

# Financial Filing for Candidates and Third Party Advertisers

August 15, 2023



## Agenda

- Overview and Key Dates
- Financial Filing Requirements
- How to File a Financial Statement
- Contribution Rebate Program
- Compliance Audits and Over-Contributions
- Additional Resources
- Q&A Period





## **Overview and Key Dates**



## Financial filing overview

- If you filed a nomination to run as a candidate (or registered as a third party advertiser), you must file an initial financial statement by 2 p.m. on Monday, September 11, 2023
  - Even if you did not raise or spend any money
  - Even if you withdrew your nomination/registration
  - Even if you extended your campaign
- Do not leave filing until the last day!



## Types of financial statements

#### Initial financial filing

- Every candidate and third party advertiser must file this
- Details all campaign finances from the day you filed your nomination paper until the end of the campaign period (August 10, 2023)
- Due by 2:00 p.m. on September 11, 2023

#### Supplementary financial filing

- Only candidates and third party advertisers who extended their campaign period to erase a deficit must file this
- Details all campaign finances from the day you filed your nomination paper until the end of the supplementary period (February 12, 2024)
- Due by 2:00 p.m. on March 13, 2024



## Penalties for not filing

- Not filing a financial statement by the deadline(s) will put you in default of the Municipal Elections Act, 1996.
  - Candidates in default are ineligible to run or be appointed to office until after the next general election.
  - Candidates in default do not receive a nomination filing fee refund.
  - Third party advertisers in default are ineligible to register until after the next general election.
- Not filing also disqualifies you from the Contribution Rebate Program
- The above penalties also apply if you exceed any of your spending limits or fail to pay a campaign surplus to the City Clerk.



## Extending the filing deadline

#### 30 Day Grace Period

- Candidates and third party advertisers can still file a financial statement during a 30 day "grace period" if a \$500 late filing fee is paid to the City Clerk
- Nomination filing fee is not refunded to candidates who file during the 30 day grace period

#### Court-Ordered Filing Extension

- Candidates and third party advertisers can apply to the Superior Court of Justice to extend their financial filing deadline by up to 90 days
- Application must be made to the Superior Court of Justice by Sept 8, 2023
  - Notice of granted application must be provided to Toronto Elections by 2:00 p.m. on September 11, 2023



## Key Dates – Initial Campaign Period

Date	
August 10, 2023	End of initial campaign period
September 8, 2023	<ul> <li>Last day to apply to the Superior Court of Justice to extend the financial filing deadline (up to 90 days)</li> </ul>
September 11, 2023 by 2 p.m.	<ul> <li>Deadline to file your financial statement</li> <li>Deadline to notify City Clerk of court-approved filing extension</li> </ul>
October 11, 2023 by 2 p.m.	<ul> <li>End of 30 day grace period during which you can file you financial statement as long as you pay the \$500 late filing fee</li> </ul>
December 11, 2023	Last day for an elector to request a compliance audit



## **Key Dates – Supplementary Campaign Period**

Date	
February 12, 2024	<ul> <li>End of supplementary campaign period (for those who extended their campaigns)</li> </ul>
March 12, 2024	<ul> <li>Last day to apply to the Superior Court of Justice to extend the supplementary filing deadline (up to 90 days)</li> </ul>
March 13, 2024 by 2 p.m.	<ul> <li>Deadline to file your financial statement</li> <li>Deadline to notify City Clerk of court-approved filing extension</li> </ul>
April 15, 2024 by 2 p.m.	<ul> <li>End of 30 day grace period during which you can file you financial statement as long as you pay the \$500 late filing fee</li> </ul>
June 11, 2024	Last day for an elector to request a compliance audit
June 14, 2024	Last day for contributors to apply for a contribution rebate



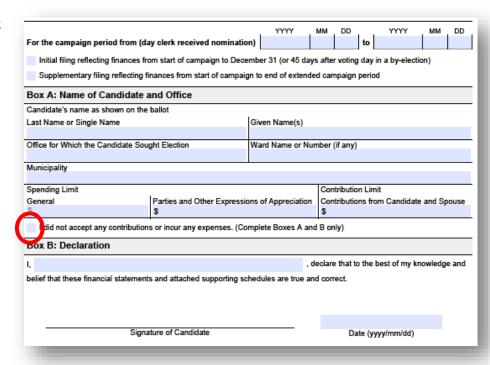


## Financial Filing Requirements



## Filing when no money was raised/spent

- If you did not raise or spend any money on your campaign, you only need to fill out the first page of the financial statement
  - Campaign period
    - Date you filed your Nomination Paper to August 10, 2023
  - "Initial filing..." box checked
  - All of Box A
    - Including checkbox stating that you "did not accept any contributions or incur any expenses"
  - All of Box B
- Submit the full 7-page statement via email (<u>candidateinfo@toronto.ca</u>) or in-person





## Financial statement requirements

- All contributions must be reported
  - The names and full address of contributors who contributed over \$100 must be listed on the financial statement
  - Contributions of goods/services must also be recorded
    - Should be recorded as a contribution and also as an expense
- All expenses are reported
  - Expenses that are subject to the limit
  - Expenses that are not subject to the limit
  - Expenses relating to voting day parties and expressions of appreciation



## Campaign expenses

- Campaign expenses include:
  - Any expense incurred for goods and services in relation to an election
  - Equivalent value of any contribution of goods and services
- Inventory purchased for a previous election and used in this election (e.g., election signs) must be recorded as expenses at current market value
  - Past inventory is considered a contribution and is subject to the contribution limits for Council candidates
- Nomination filing fee is <u>not</u> a campaign expense
- Fundraising events:
  - Each event must be individually reported (Schedule 2)
  - Must outline the contributions/expenses that relate to the fundraising event

## **Auditor's report**

- An auditor's report is required with your financial statement when:
  - You have raised or spent over \$10,000
     and/or
  - You are participating in the Contribution Rebate Program
- Expenses relating to the preparation of an auditor's report can be incurred after the August 10, 2023 end of campaign period



## Campaign surplus

- Any campaign surplus must be paid to the City Clerk when filing your financial statement
- If a candidate or their spouse has contributed to their own campaign, they
  can refund the amount of those contributions--or the amount of the surplus,
  if it's smaller--prior to filing your financial statement
  - Example 1: \$1,000 initial surplus, candidate contributed \$2000 to their own campaign
    - Candidate can refund entire \$1000 initial surplus amount to themselves; final surplus/deficit is \$0
  - Example 2: \$1,000 initial surplus, candidate contributed \$600 to their own campaign
    - Candidate can refund \$600 to themselves; final surplus to be paid to City Clerk is \$400





## How to File a Financial Statement



### How to file a financial statement

#### Option 1: Electronically

- Candidates and third party advertisers who do not have a surplus can file their financial statement electronically
- Financial statement can be submitted through the Electronic Financial Filing System (EFFS) or scanned/sent via email to <a href="mailto:candidateinfo@toronto.ca">candidateinfo@toronto.ca</a>
- Note: Contribution Rebate Program participants must submit copies of all expense invoices when filing – if you cannot do this digitally, you may need to file in-person

#### Option 2: In-person

- Candidates or third party advertisers with a surplus (or who have received anonymous contributions that must be paid to the City Clerk) <u>must file their</u> financial statement in-person
- Surplus (or anonymous contributions) must be paid to the City Clerk when filing



## Correcting a financial statement

- If you submit your financial statement and later on identify an error, you can withdraw the original statement and submit a new one before 2 p.m. on the filing deadline
- If the withdrawn financial statement has an auditor's report attached, the corrected statement must have a **new** auditor's report attached.
- If the corrected financial statement identified an additional surplus, the additional money must be paid when the corrected statement is filed.



## Posting of financial statements

- The Municipal Elections Act, 1996 requires the City Clerk to:
  - Make submitted financial statements available to the public in an electronic format
  - Provide information on whether candidates or third party advertisers have complied with the filing requirements on a website
  - Provide the reason for any candidate or third party advertiser is in default of the Municipal Elections Act, 1996





## **Contribution Rebate Program**



## Rebate program overview

- The Contribution Rebate Program allows contributors to receive a portion of their contribution to a candidate back.
  - Only monetary contributions are eligible for a rebate (does not apply to goods or services)
- A contributor's rebate is based on the total amount of money they contributed to all candidates who are participating in the program.
  - Rebates are not issued if a contributor's total contributions to all candidates is \$25 or less
- Candidates participating in the Contribution Rebate Program are eligible to receive a rebate on contributions they made to their own campaign.



## Additional filing requirements

- Candidates participating in the Contribution Rebate Program must submit the following when filing a financial statement:
  - Auditor's report provided by an auditor licensed under the *Public Accounting Act*, 2004 (this is required no matter how much money you raised or spent).
  - Copies of all expense invoices with their financial statement.
    - Digital versions of expense invoices will be accepted, but it is the candidate's responsibility to provide them in a format that can be easily downloaded and viewed by Toronto Elections. Staff will not provide technical support.
    - The candidate is responsible for ensuring any personal information contained in their expense invoices is properly redacted before submission.
- All documents must be provided before the financial statement can be filed.



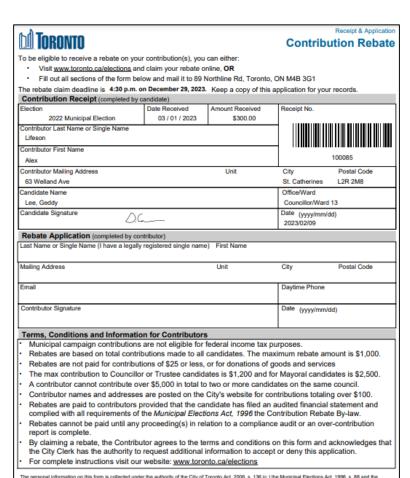
## Candidate & contributor responsibilities

#### The Candidate:

- Issues a Contribution Rebate Receipt Application form for <u>every</u> monetary contribution
- Completes the 'Contribution Receipt' section of the form
- Sends the form to the contributor to complete/claim

#### The Contributor:

- Completes the rest of the form and keeps a copy for their records
- Claims their rebate by either:
  - Using the new <u>online portal</u> to claim their rebate
  - Mailing the form to Toronto Elections by June 14, 2024



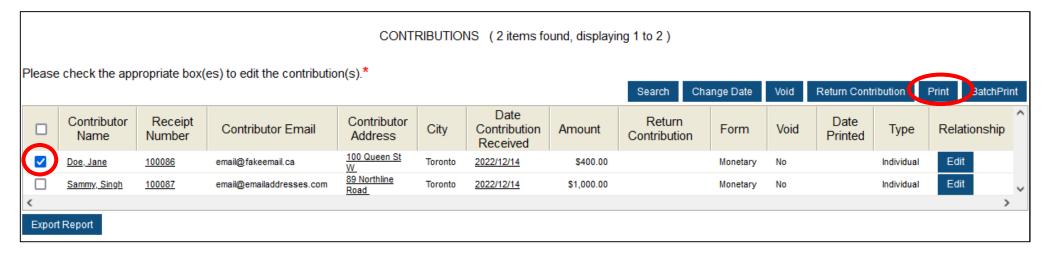
contribution rebate program by-law. Your information will be filed with the City Clerk and will be available for public inspection by any person at the clerk's office at a time when the office is open. In addition, your name, postal code and campaign contribution amount will be published on the City's Web site. Questions about this

an be directed to Project Manager, 89 Northline Rd., Toronto, ON M4B 3G1. Telephone: 416-338-1111.

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## Generating rebate receipts

- Contribution Rebate Receipt Application forms are generated using EFFS
  - Add the contributor and their contribution into EFFS
  - Open the list of contributions, select the checkbox beside the relevant contribution, and click "Print" on the upper right
    - This will generate and open a PDF file that you should provide to your contributor(s)







## Compliance Audits and Over-Contributions



## **Compliance audits**

- If an eligible elector believes that a candidate or registered third party advertiser
  has contravened election finance rules, they may apply for a compliance audit of
  campaign finances.
- An application for a compliance audit must be submitted within 90 days of the deadline to file the campaign financial statement (December 11, 2023).
- The Compliance Audit Committee will consider the application and decide whether to grant or reject the application, and whether to commence legal action.
- The Compliance Audit Committee does not have any authority to set penalties.
   Only the court can decide if and which penalties should apply.



## Over-contribution reporting

- The City Clerk is responsible for providing the Compliance Audit Committee with a report on any contributors who appear to have contributed more than the allowable limit
- Compliance Audit Committee meets to review these reports and decide whether or not to proceed with legal action against a contributor





## **Additional Resources**



#### Resources

#### Contact us:

- 416-395-0025
- candidateinfo@toronto.ca
   or thirdpartyinfo@toronto.ca

#### Candidates:

- 2022 Candidates' Guide
- Toronto Elections website Candidate Financial Filings
- Financial Statement Auditor's Report Candidate Form 4

#### Third Party Advertisers:

- 2022 Third Party Advertisers' Guide
- Toronto Elections website Third Party Financial Filings
- Financial Statement Auditor's Report Third Party Form 8

