

## **KEY REMINDERS REGARDING ELECTION EXPENSES**

### **1. What Defines an Election Expense of a Candidate**

- Three components define an election expense of a candidate :
  - a. An expense must be incurred by the candidate or a non-monetary contribution received by the candidate
  - b. The property or service for which the expense is incurred or the non-monetary contribution is received is used to directly promote or oppose a candidate
  - c. The property or service is used for that purpose during an election period

### **2. The Role of the Official Agent**

- The Act requires that each candidate appoint an official agent. Official agents are responsible for controlling the inflows and outflows of funds and for ensuring that the financial activities of the candidate respect the requirements of the Act.
- Only the candidate, his or her official agent or a person authorized in writing can incur expenses for a campaign. This also applies where a candidate participates in a group purchase.
- Only the official agent can receive a contribution.
- Only the official agent can pay electoral campaign expenses (with some exceptions related to petty expenses and personal expenses).
- Both the candidate and the official agent are responsible for ensuring that the candidate's spending limits are not exceeded.

### **3. Spending Limits for Parties and Candidates**

- Parties and candidates are different entities with different election expense limits. These limits cannot be "transferred" from the party to the candidates or from a candidate to the party or another candidate.
- While the Canada Elections Act allows the transfer of funds or goods and services between certain entities of the same political affiliation, transfers of expenses are not permitted.

### **4. Reporting of Election Expenses**

- The official agent of the candidate is responsible for the preparation and submission of all financial reports and supporting documentation. Both the candidate and the official agent must sign a declaration attesting that all election expenses have been properly recorded.

- Election expenses must be reported at commercial value.
- In the case of group purchases, the expense must be allocated between participating candidates campaigns. Since one candidate cannot transfer to another, each candidate expense must reflect the commercial value of the goods or services received.
- When goods or services are provided to a candidate without charge, or for less than commercial value, for the purposes of the election, the candidate's official agent must record the goods or services at their commercial value and the difference between the amount paid and the commercial value, as a non-monetary contribution or transfer, as the case may be.
- "Commercial value" is defined as the lowest amount charged for a property or service by: (1) the person who provided it if the person is in the business; or (2) another commercial provider, if the person who provided the property or service is not in that business.