

Municipal Election 2022 – Campaign Finance Information for Municipal Council Candidates

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 (as amended).

Voting Day and Campaign Period

Voting Day for the 2022 Municipal Election is October 24, 2022.

The Campaign Period ends on December 31, 2022 unless an extension has been filed.

Bank Account

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

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 - \$7500.00 plus 20 cents per elector to a maximum of \$25,000;
- For other Council offices - \$5000.00 plus 20 cents per elector to a maximum of \$25,000.

The Municipal Clerk will tell you your self-funding limit.

Contribution Limits

- \$1200.00 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 (e.g. running for the same council or same school board) is \$5000.00.

Who can make contributions to Municipal Candidates?

- Individuals who are normally resident in Ontario
- Yourself and your spouse

Record Keeping

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 \$100.00 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 \$100.00.

It should be noted that contribution receipts are not tax receipts. Contributions to municipal and school board campaigns cannot be credited against provincial or federal income taxes.

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 wish to consult with an auditor or an accountant early in your campaign to make sure that you are using a booking keeping and accounting system approach that will suit your needs.

Ineligible Contributors

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

Ineligible Contributions

- made outside of your campaign period;
- from an anonymous source (except for donations of \$25.00 or less at a fundraising event);
- from an ineligible source (e.g. someone who does not live in Ontario);
- greater than the \$1200.00 limit or the \$5000.00 total limit;
- a cash contribution greater than \$25.00;
- 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 provide it to the Clerk.

Campaign Expenses

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;
- expense 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.

Spending Limit

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 Candidates - \$7500.00 plus \$0.85 per eligible elector;
- For other Council offices - \$5000.00 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. on March 31, 2023. 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.

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.

Compliance Audit Committee

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.

Penalties

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 find 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 be appointed to fill a vacancy until after the 2026 election.