

Municipal Elections 2018 – Campaign Finance Information for Municipal Council Candidates

Voting Day: Monday, October 22, 2018

Campaign Period ends on December 31, 2018 (unless an extension has been filed)

A **Bank Account** must be opened if you accept any contributions (including contributions of money from yourself) or incur any expenses. The nomination fee is considered to be a personal expense – *not* a campaign expense.

Campaign contributions are any money, goods or services that are given to you for use in your campaign including money and goods that you contribute yourself. You are only allowed to accept contributions or incur campaign expenses during your campaign period, after you file your nomination.

There is a limit on the total amount that you and your spouse may contribute to your own campaign. The formula to calculate the limit is:

- for head of council candidates: \$7,500 plus 20 cents per elector to a maximum of \$25,000
- for other council offices: \$5,000 plus 20 cents per elector to a maximum of \$25,000

The municipal clerk will tell you your self-funding limit.

Contribution limits

- \$1,200 limit that applies to each person who contributes to your campaign
- The maximum total amount that a contributor can give to candidates in the same jurisdiction (i.e. running for the same council or the same school board) is \$5,000

Who can make contributions to municipal candidates?

- individuals who are normally resident in Ontario
- yourself and your spouse

Contribution receipts must be issued for every contribution you receive. The receipt should show who made the contribution, the date and the value and can only come from one person (e.g. in the case of a joint account). You are required to list the names and addresses of every contributor who gives more than \$100 in total to your campaign in your financial statement. You should keep a record of the names and addresses of every contributor, regardless of the value of their contribution, because the same contributor may make multiple contributions that end up totalling more than \$100. *Note: Contribution receipts are not tax receipts. Contributions to municipal and school board campaigns cannot be credited against provincial or federal income taxes.*

Ineligible contributors

- corporation
- trade union
- a federal political party, constituency association, or a registered candidate in a federal election
- a provincial political party, constituency association, or a registered candidate or leadership contestant
- a federal or provincial government, a municipality or a school board

Ineligible contributions

- made outside your campaign period
- from an anonymous source (except for donations of \$25 or less at a fundraising event)
- from an ineligible source (e.g. someone who doesn't live in Ontario, a corporation or trade union, etc)
- greater than the \$1,200 limit or the \$5,000 total limit
- a cash contribution greater than \$25
- from funds that do not belong to the contributor who gave them to you

Ineligible contributions must be returned as soon as you learn that the contribution is ineligible. If you cannot return the contribution, you must turn it over to the clerk.

REMEMBER: You are responsible for keeping records of the financial activities related to your campaign. The *Municipal Elections Act, 1996* does not require you to use any specific accounting system. You may want to consult with an auditor or an accountant early in your campaign to make sure that you are using a bookkeeping and accounting system that will suit your needs.

Campaign Expenses are costs incurred for goods and services for use in your campaign.

Your spending limit covers expenses that you incur between the beginning of your campaign and voting day. Expenses that you incur between the day after voting day and the end of your campaign are not subject to the spending limit.

Expenses not subject to the spending limit:

- expenses related to holding a fundraising event or activity
- expenses relating to a recount
- expenses relating to a court action for a controverted election
- expenses relating to a compliance audit
- expenses incurred by a candidate with a disability that are directly related to the candidate's disability and would not have been incurred if not for the election
- audit and accounting fees

The **spending limit** for your campaign is calculated based on the number of electors who are eligible to vote for the office that you are running for. The formula to calculate the limit is:

- for head of council: \$7,500 plus \$0.85 per eligible elector
- for council member or trustee: \$5,000 plus \$0.85 per eligible elector

There is a separate spending limit for expenses related to the holding of parties and other expressions of appreciation after the close of voting. This spending limit is calculated as ten percent of the amount of your general spending limit.

Financial Statement: It is the responsibility of a candidate to file a complete and accurate financial statement by the **filing deadline** which is **2:00 p.m. Friday March 29, 2019**. If you filed a nomination form, you must file a financial statement.

Note: If your campaign has a deficit, you may request to extend your campaign in order to do some additional fundraising. Please contact the clerk for more information.

Penalties may apply if you are convicted of an offence:

- A fine of up to \$25,000
- Ineligibility to vote or run in the next regular election
- Up to six months imprisonment
- Forfeiture of your elected office, if the judge finds that you committed the offence knowingly

If you are convicted of exceeding the spending limit, you may also be fined the amount by which you exceeded the limit.

There are three contraventions of the Act where penalties apply automatically:

- If you fail to apply to the court for an extension by the filing deadline or file a financial statement by the end of the 30-day grace period
- If your financial statement shows that you exceeded a spending limit
- If you fail to turn over your surplus to the clerk when you file your financial statement

The penalty is that you forfeit your office (if you won the election) and you become ineligible to run or to be appointed to fill a vacancy until after the 2022 election.

Auditor's report: If your campaign expenses or contributions total more than \$10,000 you must have an auditor review your financial statement and provide a report.

A **compliance audit committee** is required to be established by each municipality and school board. An eligible elector who believes you have contravened the election finance rules may apply for a compliance audit of your campaign finances.

Resources

Municipal Elections Guides and Resources

www.ontario.ca/municipalelections

Municipal Elections Act, 1996

www.ontario.ca/laws/statute/96m32#BK115

Ministry of Municipal Affairs

Municipal Services Office Contact

<http://www.mah.gov.on.ca/Page747.aspx#>

This document is provided for convenience only and should not be considered legal advice. For more specific information, please refer to the *Municipal Elections Act, 1996* and the regulations.