Spouses and family members of Leaders, MPPs, and others listed above;

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Promoting a fund-raising activity

- People who are employed in MPPs local constituency offices; or,
- Party staff and officials who are paid by the party, who do not work at Queen's Park, and who do not report to the Office of the Premier or a Leader of an officially recognized party in the Legislative Assembly.

People organizing fund-raising events should be aware of these attendance restrictions when sending out invitations to such events. As such, fund-raising organizers should check with staff, party officials, and volunteers, the relevance of attendance requirements, before scheduling special guests at a fund-raising event.

Soliciting contributions

Although there are attendance restrictions, soliciting contributions other than at an event, by mail, telephone, electronic or other means, is not prohibited.

Examples where attendance restrictions do not apply

The following examples are some events or activities where the restrictions do not apply:

- A food drive, attended by a nomination contestant and hosted by a constituency association, where all the surplus income generated by ticket sales, or goods donated by attendees, are given to a charity.
- A meeting where the attendees pay no fee or charge to gain entry to meet a Party Leader or MPP, but have the option of making contributions by bidding in a silent auction at the event.
- A meal, party, or similar social event, attended by a Chief of Staff where there are no admission charges, and attendance is not conditional on the attendees making a contribution.
- MPP meetings with constituents.
- An annual general meeting, policy convention, or similar gathering.
- A telephone, email, mail, or door-to-door fund-raising campaign with messages from a candidate.

The gross income from any fund-raising event shall be recorded and reported to Elections Ontario by the CFO of the registered political party, constituency association, nomination contestant, candidate, or leadership contestant registered under the Act that held the event or on whose behalf the event was held.

Any amount (in excess of highest amount charged) paid for goods and services offered for sale at a fund-raising event, by a person providing similar services on a commercial or retail basis in the market area, must be considered as contribution under the Act.

Any amount paid for advertising services offered for sale in connection with a fund-raising event shall be considered a contribution.

Cost Recovery Events

A cost recovery event is defined as an event held by or on behalf of a party, constituency association, nomination contestant, candidate or leadership contestant registered under the Act where:

- The event is advertised in advance
- A charge by the sale of tickets or otherwise is made exclusively to recover the costs of holding the event and that fact is stated in all advertisements for the event
- Any money raised in excess of the amount required for cost recovery is promptly paid to the Chief Electoral Officer

The attendance restrictions do not apply to these events.

Advertising Requirement for Cost Recovery Events

If the event is a cost recovery event, this fact must be advertised in all communications related to the event.

Social Events

A social event is an event held by or on behalf of a party, constituency association, nomination contestant, candidate or leadership contestant registered under the Act where no charge is made for attendance and no income is generated.

Lotteries and games of chance

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

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

Auctions

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

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

Any amount paid for goods or services, other than advertising services, offered for sale during an event that is more than fair market value, must be considered a contribution. [Act reference 23(3)]

Examples:

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

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

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

Sale of tickets to events

The following are recommended for organizing ticket sales:

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

Expenses incurred for an event

Expenses incurred for events held in a campaign period will not be subject to campaign expense limits.

The expenses of the event must be paid by the CFO, and all invoices and receipts must be kept by the CFO for audit purposes.

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

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

The amount considered a contribution will be the ticket price less the per-person costs and the remaining revenue must be considered fund-raising income. All costs are deductible in determining the contribution.

Examples:

- A fund-raising ticket is sold for \$100, and the per-person cost for the event is \$30; the contribution portion is \$70.
- The entry fee charged for a fund-raising golf tournament is \$300. The per person costs for the event were \$200; the contribution portion is \$100.

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

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

Sale of advertising space is a contribution

Any amount paid for advertising as a fund-raising activity or at events must be a contribution. [Act reference 23(4)]

Example:

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

Deposit of funds raised

All funds raised at an event must be deposited by the CFO for which the event is held, and the name, address and amount paid by ticket purchasers must be recorded by the CFO. People organizing fund-raising activities and events should ensure that all contributions received are provided to the CFO for depositing and recording.

Contributions

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

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

Contributions do not include:

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

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

In any calendar year all the goods and services contributed by a person and having an aggregate value of \$100 or less, may not be considered as a contribution, at the option of the person providing the goods or services [Refer to the section Goods and Services under Non-monetary contributions].

Eligible contributions

Only contributions solicited for the purposes of the *Election Finances Act* will be considered to be a contribution. Purposes of the *Election Finances Act* are interpreted by Elections Ontario to be activities related to electing a candidate to the Legislative Assembly of Ontario and incidental activities necessary. Contributions must be made using the contributor’s own funds. Contributions may only be made by individuals normally resident in Ontario using their own funds.

[Act reference 19(1)]

Every person who makes a contribution must certify in a form approved by Elections Ontario that the person has not acted in contravention to the Act. A party can produce their own certification form, however, the following attestation must be included and

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 Contributions

must be completed by the donor: “I certify this contribution made by me is from my own personal funds and I will not be reimbursed for it from any other source”.

In the event a contribution is made online, a checkbox shall be provided for selection by the donor to confirm the certification. For cases where a contribution is made via telephone, the party representative who administered the call and recorded the donation must also record whether or not the contributor certified the contribution.

Contribution limits

The limits on contributions that may be accepted by a registered political party or constituency association apply to fund-raising activities and events. All eligible contributors to a registered political party or constituency association are subject to the same limits.

Contribution limits apply to the total of monetary and goods and services contributions from any single source. No registered political party or constituency association or person(s) acting on its behalf may knowingly accept any contributions in excess of the limits imposed by the *Election Finances Act*.

[Act reference 28]

In the 2018 calendar year, a person can contribute up to a limit of \$1,222.

2018 Contribution Limits to Political Parties

Source	Period	Contribution Limit	Recipients Included in the Limit
Individual contributor using own funds	Calendar year (including all campaign periods in that year)	\$1,222.00	Individual political party

2018 Contribution Limits to Constituency Associations

Source	Period	Contribution Limit	Recipients Included in the Limit
Individual contributor using own funds	Calendar year (including all campaign periods in that year)	\$1,222.00	All constituency associations for a party and all nomination contestants* for that party

If a registered party and one or more of its constituency associations hold a combined event, the maximum amount that an individual can contribute at this event is \$1,222 because, in addition to contributions limits, the Act limits the amount that can be contributed at a single event. Where a combined event is planned, please contact Elections Ontario for the details about the compliance requirements.

Exemption from contribution limits

Where meetings for members are held by a registered political party or a registered constituency association, such as annual general meetings, policy conferences and similar meetings, where delegate fees include a contribution portion, the contribution portion of these fees will not be included in the calculation of a person's contribution total

Source of contributor's funds

No registered party, registered constituency association or person acting on its behalf may solicit or knowingly accept any contribution that is not made in the contributor's own funds. In addition, no contributions are permitted from corporations or unions and their locals, or if they will be reimbursed. [Act reference 19(2)]

Examples:

If a contributor attends a fund-raising event, that person must pay for the ticket from his or her own funds and must not be reimbursed for that payment.