

DIRECTIVE NO.	CEODIR-2020-005
DATE	FEBRUARY 1, 2020
DATE REVISED	APRIL 18, 2023
SUBJECT	USE OF CROWDFUNDING FOR FUNDRAISING
REFERENCE	N/APP
INTENT	TO PROVIDE GUIDANCE ON USING CROWDFUNDING TO COLLECT POLITICAL CONTRIBUTIONS
AUDIENCE	CHIEF OFFICIAL AGENTS, FINANCIAL AGENTS

Crowdfunding, or crowdsourcing, is a method of fundraising that involves collecting money from a large number of people through the use of a website (Fundrazr.com, Indiegogo.com, GoFundMe.com, etc.). Crowdfunding websites represent a useful tool for parties and candidates to collect political contributions. Sections 239 through 242 of *The Election Act, 1996* and sections 9 through 11 of *The Political Contributions Tax Credit Act* set out restrictions and requirements for collecting contributions. This CEO directive will provide guidelines to ensure any contributions received through crowdfunding websites comply with those requirements and restrictions.

REQUIREMENTS FOR ACCEPTING CROWDSOURCED CONTRIBUTIONS

In order to accept contributions through a crowdfunding website, the chief official agent or financial agent must ensure that the website allows for the collection of the following information for each contribution and that this information is accessible by the chief official agent or financial agent:

- The value of the contribution;
- The date the contribution was made;
- The full name and address of the contributor; and
- In the case the contributor is a corporation, the name of the president and chief executive officer of the corporation.

It is the responsibility of the chief official agent or financial agent to ensure that all contributions accepted comply with sections 239 through 242 of *The Election Act, 1996*. This includes the requirement to disclose the name of contributors making total contributions in excess of \$250. As such, we recommend that the above information be collected for all contributions.

It is also recommended that each registered political party / candidate site should include a disclaimer informing potential donors of the requirements of *The Election Act, 1996*. The following is suggested wording for a disclaimer:

Disclaimer:

Only Canadian residents and non-resident Canadian citizens are eligible to donate to a registered political party or candidate. You must provide your name and address for all donations. Total annual donations from an individual, corporation, trade union, unincorporated organization, association, person or group of persons over \$250 will be disclosed. The contribution may only be paid out of money to which you are beneficially entitled. If you are acting as an agent on behalf of one or more individuals, details including names and amounts of individual contributors must be provided to [name and address of financial agent or chief official agent].

Authorized by [the financial agent for the candidate / chief official agent for the registered political party].

Many crowdfunding websites provide the ability to offer rewards in exchange for contributions. No consideration may be promised in exchange for political contributions.

The amount of contribution to be disclosed in all reporting is the gross amount of contribution received from the contributor. Any fees charged by the crowdfunding service should be treated as an election expense in the case of a candidate, or an operating expense reported on the fiscal period return in the case of a party.

A handwritten signature in blue ink that reads 'Michael D. Boda'.

MICHAEL D. BODA, D. PHIL., PH.D.
CHIEF ELECTORAL OFFICER
PROVINCE OF SASKATCHEWAN
FEBRUARY 1, 2020