



Written Opinions, Guidelines and Interpretation Notes

Guideline: 2016-04

Political Financing Handbook for Registered Parties and Chief Agents

Summary of updates

The following table lists updates that have been made in this version of the handbook to integrate annual requirements and to include improvements identified during previous OGI consultations.

	Update type	Update description (new text underlined or otherwise introduced)	Chapter	Section
1	Annual	Updated dates and limits in text, examples, tables and graphics.	n/a	n/a
2	Annual	Contribution tables updated; the contribution table in the "Financial Administration" chapter is now specific to the entity.	Tables and Reminders Chapter 3	n/a
3	Annual	Verified and updated names of the reports and forms referenced in the handbook.	n/a	n/a
4	Reference	Copied the "Filing deadline extensions" table from the "Reporting Requirements" chapter to "Tables and Reminders."	Tables and Reminders	Filing deadline extensions
5	Reference	Added references to other OGIs for additional information.	n/a	n/a
6	Reference	Added "What's new in this release?" table to summarize updates.	About This Document	n/a
7	OGI 2015-02 consultation	"indirect contributions (<u>no individual can make a contribution that comes from money, property or the services of another person or entity</u>)"	Chapter 3	Ineligible contributions
8	OGI 2015-02 consultation	"The chief agent or a registered agent must not knowingly accept <u>a contribution that exceeds the limit. It is also advisable not to accept any other type of ineligible contribution.</u> "	Chapter 3	Returning ineligible contributions

	Update type	Update description (new text underlined or otherwise introduced)	Chapter	Section
9	OGI 2015-02 consultation	"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 <u>(a contributor's address is required for contributions over \$200).</u> "	Chapter 3	What to keep in mind when administering contributions
10	OGI 2015-01 consultation	Modified example: "A person who is employed <u>as a teacher</u> offers to work in the evenings in the registered party's office to answer the phone and help with <u>general</u> office duties."	Chapter 3	Volunteer labour
11	OGI 2015-01 consultation	New text: "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."	Chapter 3	Returning ineligible contributions
12	OGI 2015-01 consultation	"If the registered party receives an ineligible contribution <u>and it has been deposited into the party's bank account</u> , the chief agent has to return the unused contribution to the contributor within 30 days of becoming aware that it is ineligible."	Chapter 3	Returning ineligible contributions
13	OGI 2015-01 consultation	New text: "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."	Chapter 3	Returning ineligible contributions
14	OGI 2015-01 consultation	New example: "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."	Chapter 3	Returning ineligible contributions
15	OGI 2015-02 consultation	" <u>Where specifically permitted under the <i>Canada Elections Act</i></u> , a transfer is not considered to be a contribution, and contribution rules therefore do not apply."	Chapter 3	Transfers – definition
16	OGI 2015-01 consultation	New 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."	Chapter 3	Transfers – definition
17	OGI 2015-06 consultation	New text: "Loans from any other person or entity are not permitted."	Chapter 3	Getting a loan

	Update type	Update description (new text underlined or otherwise introduced)	Chapter	Section
18	OGI 2015-06 consultation	New 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."	Chapter 3	Getting a loan
19	OGI 2015-06 consultation	New 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."	Chapter 3	Getting a loan
20	OGI 2015-06 consultation	Updated the text to clarify the difference between purchased property or services and property or services received at no charge.	Chapter 3	Administering the registered party's expenses
21	OGI 2015-06 consultation	New text: "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."	Chapter 3	Election expenses
22	OGI 2015-01 consultation	Modified the text to clarify how the increase in the election expenses limit is calculated for a longer election period: <ul style="list-style-type: none"> • "the initial limit is divided by 37 • <u>the result is then multiplied by the number of days by which the longer election period exceeds 37 days"</u> 	Chapter 3	Limit increases for longer election period
23	OGI 2015-06 consultation	New section, "Leadership and nomination contest finances," added to address the following topics: <ul style="list-style-type: none"> • Registered parties setting their own rules for leadership and nomination contests • Leadership and nomination contest fees • Directed contributions • Contributions received during ticketed fundraising events for leadership contestants 	Chapter 3	Leadership and nomination contest finances

	Update type	Update description (new text underlined or otherwise introduced)	Chapter	Section
24	OGI 2015-06 consultation	New text: "Registered parties usually set their own rules, in addition to those in the <i>Canada Elections Act</i> , 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 <i>Canada Elections Act</i> , this is not problematic."	Chapter 3	Leadership and nomination contest finances
25	OGI 2015-06 consultation	New text: "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."	Chapter 3	Leadership and nomination contest finances
26	OGI 2015-06 consultation	New text: "Parties often charge a processing fee for directed contributions. The <i>Canada Elections Act</i> 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."	Chapter 3	Leadership and nomination contest finances
27	OGI 2015-06 consultation	New note: "The directed contribution is subject to the limit on contributions made to leadership contestants, not the limit on contributions made to the party."	Chapter 3	Leadership and nomination contest finances
28	OGI 2015-06 consultation	New text: "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."	Chapter 3	Leadership and nomination contest finances

	Update type	Update description (new text underlined or otherwise introduced)	Chapter	Section
29	OGI 2015-06 consultation	<p>New 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).</p> <p>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."</p>	Chapter 3	Leadership and nomination contest finances