

Questions?

Official agents are encouraged to contact Elections Nova Scotia with any questions or concerns related to any areas of Electoral Finance.

Elections Nova Scotia

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This guide provides high level information regarding fundraising activities. It is not intended as a substitute for the legislation governing this topic. Official agents should refer to the *Elections Act* for exact legal content.

Website: electionsnovascotia.ca



2 Fundraising

GUIDE FOR THE OFFICIAL
AGENT OF AN ELECTORAL
DISTRICT ASSOCIATION



Guide for the Official Agent of an Electoral District Association Fundraising

This guide is focused on providing summary information to the official agents of electoral district associations. This guide should be read in conjunction with the brochures for Monetary Contributions and Non-Monetary Contributions which provide guidance on who can contribute, limits of contributions, valuing nonmonetary contributions and reporting and disclosure of contributions.

Sections 234 to 258 of the *Elections Act* provide detailed information regarding this topic. Official agents should refer to the *Act* for more information. In addition, official agents can contact Elections Nova Scotia for more guidance.

What are Fundraising Activities?

Common fundraising activities include, but are not limited to pass the-hat, sales or auctions, fundraising events, or lotteries or raffles. Fundraising activities may result in a contribution and therefore, the official agent has a legal requirement to record the contribution. The rules around fundraising events can be very complex. The official agent must understand the rules for valuing, recording and reporting of contributions derived through fundraising events.

Examples of Fundraising Activities and Potential Contributions

Pass-the-Hat

This activity is most often used as a fundraising tool at political meetings. The hat is passed from person to person and they are requested to make a donation. The maximum contribution from any one person is \$25. Do not confuse pass-the-hat with an anonymous contribution. Anonymous contributions are illegal and must be returned to the contributor or identified and remitted to the CEO using Form 8-1.

Sales or Auctions

If an item sold or auctioned is donated, this donation is considered a donation in kind and must be recorded as a non-monetary contribution. If the item is sold for more than its fair market value, the difference is considered a contribution and counts towards the thresholds related to disclosure and the maximum contribution limit.

Fundraising Events

The most common example is a fundraising dinner, where participants are required to purchase a ticket to attend the event. The cost of a fundraising event must be documented. These costs, divided by the number of participants, determine the cost per participant. The contribution provided by the participant is the ticket price less the average cost per participant.

Lotteries or Raffles

Examples of these activities could be a 50/50 draw, a raffle for a gift basket. If the items in the gift basket are donated, this is considered a donation in kind, must be recorded as a non-monetary contribution and must be donated by an individual. For those purchasing tickets, the contribution portion is the cost of the ticket less the proportionate prize per ticket.

Reporting

The official agent must record the date of the event, number of participants, total revenue from the event, total cost, and the net profit of each fundraising event. These events are reported on Form 5-1.

What must the Official Agent Record and Disclose?

The official agent must record the full name and residential address (cannot use a PO Box) of each contributor (for both monetary and non-monetary contributions) together with the amount of the contribution. Contributions arising from fundraising activities must be disclosed on Forms 4-3A (monetary and fundraising contributions) and 4-3B (donations in kind).

The EDA reports are due by March 31.

The Chief Electoral Officer is required by law to publish a disclosure statement of the contributor's names, and community names but not residential addresses, by June 30 following the previous calendar year.

Who May Purchase Tickets to Fundraising Events?

Only individuals' resident in Nova Scotia may purchase tickets to fundraising events. These expenses must not be paid by any organization. (s.236(5A)). Payment methods include: personal cheque, personal credit card, personal electronic fund transfer or cash. You cannot accept payments made on corporate credit cards.

What Fundraising Activities are Eligible to Receive a Tax Receipt?

Only contributions arising from fundraising events that have received prior approval from the Chief Electoral Officer, using Form 5, are eligible to receive a tax receipt. Section 254 of the *Elections Act* states that fundraising contributions realized through the sale or auction of goods and services, or a lottery or raffle are not eligible to be issued a tax receipt.

Who Can Issue the Tax Receipt?

It should be noted that an electoral district association cannot issue tax receipts. The electoral district association should work closely with its registered party when planning fundraising events. The registered party would be responsible for issuing the tax receipts on behalf of the association.