

Handbook for the Financial Agent of a Third Party



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Introduction

This handbook highlights the requirements of the office of the Third Party. It is important to note that registration of a third party is valid only for the election period during which the application is made. As the Financial Agent for the Third Party, you hold primary responsibility for the completion and submission of reports. This includes the registration of a Third Party, as well as the reporting of contributions and expenses that are required by law to be submitted to Elections Nova Scotia (ENS). This document is not intended to substitute for the legislation governing Third Parties. The handbook and Forms are available at www.electionsnovascotia.ca.

Definition: "third party" means a person or a group, other than a candidate, registered party, or electoral district association;

Limits:

1. A third party shall not incur election advertising expenses of a total amount of more than **ten thousand dollars** during an election in relation to a **general election**. (s. 275(1))
2. A third party shall not incur election advertising expenses of a total amount of more than **two thousand dollars** in a given electoral district during a **general election** or a **by-election**. (s. 275(2) and 275(4))

These limits are subject to CPI increases, and are based on the 2010 index (s. 275(5))

Other Rules:

1. A third party shall not circumvent, or attempt to circumvent, a limit set out in section 275 in any manner, including by splitting itself into two or more third parties for the purpose of circumventing the limit or acting in collusion with another third party so that their combined election advertising expenses exceed the limit. (s. 276)
2. A third party shall identify itself in any election advertising placed by it and indicate that it has authorized the advertising. (s. 277 (1))
3. A third party shall register immediately after having incurred election advertising expenses of a total amount of five hundred dollars and may not register before the issue of the writ. (s. 278 (1))

An overview of these requirements is outlined in the table below.

Description of submission to be prepared by Third Party	Form Number	Due Date	Approval required from ENS
Registration of Third Party	Form 7-1	Prior to commencement of activity, including acceptance of donation or expense incurred, greater than \$500.	Yes
Contributions and Expenses	Form 7-2	Due within 4 months after election day	No

Copies of all Forms to be used by an Third Party are included in Appendix A. Completed samples are included in Appendix B.

1. Recording and Disclosing Political Contributions

It is critical that the financial agent of a Third Party understands their legal obligations to record and disclose political contributions. This handbook will help the Financial Agent identify revenue or income that is a contribution and highlight the laws regarding disclosure. The Financial Agent must keep accurate and timely records. The law requires that ALL contributions be recorded; however not all contributions must be disclosed (disclosure is the reporting of the contributor's name, address, postal code, and contributions during the reporting period). Since the annual contribution limit per contributor is cumulative, a contribution may initially appear not to require disclosure but eventually must be disclosed because the contributor makes additional contributions later in the year. We will look at contribution limits in more detail later in this handbook. Taking the time to read this handbook and other reference material will simplify the task of completing the annual reports.

2. Responsibility of Financial Agent

Every contribution made during an election to a registered third party for election advertising purposes must be accepted by, and every election advertising expense incurred on behalf of a third party must be authorized by, its financial agent.

3. Incurring election advertising expenses

If a third party is a trade union, corporation, or other entity, the application to register must include a copy of the resolution passed by its governing body authorizing it to incur election advertising expenses. Expenses greater than \$50 must be supported by an original bill, voucher, or receipt, and submitted on Form 7-2.

3.1. Do I have to record all political contributions?

The law requires the Financial Agent to record all contributions in a single ledger (one place). The law allows this to be an electronic document such as a word processing document, spreadsheet, database or accounting program. Your record keeping system must be set up in a manner that will enable you to track contributions on a cumulative basis and identify amounts that are exempt as contributions.

4. Disclosing Political Contributions

4.1. What is disclosure?

Disclosure refers to the act of releasing all relevant information about a contributor. For political contributions, disclosure means the provision of:

- a. The individual's full name
- b. The individual's full residential address (use a PO Box if it is part of the contributor's residential address)
- c. The total amount of all contributions made during the reporting period

The Chief Electoral Officer is required by law to publish the names and addresses of registered third parties and reports filed with ENS.

4.2. What about contributions made that are specified for advertising expenses?

All contributions made for a specific election or by-election advertising expenses must be recorded. All contributions over \$200 by a single contributor or cumulative contributions exceeding \$200 by a single contributor must be disclosed.

4.3 What about contributions made that are not specified for advertising expenses?

It is important that the donor identify the purpose of their donation during a registration period. If the third party is not able to identify which contributions are received during the registration period identified for election advertising purposes, then all individuals who make donations to that third party of over \$200 in that period shall be disclosed.

Helpful Hint

Since most contributions are cumulative and all contributions over \$200 require disclosure, recording all contribution information (name, address, and postal code) for every contribution under \$200 is critical. Tracking contributions on an individual contributor basis is necessary to identify contributors requiring disclosure. This should be kept in mind when the financial agent is setting up their record keeping system.

4.3. Who is responsible for disclosure?

As previously mentioned, a contribution may only be accepted by one Financial Agent. The **Financial Agent** who accepts a contribution and deposits that contribution is responsible for disclosure. For example, a third party receives a \$250 monetary contribution from an individual. The Financial Agent of the third party accepts the contribution and deposits the contribution to the third party's contributions account. Since the amount of the contribution is over \$200, disclosure is mandatory.

Additional resources

Forms and handbooks as well as links to the *Elections Act* or the *Income Tax Act* are available on the Elections Nova Scotia website at:

www.electionsnovascotia.ns.ca

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