



ELECTIONS BC
A non-partisan Office of the Legislature

878 (05/06)

GUIDE FOR FINANCIAL AGENTS

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General

This guide is intended to assist both the financial agent and auditor of a registered political party, registered constituency association, candidate or leadership contestant. It outlines the rules in the *Election Act* as they apply to the financial reporting requirements. It is only a summary of the financing requirements and does not take precedence over the *Election Act*. Where possible, section references to the Act are noted, and the relevant provisions of the *Election Act* should be read in conjunction with this guide.

The *Election Act* is available for viewing on our Web site (www.elections.bc.ca) or can be purchased from:

Crown Publications
521 Fort Street
Victoria, B.C.
V8W 1E7

Definitions

The *Election Act* provides definitions for the following terms. These terms are used in this guide with the same definitions.

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| Auditor: | An individual or firm appointed to audit the financial reports of the appointing individual or organization. |
| Campaign Period: | The period between when an election is called and the close of General Voting for the election. |
| Candidate: | An individual who has completed the nomination process and has been issued a Certificate of Candidacy. For the purposes of election financing and election communications, the term candidate includes an individual who becomes a candidate or who was a candidate in an election. |
| Constituency Association: | An organization formed for an electoral district as the local organization of a registered political party or as the local organization to support an individual who is an independent Member of the Legislative Assembly for the electoral district. |
| Election Expense: | The value of property or services used during a campaign period by or on behalf of a candidate, registered constituency association or registered political party to promote or oppose, directly or indirectly, the election of a candidate, or to promote or oppose, directly or indirectly, a registered political party. |
| Election Expenses Limit: | The maximum amount of election expenses which may be incurred by a registered political party, registered constituency association, or candidate. |

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| Financial Agent: | An individual appointed by an organization or individual to administer their finances in accordance with the <i>Election Act</i> . |
| Fundraising Function: | Includes a social function held for the purpose of raising funds for the organization or individual by whom or on whose behalf the function is held. |
| Incur: | <p>In relation to an election expense or contestant expense, using property or services in such a manner that the value of the property or services is an election expense or contestant expense; and</p> <p>in relation to an expense referred to in section 194, using property or services in such a manner that the value of the property or services would be an election expense if the property or services had been used by or on behalf of a candidate, registered constituency association or registered political party.</p> |
| Leadership Contestant: | An individual seeking the leadership of a registered political party, whether or not any other individual seeks that leadership, and for the purposes of election financing and election communications includes an individual who becomes a leadership contestant or who was a leadership contestant. |
| Market Value: | In relation to property or services, the lowest price charged for an equivalent amount of equivalent property or services in the market area at the relevant time. |
| Money: | Includes cash, a negotiable instrument and a payment by means of a credit card. |
| Political Contribution: | A contribution of money, or the value of goods or services provided without compensation to a candidate, leadership contestant, nomination contestant, political party or constituency association in accordance with the <i>Election Act</i> . |

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| Political Party: | An organization that has as a primary purpose, the fielding of candidates for election to the Legislative Assembly. |
| Registered: | In relation to a voter, a political party, a constituency association or a sponsor of election advertising, an individual or organization registered with Elections BC. |
| Tax Receipt: | A receipt issued under section 20 of the <i>Income Tax Act</i> for a political contribution of money. |
| Volunteer: | In relation to services, an individual providing the services as described in section 180 (5) (a) of the <i>Election Act</i> . |

Appointment of Financial Agents and Auditors

Registered political parties, registered constituency associations and prospective candidates are required to appoint a financial agent and an auditor. Leadership contestants must appoint a financial agent. Nomination contestants are not required to appoint a financial agent. These appointments must be made in writing.

Financial Agent

Requirement for a financial agent [section 175]

Each registered political party, registered constituency association, candidate and leadership contestant must have a financial agent.

A political party or constituency association must appoint an individual as financial agent. A candidate or leadership contestant may appoint an individual as financial agent but, if no financial agent is appointed, the candidate or leadership contestant is his or her own financial agent.

An organization or individual may only have one financial agent at any one time, but an individual can be a financial agent for more than one organization or individual. This means that the financial agent of a registered political party or leadership contestant can also act as the financial agent for a registered constituency association.

Appointment of a financial agent [section 176]

To act as financial agent, an individual must be capable of entering into contracts. The statutory obligations of the financial agent are significant and require certain skills. The financial agent must be capable of managing campaign finances in accordance with the *Election Act*, and it is recommended that the individual appointed be familiar with keeping financial records.

Certain individuals are disqualified from acting as financial agent. Those disqualified from being a financial agent are:

- election officials, voter registration officials, or employees of Elections BC;
- individuals who do not have full capacity to enter into contracts;
- individuals who are members of the same firm as the auditor for the appointing organization or individual, or who are members of the firm which is that auditor; and
- individuals who have been convicted of an offence under the *Election Act* or the *Recall and Initiative Act* within the last seven years.

The appointment of a financial agent must be made in writing and must:

- be on a form provided by Elections BC;
- include the name, mailing address and telephone number of the individual appointed and the effective date of the appointment;
- be signed, as applicable, by a principal officer of the appointing organization or the appointing individual; and
- include a signed consent of the individual appointed to act as financial agent.

Once an appointment is made, a copy of the appointment and consent must be delivered as soon as possible to the Chief Electoral Officer or the District Electoral Officer, as applicable.

If a financial agent becomes disqualified, resigns, or ceases to hold that position for any other reason, the Chief Electoral Officer or District Electoral Officer, as applicable, must be notified immediately. In such cases, the registered political party or registered constituency association must make a new appointment. In the case of a candidate or leadership contestant, the individual must make a new appointment or deliver a statement to the Chief Electoral Officer explaining that the candidate will be acting as his or her own financial agent.

Financial agent responsibilities [section 177]

The financial agent of a registered political party, registered constituency association, candidate or leadership contestant is responsible for ensuring that finances comply with the *Election Act*.

The financial agent's responsibilities include:

- accepting and recording all contributions to the organization or individual;
- determining the market value of contributions of property (goods) and services;
- incurring and recording the expenses of the organization or individual;
- ensuring that all money received on behalf of the organization or individual is deposited in an account in a savings institution and that all expenditures are made from an account in a savings institution;
- keeping complete and accurate financial records;
- ensuring all financial records and receipts are kept in British Columbia for 5 years from the date of filing a report;
- in the case of a registered political party or registered constituency association, filing an annual financial report with the Chief Electoral Officer by March 31 of the following year;
- filing an election financing report for the organization or candidate within 90 days after General Voting Day for an election; and
- in the case of a leadership contestant, filing a contestant financing report within 90 days after a leader is selected.

The financial agent is not personally responsible for any liability of the organization or individual unless the liability is personally guaranteed by the financial agent.

Deputy financial agents [section 178]

A financial agent may appoint individuals to act as deputy financial agents. These individuals may assist in accepting political contributions and issuing income tax receipts for those contributions. Deputy financial agents have the same authority and responsibility as a financial agent in relation to issuing income tax receipts.

The rules regarding the qualifications and appointment of financial agents also apply to deputy financial agents.

Individuals may also be authorized in writing by the financial agent to incur election expenses [section 193].

Auditor

Requirement for an auditor [section 179]

A registered political party, registered constituency association or candidate must appoint an auditor. If the appointment ends for any reason, the organization or candidate must appoint a new auditor as soon as possible.

Appointment of an auditor [section 179]

In order to be appointed, an auditor must be qualified to be the auditor of a company. This means that the individual is a Chartered Accountant (C.A.) or Certified General Accountant (C.G.A.), or has been certified by the auditor certification board.

Certain persons are disqualified from acting as an auditor. These include:

- election officials, voter registration officials, or employees of Elections BC;
- individuals who do not have full capacity to enter into contracts;

- an individual who is a member of the same firm as the organization's or candidate's financial agent or a firm of which the organization's or candidate's financial agent is a member; and
- individuals who have been convicted of an offence under the *Election Act* or the *Recall and Initiative Act* within the last seven years.

An auditor may be appointed as such for more than one organization or individual.

The appointment of an auditor must be made in writing and must:

- be on a form provided by Elections BC;
- include the name, mailing address and telephone number of the auditor;
- indicate the effective date of the appointment;
- be signed, as applicable, by a principal officer of the appointing organization or the appointing individual; and
- include a signed consent of the auditor.

As soon as possible after an appointment is made, a copy of the appointment and auditor's consent must be delivered to the Chief Electoral Officer or District Electoral Officer, as applicable.

The auditor is required to file a report if the total political contributions, election expenses or contestant expenses to be reported is \$10,000 or more [section 213 (1)]. The auditor must also file reports as requested by the Chief Electoral Officer. The Chief Electoral Officer has the authority to request an auditor's report even if the contributions and expenses are under \$10,000.

If the auditor ceases to hold that position or ceases to be qualified to act as auditor, a new auditor must be appointed as soon as possible. If a new appointment is made, a copy of the appointment must be delivered to the District Electoral Officer or Chief Electoral Officer, as applicable.

Bank Accounts

Requirement for a bank account

Each organization or individual, including a registered political party, registered constituency association, candidate and leadership contestant, is required to have a separate account in a savings institution. The account may be in any appropriate name. The financial agent for the organization or individual is responsible for ensuring that all monetary transactions are processed through the account, including the deposit of all money received on behalf of the organization or individual and all disbursements made on their behalf.

Organizations or individuals must not share accounts, and the financial agent must ensure that the account is used exclusively for the monetary transactions of the organization or individual for whom the account was established.

Valuation of Goods and Services

General valuation rules [section 185]

The following rules apply for the purpose of determining the value of a political contribution, election expense or contestant expense.

The value of any property or services is:

- the price paid for the property or services; or
- the market value of the property or services, if no price is paid or if the price paid is lower than the market value.

“Market value” is the lowest price charged for an equivalent amount of equivalent goods or services in the market area at the time they are provided or used.

The price paid or market value of goods or services includes P.S.T. and/or G.S.T. when applicable.

If the property is a capital asset, the value of the property is the market value of using the property.

The value of free advertising space in a periodical publication and free broadcasting time provided to a candidate in an election, if the space or time is also made available on an equitable basis to all other candidates in the election, is considered nil.

Valuation of re-used election signs

Organizations with election signs or sign materials which are obtained for an election and re-used in a subsequent election must determine their value and show them as assets of the organization. The value of any signs re-used during an election must be shown as an election expense which is subject to limits.

Examples:

Signs left over from previous election campaigns may be re-used, but the signs which are re-used must have a value attributed to them for election expense limit purposes. This value is the market value of new signs at the time that they are re-used.

A quote must be obtained to determine the current cost of making an equivalent number of signs of equivalent quality. This amount must be reported in the election financing report as an election expense which is subject to limits.

The same valuation process is used when signs require reprinting in order to be re-used or to comply with sponsor identification requirements as set out in the *Election Act*. In such instances, regardless of the original cost of the signs or the cost of reprinting, the value attributed to them for election expense limit purposes is their full market value.

Examples:

The purchase price of old signs which are being re-used was \$10,000. After reprinting, the current market value for an equivalent number of equivalent quality new signs is \$15,000. Regardless of the original cost or the reprinting costs incurred to make them suitable for re-use, the market value attributed to the signs is \$15,000. This market value of \$15,000 must be reported in the election financing report as an election expense subject to limits.

If 100 old signs are reprinted for a campaign and only 25 are actually used for that campaign, only the market value of the signs actually used is reported as an election expense subject to limits. The cost of reprinting the 75 signs which were not used during the campaign is reported in the annual financial report in the case of a registered political party or registered constituency association or as an other expense in the case of a candidate.

Election Advertising

Election advertising [sections 228, 231]

Section 228 of the *Election Act* defines election advertising as advertising **used** during a campaign period to promote or oppose, directly or indirectly, the election of a candidate or a registered political party.

The value of election advertising is the price paid for preparing, conducting or publishing the election advertising. If the advertising is donated, the expense and related political contribution should be reported at the fair market value of the service.

All election advertising must indicate that it was authorized by the financial agent. The authorization statement must also include either a phone number or an address, in British Columbia, at which the financial agent can be contacted. An example of such a statement is as follows:

“Authorized by John Doe, financial agent, 604-123-4567”

Political Contributions

Political contribution definition [section 180]

A political contribution is the amount of money or the value of any property (goods) or services provided without compensation by way of donation, advance, deposit, discount or otherwise to a political party; a constituency association; a candidate, in relation to their candidacy; a leadership contestant, in relation to their seeking of the leadership; or a nomination contestant, in relation to their seeking of the nomination.

The following are not political contributions:

- services provided by a volunteer;
- property of a volunteer, if it is provided or used in relation to the services of the individual as a volunteer;
- property or services provided by an election official, voter registration official, or other member of Elections BC in relation to their official duties;
- publishing without charge, news, an editorial, an interview, a column, a letter or a commentary in a bona fide newspaper, magazine or a radio or television program; and
- broadcasting time provided, without charge, as part of a bona fide public affairs program.

Volunteers

Volunteers are individuals who voluntarily perform the services and who receive no compensation, directly or indirectly, in relation to the services or the time spent providing the services. This means that employers cannot continue to pay people while they are working as volunteers. If they do continue to get paid, they are not volunteers and the value of their services is a contribution from their employer and an election expense.

If an individual uses paid vacation time to work on a campaign they will be considered a volunteer as long as they have not been directed by their employer to provide the services and the employer does not provide any extra vacation or leave.

Rules for making and accepting contributions [sections 186, 187]

There are several important rules which apply to giving and accepting contributions.

All contributions must be given to the financial agent, deputy financial agent, or to someone authorized in writing by the financial agent. The financial agent must ensure that all money (whatever the amount) received by or on behalf of the organization or individual is deposited in an account in a savings institution [section 177 (2) (b)].

Nomination contestants can receive contributions on their own behalf.

Charitable organizations are not allowed to make political contributions. A charitable organization includes any organization whose objectives are the relief of poverty; advancement of education or religion; protection of health; governmental or municipal purposes, and other purposes beneficial to the community. This definition applies whether or not the organization is a registered charity for income tax purposes.

Cash contributions of over \$100 cannot be accepted. Political contributions of more than \$100 must be made by cheque, money order or credit card with the name of the contributor legibly shown on it.

Normally, individuals and organizations can only make political contributions with their own money, property and services. Making indirect contributions is prohibited. This means that an individual or organization must not give money, other property, or services to another individual or organization to make as a contribution, or provide “consideration” for making a contribution.

However, there is an exception for individuals only. An individual can make a political contribution with the money of another individual but the person whose money is being used is the contributor and their name and address must be given to the financial agent and, if applicable, disclosed by the financial agent.

Money that a candidate or nomination contestant provides to their own campaign is treated like any other political contribution, and it must be recorded and disclosed as such.

This means that any money a candidate contributes to his or her own campaign must be given to the financial agent. The financial agent is required to ensure that the money is deposited in the campaign account in a savings institution. Funds may be withdrawn from that campaign account to pay any of the candidate’s or contestant’s campaign expenses.

Unregistered political parties and unregistered constituency associations are prohibited from making political contributions, including transfers of money, goods or services to candidates, registered political parties and registered constituency associations

Recording requirements for political contributions [section 190]

The financial agent is required to record the following information for each political contribution, whatever the value of the contribution:

- the value of the contribution;
- the date the contribution was made;

- the full name and address of the contributor;
- the class of the contributor; and
- if the contributor is a numbered corporation or a class 3, 4, 5 or 6 contributor, the full names and addresses of at least two individuals who are directors of the organization. If there are no individual directors, the financial agent must record the full names and addresses of two principal officers or principal members of the organization.

The classes of contributors are:

- (1) individuals;
- (2) corporations;
- (3) unincorporated organizations engaged in business or commercial activity (partnerships and sole proprietorships);
- (4) trade unions (identify specific local number);
- (5) non-profit organizations (charitable organizations are not allowed to make political contributions (see page 14 for more information); and
- (6) other contributors.

For **fundraising events**, the financial agent is required to record:

- a description of the function;
- the date of the function; and
- the cost, gross income and the net income or loss arising from the function.

For all **anonymous contributions** received, the financial agent must record:

- a description of the function;
- the date of the function;
- the number of people in attendance; and
- the total amount of anonymous contributions accepted.

Reporting requirements for political contributions [section 206]

Where political contributions are required to be disclosed in a report, the report must include the following:

- for each contributor who, during the period covered by the report, made one or more political contributions that in total have a value of more than \$250:
 - the name of the contributor
 - the value of the contribution
 - the date the contribution was made
 - the class of the contributor
 - if the contributor is a numbered corporation or a class 3, 4, 5 or 6 contributor, the full names of at least two individuals who are directors of the organization, or if there are no individual directors, who are principal officers or principal members of the organization
- in the case of an indirect contribution permitted under section 186 (2) (b), the full name of the individual whose money was used to make the contribution;
- for anonymous contributions:
 - a description of the function at which the contributions were collected

- the date of the function
- the number of people in attendance at the function
- the total amount of anonymous contributions accepted
- for all other contributions, the aggregate value of the political contributions received and the total number of contributors from whom they were received.

On request by the Chief Electoral Officer, a contributor must file with the Chief Electoral Officer a solemn declaration that the contributor has not contravened the requirements of the *Election Act*.

A nomination contestant who becomes a candidate must report the political contributions accepted as a nomination contestant. Nomination contestants should record all of the information required for contributions, as outlined above.

The financial agents of candidates endorsed by registered political parties are required to forward a copy of their political contributions records to the party's financial agent within 60 days after General Voting Day for an election. The financial agent of a registered constituency association of a registered political party must provide their records to the political party by February 15 of the following year. The party needs these records to meet the party's disclosure requirements.

Anonymous contributions [sections 186, 188]

Anonymous contributions are not permitted unless the contribution is made in response to a general solicitation for funds (passing the hat) at a function held by or on behalf of the organization or individual to whom the contribution is provided **and** the amount contributed has a value of **less than \$50**.

Anonymous contributions made by mail, or other than at a function, are prohibited.

Individuals wishing to donate \$50 or more cannot do so anonymously, and should give the contribution directly to the financial agent, place a cheque in “the hat” rather than cash, or put the contribution in an envelope with the date, amount contributed, and the contributor’s name and address printed on the envelope.

An anonymous contribution means that the organization or individual receiving it does not know who made the contribution. An individual cannot request that a contribution be accepted and reported as an anonymous contribution.

When accepting contributions made anonymously at a function, the financial agent or the nomination contestant is required to record a description of the function at which the contributions were collected, the date of the function, the number of people at that function and the total amount of anonymous contributions accepted.

The financial agent may want to consider having someone supervise the “passing of the hat” to ensure that no one places a \$50 bill or more in the hat. They should also make it known that if there is a total of \$50 or more contributed anonymously per individual in attendance, the total amount collected by passing the hat will be considered a prohibited contribution. Prohibited contributions must be returned to the contributor or sent to the Chief Electoral Officer for remittance to the Consolidated Revenue Fund.

Example:

If 30 people were in attendance at an event where anonymous contributions were accepted, and \$1,500 was received, the entire \$1,500 would be a prohibited contribution.

The total amount of anonymous contributions that a registered political party or registered constituency association can accept is limited to \$10,000 in any calendar year.

The total amount of anonymous contributions that a candidate, leadership contestant or nomination contestant can accept is limited to \$3,000 in any one election or contest.

An organization or individual must not accept an anonymous political contribution if this will exceed the limit.

Prohibited contributions [section 189]

If the financial agent becomes aware that a political contribution was made or accepted in contravention of the Act (e.g., \$20 in cash received anonymously by mail), the contribution must be returned within 30 days. If it is not possible to return the contribution, it must be forwarded to the Chief Electoral Officer for remittance to the Consolidated Revenue Fund. The financial agent must keep a record of any prohibited contributions and how each instance was resolved.

Political contribution limits

There is no limit on the amount of political contributions that a registered political party, registered constituency association, candidate, leadership contestant or nomination contestant can accept. However, section 206 of the *Election Act* requires that the identity of contributors who make political contributions which, in total, have a value of more than \$250, be disclosed in a financial report. There are limits on the total amount of anonymous contributions that can be accepted.

Loans as political contributions [section 181]

A loan is not generally considered to be a political contribution unless it is forgiven or written off. However, if a loan is given with a preferential interest rate, the benefit derived from that preferential rate is a political contribution. A preferential interest rate is a rate of interest that is less than the prime rate of the principal banker to the Province of British Columbia at the time the rate of interest was fixed.

Outstanding debts as political contributions [section 181]

Any debt which remains unpaid for six months after it becomes due converts to a political contribution and must be recorded as such, unless the creditor has commenced legal proceedings to recover the debt. This applies to debts owed by a political party or constituency association, a debt owed by a candidate in relation to an election expense, or a debt owed by a nomination contestant or leadership contestant in relation to a contestant expense.

Fundraising functions [section 182]

There are special rules for fundraising functions. These special rules define what is, and what is not, a political contribution with respect to fundraising events. If a donation at a fundraising event is not considered a political contribution under these rules, the recording rules and the rules about how contributions must be made do not apply to that donation.

If a joint fundraising function is held, only the entities to whom the payments were made, or that incurred the expenses should report the function.

Rules for dinners, etc.

If an **organization** buys a ticket to a fundraising function, the price paid is a political contribution. If the organization buys fundraising tickets and provides those tickets to other individuals for those individuals to attend the fundraising function, the organization is still the contributor for the purpose of the *Election Act*.

If an **individual** buys a ticket to a fundraising function and the ticket price is more than \$50, the individual is making a political contribution equal to the price of the ticket. If the price is \$50 or less, the price paid is not a political contribution. If the price is \$50 or less, an individual may buy up to \$250 worth of tickets without it being considered a political contribution.

The rules under the *Election Act* and the *Income Tax Act* differ. For income tax receipting purposes, only the portion of the ticket price that exceeds the reasonably estimated cost of the event, on a per person basis, is the eligible political contribution for income tax purposes.

Example:

Sally Jones buys five tickets to a \$50 fundraising dinner for herself and to treat four of her friends. As the ticket price is \$50 or less and the total cost of the tickets (\$250) does not exceed \$250, the money is not considered a political

contribution under the *Election Act*. This means that the money Sally paid is **not** recorded or disclosed as a political contribution under the *Election Act*.

If the estimated cost of the event is only \$30 per person, then \$20 of the \$50 ticket price is considered an eligible contribution under the *Income Tax Act*. Sally will be entitled to an income tax receipt for \$100 (\$20 x 5 tickets).

Rules for auctions, garage sales, etc.

If property or services are donated for sale at a fundraising function, and have a market value of \$250 or less, the property or services are **not** considered political contributions.

If donated property or services are purchased at a fundraising event at greater than market value, the difference between the price paid and the market value is a political contribution.

Income tax receipts are only issued for eligible money contributions and cannot be issued for contributions of goods or services.

Example:

A political party, constituency association or candidate holds a garage sale to raise funds. If an individual donates a television worth \$75 for resale at the garage sale, the individual donating the T.V. is not making a political contribution.

If the T.V. is sold at the garage sale for \$75 or less, the purchaser of the T.V. is not making a contribution; however, if the T.V. is purchased for \$275, the purchaser is making a political contribution of \$200. [The price paid for the T.V. (\$275) minus the market value of the T.V.(\$75) equals the value of the political contribution (\$200).]

Important Note: Individuals and organizations are not permitted to use lotteries, raffles or any other gambling-type activity for political fundraising. It is illegal to conduct these activities without a provincial licence, and the Province of British Columbia will not issue such a licence for the purpose of political fundraising.

Determining market value of contributed property and services [section 185]

If property (goods) or services are donated at no cost, the value of the contribution is the market value of the goods and services. The “market value” is the lowest price charged for an equivalent amount of equivalent property or services in the market area at the time the property or services are provided. Market value includes G.S.T. and/or P.S.T. when applicable to the property or services provided.

Example:

If a printer provides campaign signs at no charge, the market value would be what the printer would normally charge, including taxes, for those signs.

When capital assets are donated, the contribution is the value of using the property.

Example:

If an individual provides campaign office space at no charge, the individual is making a contribution equal to the market value of renting the office space.

If free advertising space in a periodical publication (magazines, newspapers, etc.) or free broadcast time is provided equitably to all candidates in an election, the value of the advertising is considered nil.

Discounted property and services [section 180 (2)]

If property (goods) or services are provided at less than the market value, the provider of the property or services is considered to have made a political contribution equal to the difference between the market value and the amount charged.

Example:

A printer gives a preferred rate on signs. The signs would normally cost \$1,500, but the printer only charges \$1,000. The printer's contribution is valued and recorded as \$500.

Income tax receipts for contributions to candidates [section 192]

Income tax receipts may only be issued for money contributions given after the candidate has been issued a Certificate of Candidacy. A candidate's financial agent cannot issue income tax receipts for contributions received before that date and may only issue income tax receipts for money received while the individual remains a candidate - that is, until the date of the return of the writ for the election, unless the individual earlier withdraws, dies, or is declared by a court to no longer be a candidate under section 66 of the *Election Act*.

Income tax receipts cannot be issued for political contributions of property or services.

A candidate cannot receive an income tax receipt for expenses incurred by the candidate out of his or her own pocket.

Candidates are responsible for producing their own receipts. A sample receipt format is included in this guide.

Income tax receipts for contributions to registered political parties and registered constituency associations

Registered political parties and registered constituency associations can issue income tax receipts for money contributions received at any time. Income tax receipts cannot be issued for political contributions of property or services.

Registered political parties and registered constituency associations are responsible for producing their own receipts. A sample receipt format is included in this guide.

Income tax receipts for contributions to nomination contestants or leadership contestants

Income tax receipts cannot be issued for contributions to nomination or leadership contestants. British Columbia's *Income Tax Act* only permits candidates who have been issued a Certificate of Candidacy, and registered political parties and registered constituency associations to issue income tax receipts for contributions of money.

Registered political parties and registered constituency associations may not issue income tax receipts on behalf of nomination contestants or leadership contestants, and may not accept political contributions with the understanding that the contribution will be given to a contestant.

Content requirements for income tax receipts

Income tax receipts must meet the requirements of the *Income Tax Act* and Regulations. If any of the content requirements are missing from an income tax receipt, it will be invalid for tax credit purposes.

The *Income Tax Act* and Regulations specify that the form of the income tax receipt and all copies must indicate:

- that it is a receipt for British Columbia income tax purposes;
- the serial number of the receipt (receipts must be pre-printed with sequential serial numbers);
- the amount of the eligible political contribution;
- the date on which the political contribution was received;
- the name and address of the person making the contribution including, in the case of an individual, the given names of the individual; and
- the signature of the financial agent.

In the case of a contribution to a candidate, the following information must also be indicated:

- the name of the candidate;
- the electoral district in which the candidate is seeking election and the date of General Voting Day; and
- the identity number assigned on the candidate's Certificate of Candidacy.

In the case of a contribution to a registered political party or a registered constituency association the following must also be indicated:

- the name of the organization as filed with the Chief Electoral Officer; and
- the identity number assigned to the organization by the Chief Electoral Officer.

The Income Tax Commissioner will accept receipts with the signature of the financial agent pre-printed on the receipt. If pre-printed signatures are used, financial agents are strongly encouraged to take extra security measures with such receipts.

If a single receipt is issued for multiple contributions, the Income Tax Commissioner will accept a single date for the date received as long as it clearly indicates the taxation year in which the contributions were received.

Income tax receipts must include at least two parts:

- the original must be provided to the taxpayer for attachment to the taxpayer's tax return;
- one copy must be retained by the financial agent as part of the financial records; and
- if the receipt is issued for a contribution to a candidate endorsed by a registered political party, a copy of the receipt must be forwarded to the party's financial agent.

If a replacement receipt is issued for a previously issued receipt, the replacement receipt must clearly indicate that it is a replacement and note the serial number of the original receipt.

Suggested receipt format for political contributions for income tax purposes - candidates

| |
|---|
| <p>Official Receipt for British Columbia Income Tax Purposes (serial number)</p> |
| <p>Receipt for a contribution to the campaign to elect _____ <i>(name of candidate)</i></p> |
| <p>Identity number: _____ Issued at: _____</p> |
| <p>Date received: _____ Date issued: _____</p> |
| <p>We acknowledge, with thanks, your contribution of: \$ _____</p> |
| <p style="text-align: center;">Contributed by (please print):</p> |
| <p>Name: _____</p> |
| <p>Street: _____</p> |
| <p>City: _____</p> |
| <p>Postal Code: _____</p> |
| <p>_____ <i>(Financial Agent)</i></p> |
| <p>Electoral District: _____ Date of General Voting Day: _____</p> |

**Suggested receipt format for political contributions for income tax purposes -
registered constituency associations or registered political parties**

Official Receipt for British Columbia Income Tax Purposes (serial number)

Receipt for a contribution to _____
(name of registered constituency association or registered political party)

Identity number: _____ Issued at: _____

Date received: _____ Date issued: _____

We acknowledge, with thanks, your contribution of: \$ _____

Contributed by (please print):

Name: _____

Street: _____

City: _____

Postal Code: _____

(Financial Agent)

Transfers

Recording transfers within a party organization [section 180 (6)]

Non-reciprocal movements of money, other property or services within a party organization are recorded and disclosed as transfers, rather than as political contributions. This applies to money, other property or services received:

- by a candidate's election campaign from its registered political party or registered constituency association;
- by a registered constituency association from its registered political party or a candidate; or
- by a registered political party from its registered constituency association or a candidate.

In the case of nomination contestants or leadership contestants, any money, other property or services received from a registered political party or registered constituency association are recorded and disclosed as political contributions. Nomination contestants and leadership contestants cannot make or receive transfers in relation to their contest.

Unregistered political parties and unregistered constituency associations are prohibited from making transfers or political contributions.

Expenses

Contestant expenses [section 184]

A contestant expense is the value of property or services used by, or on behalf of a nomination contestant or leadership contestant to promote or oppose, directly or indirectly, the selection of the contestant.

Election expenses [section 183]

An election expense is the value of property or services used during a campaign period by or on behalf of a candidate, registered constituency association or registered political party to promote or oppose, directly or indirectly, the election of a candidate, or to promote or oppose, directly or indirectly, a registered political party.

These definitions mean that anything used in an election, nomination contest or leadership contest is an election or contestant expense, even if the item was purchased before the election or contest was called.

A deficit incurred in holding a fundraising function during a campaign period is an election expense and is subject to the election expenses limit.

The following election expenses incurred by a candidate, if they are reasonable, are personal election expenses of the candidate:

- payment for care of a child or other family member for whom the candidate is normally directly responsible;
- the cost of travelling to and from or within the electoral district;
- the cost of lodging, meals and incidental charges while travelling to and from or within the electoral district;
- the cost of renting a temporary residence if it is necessary for the election;
- election expenses incurred as a result of any disability of the candidate, including the cost of any individual required to assist the candidate in performing the functions necessary for seeking election; and
- any other election expenses specified by regulation.

If, during a campaign period, a candidate for a registered political party incurs nomination contestant expenses that in total exceed 10 percent of the candidate's election expenses limit, the excess is deemed to be election expenses of the candidate. For this purpose, the personal contestant expenses of the candidate are not to be included as contestant expenses.

The value of the following is not an election expense:

- services provided by a volunteer;
- property of a volunteer if it is provided or used in relation to the services of the individual as a volunteer;
- property or services provided by an election official, a voter registration official or other member of Elections BC in relation to their official duties;
- publishing without charge, news, an editorial, an interview, a column, a letter or a commentary in a bona fide periodical publication or a radio or television program;
- broadcasting time provided, without charge, as part of a bona fide public affairs program;
- producing, promoting or distributing a publication for no less than its market value, if the publication was planned to be sold regardless of the election;
- services provided by a candidate in relation to that individual's candidacy and goods produced by a candidate in relation to that individual's candidacy from the property of the candidate; and
- goods produced by an individual as a volunteer from the property of the individual.

Volunteers are individuals who voluntarily perform the services and who receive no compensation, directly or indirectly, in relation to the services or time spent providing the services. This means that employers cannot continue to pay people while they are working as volunteers. If they do continue to get paid they are not volunteers and the value of their services is a contribution from their employer and an election expense.

If an individual uses paid vacation time to work on a campaign they will be considered a volunteer as long as they have not been directed by their employer to provide the services and the employer does not provide any extra vacation or leave.

Incurring election and contestant expenses [section 193]

A registered political party, registered constituency association, candidate or leadership contestant must not incur an election or contestant expense except through their financial agent or an individual authorized in writing by the financial agent.

An individual must not pay an election expense or a leadership contestant expense unless the payment is made out of the property of the organization or individual for whom it is incurred. The individual paying the expense must be the financial agent or an individual authorized in writing by the financial agent.

The above requirement for the financial agent or authorized individual to pay the expense does not apply to a candidate's personal election expenses or a leadership contestant's personal contestant expenses. These may be paid directly by the candidate or contestant.

Expenses incurred to promote a candidate by a constituency association or party [sections 200, 201]

Only candidates, registered constituency associations and registered political parties can incur election expenses. A registered constituency association can only incur election expenses if the expenses are made on its candidate's behalf and if the expenses are incurred before the individual becomes a nominated candidate - that is, before the individual has been issued a Certificate of Candidacy from Elections BC. Any such expenses incurred by a registered constituency association are attributed to the candidate's expense limit and must be disclosed in the candidate's election financing report.

If a registered party incurs election expenses for the primary purpose of promoting a particular candidate's election, the election expense is deemed to be the candidate's expense and must be recorded and disclosed as such. If the expense of the registered party is for promoting specific candidates, the election expense must be divided appropriately and

attributed to the applicable candidates. This does not apply to an election expense incurred by a registered political party to promote the election of the party's leader.

Recording expenses [section 177]

The financial agent must make every reasonable effort to ensure that all expenditures greater than \$25 are documented by a statement setting out the particulars of the expenditure (i.e., an invoice or a bill).

The financial agent must also keep track of political contributions of property (goods) and services that are used by the campaign.

Example:

If a printer donated leaflets worth \$1,000 to a campaign and the campaign used those leaflets, the financial agent would record an election expense of \$1,000, as well as recording that the printer made a \$1,000 contribution to the campaign. However, if the campaign only used half of those leaflets, the election expense would be recorded as \$500, although it would still be reported that the printer made a \$1,000 contribution.

Nomination contestants must keep track of nomination contestant expenses and political contributions of property (goods) and services that are used by the nomination campaign. If a writ is issued during a nomination contest, it may be necessary to report those expenses.

Expenses Limits [section 204]

Election expenses limits are subject to Consumer Price Index adjustments as determined by the Chief Electoral Officer. Adjusted amounts will be published in the Gazette and communicated to registered political parties, registered constituency associations and candidates in the election.

Political party expenses limits [section 198]

The election expenses limit for a registered political party is \$1.25 for every registered voter in each electoral district in which the political party has a candidate on General Voting Day. Political party expenses limits are calculated after the close of the nomination period, and are based on the number of registered voters on the revised list of voters, or the preliminary list of voters, if greater [section 197].

Constituency association expenses limits [section 200]

A registered constituency association cannot incur any election expenses unless such expenses are incurred on behalf of a candidate after the election has been called but before the candidate receives their Certificate of Candidacy.

Candidate expenses limits [sections 199, 204]

Candidates' election expenses during a campaign period (writ day to the close of General Voting on General Voting Day) are limited. Candidates for election in electoral districts with 25,000 or fewer registered voters may incur election expenses up to \$50,000. If a candidate is running in an electoral district with more than 25,000 registered voters, the \$50,000 limit is increased by 50 cents for every registered voter in excess of 25,000. If the candidate is running in an electoral district where the population density is less than two registered voters per square kilometre, the basic expenses limit (\$50,000 plus any increases for more than 25,000 voters) is increased by 30 cents times the number of square kilometres - to a maximum of 25 percent of the basic expenses limit.

Estimated expenses limits are available on the Elections BC Web site or from the Elections BC office after an election is called. When the revised voters list is compiled, final expenses limits are calculated to reflect any necessary adjustments. Candidates must ensure that they obtain and observe the final expenses limit figures. Overexpenditures have serious consequences.

If a campaign period is extended as a result of the death of a candidate between the end of the nomination period and the close of General Voting, the election expenses limit as outlined above applies to a new candidate who is nominated after the date the new election proceedings are started. The applicable limit is increased by 50 percent for a candidate who was nominated before the new election proceedings were started.

Expenses not to be included in expenses limits [section 203]

The following expenses are not to be included as election expenses for the purpose of determining whether an organization or individual has complied with an election expenses limit:

- the nomination deposit of a candidate;
- personal election expenses of a candidate;
- legal or accounting services provided to comply with the *Election Act*;
- services provided by a financial agent or auditor in that capacity;
- the cost of any communication that a registered political party or a registered constituency association sends exclusively to its members;
- expenses incurred in holding a fundraising function if no deficit is incurred;
- expenses incurred exclusively for the day-to-day administration of a registered political party or a registered constituency association;
- interest on a loan for election expenses to a candidate, registered constituency association or registered political party;
- the cost of any communications a candidate sends exclusively to members of his or her registered political party or registered constituency association; and
- the portion of transportation costs and costs for food, refreshments and communications equipment for which a political party or candidate is reimbursed by media representatives accompanying election tours.

An election expense that is not included for the purpose of calculating whether there has been compliance with an expenses limit is subject to all other provisions of the *Election Act*.

Candidate who incurs election expenses over limit [section 217]

Unless relief is granted by a court under section 219 of the *Election Act*, a candidate whose election expenses exceed the applicable election expenses limit is subject to penalties.

In the case of a candidate who is declared elected as a Member of the Legislative Assembly, the member ceases to hold office and the seat of the member becomes vacant at the end of the period for making an application to the Supreme Court for relief from the election expenses limit if no application is made, or at the time the court refuses to grant relief from the election expenses limit.

In all cases, the candidate must pay to the Chief Electoral Officer a penalty of double the amount by which the election expenses exceed the limit.

The Chief Electoral Officer must present a report to the Speaker respecting a Member of the Legislative Assembly who may be subject to the penalty for election expenses exceeding the applicable limit as soon as possible after the applicable report is filed for the candidate.

Political party that incurs election expenses over limit [section 218]

Unless relief is granted by a court, a registered political party whose election expenses exceed the applicable election expenses limit is subject to penalties.

The Chief Electoral Officer must suspend the registration of the political party for a period of six months.

The registered political party must pay to the Chief Electoral Officer a penalty of double the amount by which the election expenses exceed the limit.

Financial agents who incur election expenses in excess of the election expenses limit commit an offence and are liable to a fine of not more than \$5,000 or imprisonment for a term not longer than one year, or both [section 263].

Reporting

Summary of reports to be filed with the Chief Electoral Officer

| Organization or Individual | Reports Required | Deadline | Late Filing Deadline | Fee for Filing Late | Penalty for Not Filing |
|-------------------------------------|----------------------------|----------------------------------|-----------------------------------|----------------------------|-------------------------------|
| Registered Political Party | Annual Financing Reports | March 31 | June 30 | \$100 | Deregistration |
| Registered Political Party | Election Financing Reports | 90 days after General Voting Day | 120 days after General Voting Day | \$500 | Deregistration |
| Registered Constituency Association | Annual Financing Reports | March 31 | June 30 | \$100 | Deregistration |
| Registered Constituency Association | Election Financing Reports | 90 days after General Voting Day | 120 days after General Voting Day | \$500 | Deregistration |

Summary of reports to be filed with the Chief Electoral Officer (continued)

| Organization or Individual | Reports Required | Deadline | Late Filing Deadline | Fee for Filing Late | Penalty for Not Filing |
|-----------------------------------|--|------------------------------------|-------------------------------------|----------------------------|---|
| Candidates | Election Financing Reports | 90 days after General Voting Day | 120 days after General Voting Day | \$500 | Loss of seat in Legislature if an MLA; disqualified from being a candidate in next general election; potential deregistration of political party. |
| Nomination Contestants | Election Financing Reports only required if contestant becomes a candidate | 90 days after General Voting Day | 120 days after General Voting Day | \$500 | Loss of seat in Legislature if an MLA; disqualified from being a candidate in next general election. |
| Leadership Contestant | Contestant Financing Report | 90 days after a leader is selected | 120 days after a leader is selected | \$500 | Loss of seat in Legislature if an MLA; disqualified from being a candidate in next general election. |

In addition to the above penalties, the names of all registered political parties, registered constituency associations, candidates and leadership contestants which file late reports shall be published in the Gazette.

Section 225 of the *Election Act* allows organizations and individuals to apply to the Supreme Court for relief from the above filing obligations.

All financing reports must be prepared in accordance with generally accepted accounting principles on forms provided by Elections BC.

If the filing deadline falls on a weekend or statutory holiday, the deadline will be 4:30 p.m. on the next business day.

Annual financial reports by registered political parties and registered constituency associations [section 207]

The fiscal year of a registered political party or registered constituency association must be the calendar year.

By March 31 of each year, the financial agent must file with the Chief Electoral Officer, a financial report respecting the previous calendar year.

The annual financial report must be filed on forms provided by Elections BC, and must include the following information:

- the political contributions the organization accepted during the year;
- the total amount of all tax receipts issued for contributions received during the year;
- the assets, liabilities and surplus or deficit of the organization at the end of the year;
- any transfers made or received by the organization during the year;

- for fundraising functions held by or on behalf of the organization during the year;
 - a description of the function
 - the date of the function
 - the cost, the gross income and the net income or loss arising from the function
- any income received and any expenditures made or incurred by the organization during the year, if these are not otherwise disclosed in the report;
- all loans or guarantees received by the organization during the year and any conditions attached to them, including;
 - the amount of the loan
 - the rate of interest charged for the loan
 - if the loan is received at a preferred interest rate
 - the value of the resulting contribution
 - the date the loan was made
 - the full name of the lender
 - the class of lender
 - if the lender is a numbered corporation or a class 3, 4, 5 or 6 contributor, the full names of at least two individuals who are directors of the organization, or if there are no individual directors, who are principal officers or principal members of the organization
- any preferred rate loans received in prior years if there is an outstanding balance, indicating for each;
 - the date the loan was made
 - the full name of the lender
 - the class of lender

- if the lender is a numbered corporation or a class 3, 4, 5 or 6 contributor, the full names of at least two individuals who are directors of the organization, or if there are no individual directors, who are principal officers or principal members of the organization
- the amount of the loan
- the rate of interest charged for the loan
- any prohibited political contributions received during the year by the organization but returned to the contributor or forwarded to the Chief Electoral Officer.

In addition to the requirements above, a report for a registered political party must include the political contributions made by contributors who, during the period covered by the report, made political contributions to one or more of the political party, a registered constituency association for the political party, and a candidate for the political party, that, in total, have a value of more than \$250.

The first report of an organization must include the information for the period between the date of the statement of the assets and liabilities of the organization included in its application for registration and the end of the fiscal year for which the report is made.

Election financing reports by registered political parties and registered constituency associations [section 210]

Within 90 days after General Voting Day for an election, the financial agent of a registered political party that was represented by a candidate in the election, or a registered constituency association that was represented by a candidate must file an election financing report with the Chief Electoral Officer.

The election financing report must be filed on forms provided by Elections BC and must include the following information:

- the political contributions accepted by the organization between January 1 and the end of the campaign period;
- the total amount of all tax receipts issued for contributions received between January 1 and the end of the campaign period;
- any transfers made or received between January 1 and the end of the campaign period;
- any loans or guarantees received by the organization for election expenses and any conditions attached to them, including for preferred rate loans;
 - the date the loan was made
 - the full name of the lender
 - the class of lender
 - if the lender is a numbered corporation or a class 3, 4, 5, or 6 contributor, the full names of at least two individuals who are directors of the organization, or if there are no individual directors, who are principal officers or principal members of the organization
 - the amount of the loan
 - the rate of interest charged for the loan
- for fundraising functions held by or on behalf of the organization between January 1 and the end of the campaign period;
 - a description of the function
 - the date of the function
 - the cost, the gross income and the net income or loss arising from the function
- any prohibited political contributions received by the organization between January 1 and the end of the campaign period, but returned to the contributor or forwarded to the Chief Electoral Officer; and
- in the case of a report for a registered political party, the election expenses of the political party, showing separately those election expenses that are not included for the purposes of determining whether the political party exceeded the applicable election expenses limit.

If a by-election is canceled because a general election is called, a report respecting the canceled election must be filed, but in the case of a political party or constituency association that is required to file reports for both elections, those reports are not required to be filed until the time for filing the report in relation to the general election.

Election financing reports by nomination contestants [section 209]

The *Election Act* does not require the filing of nomination contestant financing reports. However, if a nomination contestant becomes a candidate, information about the nomination contest must be included in the election financing report.

The election financing report must disclose:

- the name and class of the contributor, the date the contribution was made and the amount of the contribution for each contributor who made one or more contributions to the nomination contest that in total have a value of more than \$250;
- a description of the function, the date, the number of people in attendance, and the total number of anonymous contributions received for anonymous contributions received in relation to the nomination contest;
- the aggregate value of the contributions received and the total number of contributors for all other political contributions received in relation to the nomination contest; and
- nomination contestant expenses if they were incurred during the campaign period.

If a nomination contest overlaps or falls within the election campaign period and the contestant becomes a candidate for a registered political party, any nomination contestant expenses during the campaign that exceed 10 percent of the candidate's limit are counted as election expenses.

Example:

An electoral district has a candidate spending limit of \$50,000. A nomination contest is held during the campaign period. If a nomination contestant who becomes a candidate spends more than \$5,000 in the nomination contest,

the excess will be attributed to election expenses. Thus, if a contestant spends \$10,000 for the nomination contest, \$5,000 would be counted towards the \$50,000 candidate expenses limit.

Election financing reports by candidates [section 209]

The financial agent of a candidate must file an election financing report with the Chief Electoral Officer within 90 days after General Voting Day.

Election financing reports must be on forms provided by Elections BC and must disclose the following information:

- the election expenses, reported by type, showing separately those expenses that are not included for the purposes of the election expenses limit;
- for each contributor who made one or more political contributions that in total have a value of more than \$250, the name of the contributor, the class of contributor, the date the contribution was made and the amount of the contribution;
- for anonymous contributions, a description of the function, the date, the number of people in attendance, and the total amount of anonymous contributions received;
- for all other political contributions, the aggregate value of the contributions received by class and the total number of contributors;
- the total amount of all income tax receipts issued for contributions received;
- any transfers of money, goods or services received from the candidate's registered political party, registered constituency association or from another candidate;
- any transfers of money, goods or services made by the candidate to the candidate's registered political party, registered constituency association or to another candidate;
- a description of any fundraising functions, including the date, the cost, the gross income and the net income or loss arising from the function;

- details about any loans or guarantees received by the candidate and any conditions attached to them;
- the political contributions accepted by the candidate as a nomination contestant if the candidate was a nomination contestant;
- if the candidate incurred nomination expenses during the campaign period, those nomination contestant expenses that are not included as election expenses;
- any surplus campaign funds;
- details about any prohibited political contributions, and when they were returned to the contributor or turned over to the Chief Electoral Officer; and
- any other income or expenses not otherwise disclosed in the report.

Financing reports by leadership contestants [section 211]

The financial agent of a leadership contestant must file a financing report with the Chief Electoral Officer within 90 days after a leader is selected.

The financing report must be on forms provided by Elections BC and must disclose the following information:

- the contestant expenses, reported by type;
- the contributions received, reported by class;
- for each contributor who made one or more contributions that in total have a value of more than \$250, the name of the contributor, the class of contributor, the date the contribution was made and the amount of the contribution;
- for anonymous contributions, a description of the function, the date, the number of people in attendance, and the total amount of anonymous contributions received;
- for all other political contributions, the aggregate value of the contributions received by class and the total number of contributors;

- for any fundraising functions, a description of the function, the date and the cost, gross income and the net income or loss arising from the function;
- details about any loans or guarantees received by the campaign and any conditions attached to them; and
- details about any prohibited political contributions and when they were returned to the contributor or turned over to the Chief Electoral Officer.

Auditing of financial reports [sections 213, 214]

If the value of political contributions, election expenses or contestant expenses to be reported is \$10,000 or more, the financing reports must be audited. The Chief Electoral Officer may require an auditor's report in other cases as well.

The auditor must conduct an audit in accordance with generally accepted auditing standards.

Financing reports consist of several forms. Auditors should note that all the forms are subject to audit as they comprise the report.

The financial agent must file a copy of the auditor's report with the financing report.

An auditor must make additional reports if the auditor has not received all the information and explanations required from the financial agent or if proper accounting records have not been kept by the financial agent.

Supplementary reports [section 212]

A supplementary report must be filed with the Chief Electoral Officer within 30 days after the financial agent, or the individual or organization for whom a report was filed, becomes aware that information disclosed in the report has changed, or the report did not completely and accurately disclose the information required.

Offences and Penalties

General

There are significant penalties for failing to comply with the financing rules or committing offences in relation to election financing. An individual or organization who commits an offence is liable to a fine of not more than \$5,000 or imprisonment for a term not longer than one year, or both [section 263].

Late filing of reports [section 220]

See table on pages 37 and 38 for a summary of penalties related to late filing of reports.

Failure to file a report [sections 221, 222, 223, 224]

Sections 221 to 224 of the *Election Act* deal with the implications of failing to file a financial report.

If a candidate, who is declared elected as a Member of the Legislative Assembly (MLA), fails to file an election financing report, the member ceases to hold office and the seat of the member becomes vacant.

In all cases, if an individual fails to file an election financing report, the individual is disqualified from being nominated, elected or holding office as an MLA until after the next general election. In order to no longer be disqualified, the individual must submit the outstanding report along with a \$10,000 late filing penalty.

The above candidate rules also apply to leadership contestants who fail to file contestant financing reports.

A registered political party or registered constituency association that fails to file either an election financing report or an annual financial report, by the end of the applicable late filing period, must be deregistered.

Also, if 50% or 15, whichever is the lesser number, of the candidates representing a registered political party, do not file their election financing reports by the end of the late filing period, the political party must be deregistered.

Exceeding election expenses limit [sections 217, 218]

Unless relief is granted by the Supreme Court, a candidate or political party whose election expenses exceed the applicable election expenses limit is subject to penalties.

A candidate who is declared elected as a Member of the Legislative Assembly (MLA), whose election expenses exceed the applicable election expenses limit, ceases to hold office and the seat of the Member becomes vacant.

If a political party incurs election expenses that exceed the applicable election expenses limit, the Chief Electoral Officer must suspend the registration of the political party for a period of 6 months.

In all cases, the candidate or political party must pay the Chief Electoral Officer a penalty of double the amount by which the election expenses exceed the limit.

An individual or organization that incurs election expenses in excess of the election expenses limit commits an offence and is liable to a fine of not more than \$5,000 or imprisonment for a term not longer than one year, or both [section 263].

False or misleading reports in relation to candidates or leadership contestants [sections 226, 266]

If a candidate or leadership contestant is convicted of filing a false or misleading report, the individual is subject to the following penalties at the end of the appeal period if no appeal is made, or at the time the conviction is upheld on appeal:

- in the case of an individual who is a Member of the Legislative Assembly, the member ceases to hold office and the seat of the member becomes vacant;

- in all cases, the individual is disqualified from being nominated, being elected or holding office as a Member of the Legislative Assembly until after the next general election; and
- a fine of up to \$10,000 or imprisonment for up to two years, or both.

The Chief Electoral Officer must present a report to the Speaker respecting a Member of the Legislative Assembly who may be subject to penalty for filing false or misleading reports in relation to candidates and leadership contestants as soon as possible after the conviction to which it relates.

False or misleading reports in relation to political parties or constituency associations [sections 227, 266]

If a registered political party or a registered constituency association is convicted in relation to a false or misleading report, the Chief Electoral Officer must suspend the registration of the organization until such time as the organization is deregistered or the conviction is overturned on the final determination of an appeal.

If no appeal of the conviction is made, the Chief Electoral Officer must deregister the organization at the end of the appeal period.

An organization or individual convicted of filing a false or misleading report is liable to a fine of up to \$10,000 or imprisonment for up to two years, or both.

If the conviction is upheld on the final determination of an appeal, the Chief Electoral Officer must deregister the organization.

A suspension may be canceled, pending the final determination of an appeal of the conviction, by a court hearing the appeal.

Questions?

For more information

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