



University Students' Council of Western University

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**Elections Governance Committee Campaign Finance Procedures**

<b>Authority:</b> Council	<b>Date Ratified:</b> November 27 <sup>th</sup> 2019
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<b>Review Committee(s):</b>  Advocacy Standing Committee, USC Council Governance & Finance Standing Committee, USC Council Student Experience Standing Committee, USC Council	
<b>Delegates:</b>  Speaker of Council Associate Governance Senior Manager, Government Services Senior Manager, People and Development	

**1. SCOPE**

- a. This procedure shall specify:
  - i. The proper procedures for setting candidate spending limits, tracking candidate spending, and the administration of reimbursements.
  - ii. The standards that the Elections Governance Committee shall use to govern its interactions with candidates relating to matters of campaign finances.

**2. DEFINITIONS**

- a. Terms used in this document shall be defined in the same manner as in **Bylaw #2**.
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### **3. MANAGER OF ELECTION FINANCE**

- a. The Manager of Election Finance shall be a member of the Elections Committee designated by the Chief Returning Officer (or the Chief Returning Officer herself) to be responsible for tracking candidate spending and calculating reimbursements on behalf of the committee.
- b. The Manager of Election Finance shall be responsible for ensuring that the Elections Committee is notified of any candidates that violate financial regulations as per this procedure.
- c. The CRO, or the Elections Committee if the CRO is the Manager of Election Finance, shall be responsible for ensuring the Manager of Election Finance adheres to their responsibilities under this procedure.

### **4. BOND COLLECTION**

- a. All candidate bonds, accepting Board of Governors and Senate candidates, shall be collected at the USC Front Desk along with nomination forms.
  - b. The Manager of Election Finance shall provide the USC Front Desk with a list of required bonds for each position prior to the opening of the nomination period.
  - c. Candidates shall only be considered eligible if, prior to the opening of the campaign, they leave a deposit of:
    - i. Presidential candidates: \$300.00
    - ii. Vice-Presidential External Affairs and Vice-Presidential University Affairs candidates: \$50.00
    - iii. Senate candidates: \$50.00
    - iv. Board of Governors candidates: \$75.00
    - v. Faculty president candidates: \$25.00
    - vi. Divisional candidates: \$25.00
  - d. Any prospective candidate, except for Board of Governors and Senate candidates, who cannot pay the bond at the time they hand in their nomination form shall make prior arrangements with the CRO. The Front Desk shall not accept any nomination forms without payment of bond
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or a note from the CRO verifying that an arrangement has been made with the candidate.

- e. The Manager of Election Finance shall be responsible for confirming that a candidate has paid her bond with the Front Desk.
- f. The CRO shall confirm the list of eligible candidates (those who meet all criteria outlined in **Bylaw #2**) with the Front Desk at the start of the campaign period. Upon confirmation, all collected bonds excepting those submitted by candidates deemed to be ineligible shall be deposited into the Elections Subsidies budget account line:
  - i. Bonds for candidates who have been deemed ineligible will be held at the Front Desk for thirty (30) days following the close of balloting. After this time, they will be claimed by the USC.

## 5. SETTING SPENDING LIMITS

- a. The Manager of Election Finance shall present the finalized figure to the CRO for approval no later than fourteen (14) days—not including holidays—prior to the start of campaigning.
  - b. The CRO shall confirm the spending limits for each candidate at least seven (7) days prior to the start of the campaign period for the election.
  - c. The CRO shall announce the approved spending limits in the following ways:
    - i. A press release handled through the USC's Communications portfolio;
    - ii. An email to current constituency council presidents; and
    - iii. At the All-Candidates meeting immediately prior to the start of the campaign period.
  - d. Spending limits for candidates' expenses and contributions, combined, shall be as follows:
    - i. Each Presidential candidate has a spending limit of \$1500.
    - ii. Each Divisional candidate, excluding Faculty President candidates, has a spending limit of \$100.
    - iii. Each Faculty President candidate has a spending limit of \$200.
    - iv. Each Vice-Presidential candidate has a spending limit of \$200.
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- v. The spending limit for Senate and Board of Governor candidates shall be determined by the Secretary of the University.

## 6. CONTRIBUTIONS AND EXPENSES

- a. Candidates shall have a spending limit for the campaign consisting of the sum of expenses and contributions.
- b. Expenses shall be defined as costs incurred by, or on behalf of, a candidate for goods, privileges, or services for use in their election campaign.
  - i. If a candidate receives a good, privilege, or service at a discounted price that is not available to the public, both an expense and contribution shall be recorded: The expense shall be recorded as the amount paid, and the contribution shall be recorded as the difference between the fair market value of the good, privilege, or service as defined in **Bylaw #2** and the amount paid for that same good, privilege, or service. See Example 2 below for a practical example of this method of recording.
- c. Contributions shall be defined as goods, privileges, or services donated or given in whole or in part to a candidate or their campaign for the purposes of campaigning. A candidate shall not accept cash, cheque, or any other monetary equivalent in any amount as a contribution.
  - i. If the contributor supplies goods and services, the value shall be determined at fair market value, as per its definition in **Bylaw #2**.

### 1. Example 1:

Your order for campaign signs would normally cost \$300, but instead you receive them for \$0 from a relative. You must then record and report this as a contribution of \$300 worth of goods and services towards your Spending Limit.

### 2. Example 2:

Your order for campaign scarves would normally cost \$100 but the vendor agrees to sell them to you for \$50. You must record and report a contribution of \$50 in goods and services and record and report an expense of \$50 in goods and services. Both contributions and expenses are weighted equally when calculating your Spending Limit.

- d. Special Rules for Expenses and Contributes:
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- i. Where an item is used during the campaign period, but not entirely consumed, the cost shall be declared for the entire item, regardless of the amount of the item that remains unconsumed.
- ii. Candidates will be required to declare expenses or contributions for the production of campaign material and media, including but not limited to videos, mobile apps, or graphics, but only the costs of making said product available to the public.

**1. Example 1:**

A campaign volunteer has tools needed to make campaign sign frames for a particular candidate. The resources for the frames would be an expense, however the time of the volunteer needed to produce the campaign sign frames would not be an expense.

- iii. If a professional, even if the professional is a campaign volunteer, who would normally charge for a service provides a service to a candidate for free, the value of the service is considered to be a contribution.

**7. ELIGIBLE REIMBURSEMENT**

- a. The Manager of Election Finance shall be responsible for maintaining a record of each candidate's eligible reimbursement throughout the campaign period.
  - b. A candidate's eligible reimbursement shall be calculated as the sum of a candidate's paid bond and expenses accrued. Candidates will not be reimbursed for goods, privileges, or services received through contribution.
    - i. A disqualified candidate's eligible reimbursement shall be calculated as the sum of a candidate's paid bond and expenses accrued, less the amount of the candidate's paid bond.
  - c. Only campaign expenses with valid, verifiable, and corresponding original receipts will be eligible for reimbursement. Any item deemed not to be an appropriate campaign expense may be excluded from reimbursement by the Committee or the USC's Managing Director, Financial and Corporate Resources.
  - d. The Committee may adjust a candidate's eligible reimbursement number artificially and at their own discretion if they deem a candidate to have not competed in the spirit and purpose of the election using the following criteria:
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- i. The candidate is not competing with the intention of being elected to office; and/or
- ii. The candidate is running a campaign for the sole purpose of discrediting another candidate.
- e. The Senate and Board of Governors candidates will not be reimbursed by the USC for their campaign expenses.
- f. The Manager of Election Finance shall keep a record of all eligible reimbursement calculations on file for thirty (30) days following the closing of balloting.

## **8. TRACKING EXPENSES AND CONTRIBUTIONS**

- a. At the start of the campaign period, the Chief Returning Officer shall make expenses and contributions tracking sheets available to all candidates. Candidates are required to use the tracking sheets to submit a list of their expenses and contributions.
    - i. Candidates who fail to use designated tracking sheets shall not be reimbursed for the candidate's campaign expenditures.
  - b. All candidates shall submit to the CRO original receipts of all expenses and contributions.
    - i. Failure to submit receipts by the deadline will result in an automatic reduction in the candidate's eligible reimbursement by five (5) per cent per business day that the submission is late.
  - c. The CRO shall immediately forward any received receipts or tracking sheets to the Manager of Election Finance and shall forward any and all received receipts and tracking sheets after 4 p.m. on the last day of balloting.
    - i. The CRO may authorize the Manager of Election Finance to pick up any receipts and/or sheets from the USC Front Desk.
  - d. The CRO may request that candidates submit original receipts and tracking sheets prior to 4 p.m. on the last day of balloting.
  - e. Copies of all receipts for printing done at Creative Services for elections purposes shall be made available to the CRO or Manager of Election Finance by Creative Services on or before the last day of campaigning.
  - f. The Manager of Election Finance and any Committee member chosen to assist them shall receive each candidate's tracking sheet to ensure that candidates have not exceeded their spending limits, have original receipts for all expenses, have only listed expenses that can be
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considered appropriate, and have adhered to any other relevant provisions in **Bylaw 2**.

- g. The Manager of Election Finance and any Committee member chosen to assist them shall review each candidate's tracking sheet to ensure that candidates have not exceeded their spending limit, have listed appropriate values for their contributions, and have only listed contributions that can be considered appropriate, and have adhered to any other relevant provisions of **Bylaw 2**.
- h. Where the Manager of Election Finance notices expenses listed as contributions or vice versa, they shall move the item to the appropriate list. Where proper listing of expenses and contributions would result in overspending by a candidate, the Manager of Election Finance shall inform the CRO.
- i. The Manager of Election Finance shall inform the CRO of any irregularities in expenses or contributions lists, as per Section 6 of this document.
- j. In addition to Section 6, the Manager of Election Finance shall produce a list of expenses and/or contributions flagged as inappropriate for the Committee to approve. Any expenses deemed inappropriate by the Committee shall not be reimbursed.
- k. The Manager of Election Finance has the authority to approve any and all expenses and contributions lists in which no irregularities have been noted (i.e., the Committee does not need to approve the reimbursement of every candidate, only the list of inappropriate expenses that are not to be reimbursed).
- l. The Manager of Election Finance shall keep all expenses and contributions records on file for thirty (30) days after the close of balloting in case a candidate wishes to contest their reimbursement.

## **9. ISSUING REIMBURSEMENT**

- a. The Manager of Election Finance shall provide a list of candidates and the amount they are to be reimbursed along with a completed cheque requisition form to be signed by the Vice-President Governance and Finance no later than fourteen (14) days, including Reading Week and other holidays, after the close of balloting.
  - i. **Example 1**

The Manager of Election Finance shall fill out a cheque requisition form with the list attached in place of the amount payable, have the Vice-President Governance and

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Finance sign it, and submit it to the USC's finance office for processing.

- b. At the same time as section 9.1, the CRO shall inform candidates of the amount they are scheduled to be reimbursed, including a list of expenses the Committee did not deem to be appropriate as per section 8.10 of this document.
- c. Candidates shall be reimbursed for the amount equal to their eligible reimbursement plus their bond, less any outstanding loans.

- i. **Example 1**

(Eligible Expenses + Bond) - Outstanding Loans = Eligible Reimbursement

A Divisional candidate who has \$30 in outstanding loans and spends \$90 in eligible expenses would be reimbursed:  $(\$90 + \$25) - \$30 = \$85$ .

- d. Reimbursement cheques shall be made available for pickup at the USC Front Desk no later than twenty-one (21) days after the close of balloting, including Reading Week and other holidays.
      - e. The CRO shall notify all candidates that are eligible for reimbursement that their cheques are available by email on the day they become available at the Front Desk.
      - f. Any cheques that have not been picked up from the Front Desk and have stale-dated shall be not be reissued.

## 10. CAMPAIGN LOANS

- a. A Presidential candidate may obtain an interest-free loan for the amount of the bond plus the spending limit established in section 5(d) of this procedure, by applying to the USC Managing Director, Financial and Corporate Resources.
  - i. Any loans granted pursuant to this section must be repaid, subject to any amount reimbursed, within thirty (30) business days from the close of balloting; and
  - ii. Any loan which is not repaid within this time period will be pursued legally and will be subject to an interest rate as provided for in the Courts of Justice Act, RSO 1990.