

# C-24

## ***ELECTORAL DISTRICT ASSOCIATIONS***

***DECEMBER, 2003***

# Objective of the presentation

To provide a briefing on the new provisions of the *Canada Elections Act* concerning Electoral District Associations

# Agenda

- Introduction
- Benefits of Registration
- Registration Process
- Obligations of a Registered Association
- Deregistration
- Transitional Provisions

# Introduction

- Effective January 1, 2004 electoral district associations can register with Elections Canada [403.02]
- An electoral district association is defined as an association of members of a political party in an electoral district [2(1)]
- Registration of electoral district association is not mandatory [403.02]

# Introduction

- Unregistered associations will be able to receive transfers from their registered party [404.2(2)(a)]
- Unregistered associations cannot:
  - Accept contributions [403.01(a)]
  - Provide goods or services or transfer funds to candidates endorsed by their registered party, the registered party, or another registered association of the registered party [403.01(b)&(c)]
  - Accept surplus funds from a candidate, leadership contestant or nomination contestant [403.01(d)]

# Benefits of registration

Registered electoral district association can:

- Accept contributions [403.01]
- Receive transfers from registered party, other registered associations, candidates, nomination contestants and leadership contestants [404.2(2)(a) & (c), (3) (a)&(b)]
- Make transfers to registered party, other registered associations and candidates [404.2(2)(b)]
- Issue tax receipts [*Income Tax Act*, s. 127(3.2)]
- Audit fees can be subsidized when reports are required to be audited [403.39]
- Receive surplus funds from candidate, leadership contestant, or nomination contestant [435.46(2), 473(2)(a), 478.41(2)(b)]

# Receipt of contributions

- Individuals will be able to make contributions of up to \$5,000 per year in the aggregate to a registered political party, its registered associations, candidates, and nomination contestants [405(1)]
- With limited exceptions, corporations, trade unions and unincorporated association (fundraisers) may make contributions of \$1,000 per year in the aggregate to all registered associations, candidates, and nomination contestants of the same political affiliation [405.3]

# Receipt of contributions and issuance of tax receipts

- Where the leader of the party has provided a written authorization to the financial agent, a registered association will be able to issue tax receipts for monetary contributions to the registered association [*Income Tax Act*, s. 127(3.2)]



# Transfers from a registered association

- Registered association can make unlimited transfers to the registered political party with which it is affiliated, to the candidates endorsed by that party or other registered associations of the same party [404.2(2)(a)&(c), (3)(a)&(b)]

# Transfers to a registered association

- Registered association can accept transfers from the registered party with which it is affiliated, other registered associations of that party, candidates and leadership contestants of the party, and from nomination contestants in a nomination contest held by the registered association [404.2(2)(b)]
- Registered association may receive surplus funds from a candidate in the same electoral district, from leadership contestant of the same registered political party, or from a nomination contestant in a nomination contest held by the registered association [435.46(2), 473(2)(a), 478.41(2)(b)]

# Registration process

- Registered party may only have one registered association per electoral district [403.03]
- Application for registration must be submitted to the CEO [403.02(1)]
  - If requirements met, the association will be registered [403.02(3)]

# Registration process

- An association may submit an application for any existing electoral district [403.02(1)]
  - Effective date of registration is the date the CEO enters the association in the registry [403.02(4)]
- Where the boundaries of an electoral district are changed because of a representation order, the registered association is deregistered [403.22(1)]

## Registration process

- Deregistration may be avoided if the registered association files before the day on which the representation order comes into effect, a notice stating that it will be continuing as the association for a district as described in the representation order, accompanied by a consent signed by the leader of the registered political party [403.22(1)]

# Registration process

- An association may submit an application for an electoral district described in a representation order [403.22(4)]
  - Once accepted by the CEO, the registration to take effect as of the effective date of new boundaries. [403.22(4)]

## Registration process

- An association that is automatically deregistered, will have six months in which it can continue to transfer funds and goods to the registered political party or any of the party's registered associations [403.22(3)]
- Within six months of deregistration, the association will have to file its final fiscal return and any outstanding financial reports [403.26]

# Obligations of a registered association

- Maintain books and records of financial transactions [403.27]
- Issue receipts for contributions [404.4(1)]
- Initial financial reporting following registration [403.05]
- Annual fiscal returns [403.35]
- Update registry information [403.16, 403.17]
- Report on nomination contests it holds [478.02(1)]



# Issue receipts for contributions

- All non-monetary contributions in excess of \$25 must be receipted [404.4(1)]

## Initial financial reporting following registration

- Within six months of registering, the association must provide a statement of its assets and liabilities as of the day before registration with a declaration of the financial agent that the statement is complete and accurate [403.05]

## Annual fiscal returns

- Upon registration, a registered association must vary its fiscal period so that it ends on December 31 [403.07]
- Within five months of the end of the fiscal year, the registered association must submit a financial transactions return and, where required, an auditor's report [403.35]

## Annual fiscal returns

- The reporting requirements are similar to those of registered parties [403.35]
- Vouchers do not have to be filed [403.35]

## Annual fiscal returns

- Returns must be audited if association received contributions or incurred expenses of \$5,000 or more during the fiscal period [403.37]
- Audit subsidy up to \$1,500 will be paid to the auditor, where the audit is required, and upon presentation of the auditor's invoice [403.39]

# Update registry information

- Registered association to inform CEO within 30 days of change in the information in the registry [403.16(1)]
- Where changes are to auditor or financial agent, a copy of their consent to appointment to be provided [403.16(2)]
- On or before May 31 of every year, registered association to confirm the validity of the information in the registry of electoral district associations [403.17]

# Report on nomination contests

- An association that holds a nomination contest must provide the CEO, within 30 days after the selection date, with a report [478.02(1)]

# Deregistration

- Circumstances leading to deregistration:
  - Failure to file one or several required updates or reports [403.19]
  - Voluntary deregistration [403.21)]
  - Registered party requests deregistration of the association [403.2(2)]
    - Application to be signed by the leader and two of the party's officers [403.2(2)]
  - Boundaries of electoral district is changed through redistribution and association has not filed notice endorsed by the leader to continue as a registered association for a new electoral district [403.22(1)]



# Transitional provisions

- Contributions received before January 1, 2004 will not have to be reported in the first fiscal return
- Such contributions will not be taken into consideration for the purpose of the contributions limits

# Transitional provisions

- The value of any such contributions retained by the association would be included in the assets of the association and included in its statement of assets and liabilities to be filed within six months of its registration date [403.05]

# Phone Support Network

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