

**Handbook for the Official  
Agent of a Registered  
Candidate**



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## Introduction

This handbook highlights the requirements for recording and reporting election expenses, political contributions and tax receipts. This handbook may be revised or updated at any time. It is not intended as a substitute for the legislation governing election expenses, political contributions or tax receipts. Official agents should refer to the *Elections Act* and the *Income Tax Act* for exact legal content. Forms and handbooks are available on the Elections Nova Scotia website or by using other contact information found at the end of this guide.

On the ENS website you will also find several other resources including videos , brochures, and other handbooks created for your use.

Statutes are available on the website of the Office of the Legislative Counsel at <http://www.gov.ns.ca/legislature/legc/> and regulations on the Department of Justice Registry of Regulations site at <http://www.gov.ns.ca/just/regulations/consregs.htm>.

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June 2013

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## Appendices

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	Description
Form 2	Report declaration and overview- to be signed by OA
Form 2-1	Application for reporting extension
Form 2-2	Registered Candidate Update Information
Form 2-3	Summary of Financial Activity- Income and Expenses
Form 2-3A	Monetary Contributions
Form 2-3B	Donations in Kind
Form 2-3C	Transfers to and from Party or EDA
Form 2-3D	Loan or Line of Credit, Calculation of Interest benefit
Form 2-3E	Details of Election and Non-Election Expenses
Form 2-3F	Summary of Election Expenses*
Form 2-4	Candidate Balance Sheet
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Use of Automobiles in a Campaign**

**Appendix D Loan Agreement**

**Appendix E Opening a Bank Account**

**Appendix F Form 303 Nomination  
Guide for Candidate Nomination**

## **1. Overview**

### **1.1 About this Handbook**

This handbook is intended to assist you as you progress through all the stages of your role as an official agent. It will help to simplify and explain some of the more difficult concepts in the *Elections Act (EA)* and the *Income Tax Act*. This handbook is intended to provide you with the information you need to fulfill your duties as an official agent of a registered candidate in a provincial general election or by-election.

### **1.2 Campaign Finance**

Nova Scotia has a campaign finance regime with four components:

1. Disclosure of contributions made to candidates
2. Spending limits for candidates during a campaign
3. Public funding of the election expenses of candidates who receive not less than 10% of the valid votes cast
4. Income tax credits for contributors who make contributions to candidates during an election

### **1.3 Checklists**

Chapter 2 of this handbook contains a number of checklists. These checklists break down the responsibilities of an official agent into manageable time periods. The checklists will help you identify what is expected and required of you at each phase of the campaign. It is important that you understand your responsibilities and have the foresight to “look ahead”. For example, nomination day is 14 days before election day. Checklist 4, Writ Day, directs you to review the requirements needed to complete the nomination paper in advance of nomination day. At the end of each item on a checklist the reference to the topic detail in the handbook is provided.

### **1.4 Terms and Concepts**

The majority of the content of this handbook (Chapters 3-16) consists of reference material on specific terms and concepts and your reporting requirements under the *EA*. Depending on your existing level of knowledge and experience as an official agent and the relevance of specific concepts to your candidate’s campaign, you may not need to read every chapter of this handbook in depth. However, it is strongly recommended that you review each chapter to identify any concepts which may be unfamiliar to you.

There are four distinct definitions for the term “**Candidate**”.

A “**prospective candidate**” means a person who self-declares, or is declared by others with the individual's consent, to be a candidate, and is not covered in this handbook.

A “**nomination candidate**” means a person who is campaigning to become a registered party's candidate for election in an electoral district

A "**registered candidate**" means a person who has been registered pursuant to Section 203 of the *Elections Act*. An individual shall apply to be registered under this Section at the earliest of (a) the date on which the official agent of the individual accepts a contribution; (b) the date on which the official agent of the individual accepts a transfer from a registered party or an electoral district association; and(c) the date on which the official agent of the individual incurs an expense in anticipation of an election.

A "**candidate**" means a person who has been officially nominated as a candidate pursuant to Section 67 and for the purpose of Part II (Electoral Finance) includes a person registered pursuant to this Act

**Important Note: All registered candidates are required to complete and file an annual financial report with Elections Nova Scotia. The due date for this in a non-election year is March 31 of the year immediately after the calendar to which the report refers.**

The Financial report in a non-election year is to include:

	Description
Form 2	Report declaration and overview- to be signed by OA
Form 2-1	Application for reporting extension
Form 2-3	Summary of Financial Activity- Income and Expenses
Form 2-3A	Monetary Contributions
Form 2-3B	Donations in Kind
Form 2-3C	Transfers to and from Party or EDA
Form 2-3D	Loan or Line of Credit, Calculation of Interest benefit
Form 2-3E	Details of Election and Non-Election Expenses
Form 2-4	Candidate Balance Sheet
Fundraising	
Form 5	Statement of Fundraising Revenue and Expenses
Form 5-1	Fundraising Summary

## 1.5 Complexity

If you have never previously acted as an official agent or do not have a background in accounting, you may find the volume of information and the amount of reporting to be both complex and overwhelming. It is recommended that official agents look at the requirements related to each separate phase of the campaign rather than trying to read the handbook from front to back. The checklists have been divided into separate phases for that purpose. For example, in the "getting ready for the election" phase, you will be directed to consider the development of a campaign budget. If your budget does not anticipate generating revenue by undertaking fundraising events, selling items or having auctions, then you do not have to focus on the specific rules and requirements related to fundraising events contained in Chapter 11.

Alternatively, you may wish to read a specific chapter prior to incorporating that component into the campaign. For example, after reviewing Chapter 13, realizing that borrowing money at an interest rate less than the prime bank rate results in an interest benefit contribution and a specific reporting requirement, you may want to ensure that any money borrowed is done so at the prime bank rate.

You will have the opportunity to have input into the complexity of the campaign and therefore, the complexity associated with reporting campaign activities. For example, the reporting requirements that apply to a campaign that incurs election expenses and receives only monetary contributions will be much less complicated than the reporting requirements of a campaign that undertakes fundraising functions or takes out a loan.

One of the requirements of the *Elections Act* is the appointment of an auditor. For official agents that do not have an accounting or finance background, your auditor will be an important resource since they have knowledge of the legislation and the reporting requirements combined with a solid accounting background. The staff of Elections Nova Scotia is available to answer your questions and provide you with the support you need to fulfill your duties as an official agent.

## **1.6 Appendices**

The appendices provide blank copies of forms and information on managing a petty cash fund and the treatment of automobile expenses incurred by a campaign. You will see appendices referenced in various chapters of this handbook.

## **1.7 Reference Material**

In order to familiarize yourself with the legislative and regulatory requirements that will guide your conduct as an official agent, you are strongly encouraged to refer to the following legislation and publications:

1. The *Elections Act (EA)*,
2. The *Income Tax Act (Section 50)*,
3. *Deduction Regulations* made under the *Income Tax Act (Section 106 to Section 108)*.

Keep in mind that this handbook does not take precedence over the *Elections Act*, the *Income Tax Act*, or the *Deduction Regulations*. This handbook should be read in conjunction with those acts and regulations.

## **2. Checklists**

The checklists contained in this chapter are designed to provide you with insight into your responsibilities at the various stages of the election and the matters you will need to consider at different stages of the campaign. Each checklist item contains a reference in brackets [ ] to a chapter of this handbook that contains the detailed terms and concepts associated with that item. It is important that you review all of the

checklists. They allow you to look ahead to important reporting deadlines and most importantly allow you to be proactive.

## 2.1 Checklist 1: Considerations Before Appointment

If you have been approached to be an official agent, consider the following:

- When is an official agent appointed? [3.1.1]
- Are you eligible to be an official agent? [3.1.2]
- Are you able to handle the role and responsibilities of an official agent? Consider contacting Elections Nova Scotia if you have questions about the responsibilities of an official agent. [3.1.3]
- Will you be able to commit the time required to fulfill the responsibilities of this position? (while it is normally a volunteer position, it is a significant one and requires commitment of time before, during, and after an election) [3.1.4, 3.1.5, 3.1.6]
- Do you understand the serious nature of the role, the reporting deadlines, and the public's requirement for disclosure and transparency?
- Do you have the candidate's and the campaign's commitment that you will have timely and appropriate access to, and disclosure of, all financial matters of the candidate required under the EA? [3.1.6]

## 2.2 Checklist 2: Immediately Upon Appointment

- Open a campaign account in a financial institution in Nova Scotia **immediately**. You will use this account to deposit all political contributions and other monies received and pay all expenses of the campaign - **all financial transactions must go through this account**. It is recommended that you contact the financial institution and enquire what documentation will be required to open the account. [Chapter 4]

Since the campaign may not have realized any revenue at this point, the first deposit into the account may be a loan or a transfer from your party or electoral district association (EDA). **It could also be a political contribution made to the candidate with the knowledge that contributions received before the candidate is officially nominated do not qualify the contributor for an income tax receipt (but still have to be recorded and reported).**(s. 14.5)

- Encourage the candidate to appoint an auditor if one has not yet been appointed. An auditor must be appointed by the time a candidate's nomination paper is filed with a returning officer in an election. It is strongly recommended that this appointment be made at the earliest date possible. Even though the

candidate appoints the auditor, it is the official agent who will establish a working relationship with the auditor. [3.2]

- Ensure that the candidate has completed Form 1-1, Candidate Information, and has filed it with the Chief Electoral Officer. This form is required by the EA. The candidate is required to provide basic information regarding themselves, their official agent, their auditor, and the bank account you opened. A sample copy of Form 1-1 is contained at the end of Chapter 5.
- Familiarize yourself with the terms and concepts in this handbook. Contact Elections Nova Scotia or your auditor if you need additional assistance or have questions. At a minimum, you should understand what terms and concepts are specifically addressed. When you encounter a particular item during the course of the campaign, you will recall that it is addressed in the handbook and has specific rules or requirements surrounding it.
- Review the forms required under the EA in Appendix A. You will have to complete some or all of the forms and some require an audit opinion. Gaining an understanding of the information that is required on the forms at the earliest point in the campaign will help you manage the financial aspects of the campaign.
- Meet with the campaign's auditor to discuss the auditor's role, your role in the audit, planning of the audit, and the key reporting dates. The auditor can be a great resource for information particularly concerning the set up of a record keeping system. [3.2.1, 6.7]
- Set up a record keeping system. [Chapter 6]

### **2.3 Checklist 3: Getting Ready for the Election**

Do the following before the election begins (if the election has already begun, do these things immediately!):

- Meet with the candidate and the campaign staff to remind them of financial requirements.

1. Only the official agent (or someone designated by the official agent) may make a payment for a campaign election expense (especially important considering that the campaign must comply with spending limits). [7.2]

**Note:** All election expenses in excess of \$25 must be supported by a receipt. Failure to maintain receipts will result in an expense being disallowed for purposes of election expense reimbursement, and could result in lost revenue to the campaign. [7.13]

The print on some receipts, particularly those printed on thermal paper, tends to disappear over time. Remember all receipts submitted to support

claims for election expenses are verified by Elections Nova Scotia. Make photocopies of receipts printed on thermal paper.

2. There are restrictions on who can make political contributions and contribution limits in Nova Scotia. **Only the official agent can accept contributions on behalf of the candidate's campaign. [10.1]**
3. There should be a campaign budget. Although not a legal requirement, a campaign budget is strongly recommended especially considering a candidate cannot make up a campaign deficit in an amount that would cause them to exceed the contribution limit. [7.1]
4. The official agent must authorize all signs, advertisements and promotional material that will be used. The words "authorized by" the official agent for [*name of candidate*] must be mentioned in or appear on all advertising materials. [7.8] No person, including registered party, shall knowingly transmit election advertising to the public in an electoral district on election day before the close of all of the polling stations in the electoral district.
5. The official agent must be informed of all financial transactions and campaign decisions having financial implications. You must establish this early on in the campaign. If the campaign goes "out of control" from a financial perspective, it will be very difficult and time consuming when the official agent gets to the reporting phase.

Understand the overall election spending limit for your electoral district and the amount of election expenses that are eligible for reimbursement. These amounts are available on the Elections Nova Scotia website or by contacting Elections Nova Scotia. [7.2, 9.2]

Finalize your record keeping system including how you will track money coming into and being paid out of the campaign account. Develop a system for recording donations in kind, keeping in mind that a donation in kind is not captured through a bank transaction. Make sure you can distinguish between an election expense and a non-election expense, and know how to record them. Understand what information is necessary to complete Form 2-3E, Report of Candidate's Election Expenses and Form 2, Candidate's Financial Statements and Supporting Schedules. [4.2, 7.5, 7.6, 10.4.3]

Only the official agent can issue tax receipts for contributions. In order to issue tax receipts **your candidate must be officially nominated**. There are defined periods during which the official agent can accept contributions and issue tax receipts. You must understand the periods for accepting political contributions and issuing tax receipts. [14.2, 14.5, 14.6]

Make sure that any money borrowed by the campaign is supported by a loan agreement. This agreement is required by the *Elections Act* and information



from the loan agreement will be needed to complete Form 2-3D, Loans or Line of Credit. [13.1] See Appendix “D”

#### **2.4 Checklist 4: Writ Day (the Election is Called)**

- Visit the campaign office to remind everyone that you must be kept informed of all decisions having financial implications.
- Make sure that all signs, advertisements, and promotional material that you have purchased bear the proper authorization statement before they are distributed. Your authorization must also appear on all advertisements and promotional material. If you are using signs from a previous campaign make sure they have the proper authorization information and you get a copy of the original receipt. [7.8]
- Review Form 303, Nomination Paper, so you understand the information required. There is also a guide to Form 303 on the ENS website. Start completing the form. Mark nomination day on your calendar.

**Helpful Hint: Nominations are encouraged to be filed early: don't wait until nomination day**

#### **2.5 Checklist 5: During the Election Period**

The following have to be done during the election period (up to election day):

- If you have just been appointed the official agent, please review the prior checklists for information and requirements.
- Review Form 303, Candidate Nomination Paper and begin completing as it requires a substantial amount of information. Nominations close at 2:00 p.m. of the 14<sup>th</sup> day before election day. This deadline **CANNOT** be extended. If you wait until the morning of nomination day to start filling out the form you may not have enough time to properly complete it and file it with the returning officer. You will need to pay your nomination deposit (\$200) when you file the nomination paper. Include cash, a certified cheque, or a money order made payable to the Minister of Finance with your nomination paper. [ 5.5]
- Once your candidate is officially nominated, you can get tax receipts from the returning officer.** Both you and the returning officer will complete Form 2-5, Report Respecting Tax Receipts for a Candidate. The serial numbers of the tax receipts issued to you will be documented. You will get a copy of Form 2-5, this will have to be completed (detailing receipts issued and unused) and returned with unused receipts to the returning officer. You will also provide to the returning officer a copy of all receipts issued. [14.3, 14.4]

- Meet regularly with the candidate and the campaign staff to discuss the comparison of budget versus actual spending and any other issues of importance.
- Keep your books and records up-to-date, including separating election expenses from non-election expenses, and recording names and addresses of contributors for disclosure purposes. [Chapter 6]

## **2.6 Checklist 6: Election Day**

- This is the last day that the campaign can incur election expenses. After 8 p.m., goods and services used are non-election expenses. (including expenses incurred for a social function or "thank-you" notices) [7.3, 7.4, 7.5, 7.6]
- Make sure you have the returning officer's contact information. You will need to meet with the returning officer to complete Form 2-5, Report Respecting Tax Receipts for a Candidate. The returning office will have closed when it's time to complete this form. [14.4]
- This is the last day you can accept contributions. If someone has mailed you a contribution it must be postmarked with today's date. If you have contributors who have indicated that there is a contribution (cheque) to be picked up you need to pick it up today. [14.5 ]
- Get receipts for payments to any election workers. Payments to election workers are election expenses and as such, any payment to an election worker of \$25 or more must be supported by a receipt. In most cases, you will have to get a receipt book and have the worker sign the receipt as the recipient. [ 7.13]
- Close out the petty cash fund used in the campaign headquarters. Deposit any remaining petty cash into to the campaign account. [Appendix D]
- Make sure that orders are given to the phone company to disconnect any phone services (cell phones or campaign headquarters) that may have been put in place during the campaign, as well as utilities where applicable. Charges for phone service, long distance or utilities after election day are not election expenses. [7.4, 7.10]

## **2.7 Checklist 7: After the Election**

- Continue recording transactions (keeping in mind that election day is the last day to accept contributions). Expenses incurred after election day are non-election expenses. [7.4, 7.6, 14.5]
- Collect all outstanding invoices keeping in mind that vendors have 30 days from election day to present their claims. Pay claims. [7.14]

- Confirm with the auditor the day that you will be providing the completed Form 2-3F, Financial return for Candidate Summary of Election Expenses, Form 2-3A and 2-3B Candidate's Contributions and Form 2, Candidate's Financial Statements and Supporting Forms. The auditor will also require supporting documentation including the books and records of the campaign, bank statements and any loan agreements. If you have not received a bank statement that includes the end of the election period, printing a copy through internet or on-line banking will assist your auditor. [3.2.6]
- Finish issuing tax receipts. Form 2-5 (the form that was partially completed when you were issued the receipts). You have 30 days after election day to issue tax receipts and return Form 2-5 Report Respecting Tax Receipts for a Candidate to the returning officer. You are required to account for every receipt that was provided to you at the time the candidate was officially nominated.[14.4]
- After providing the contributor with their copy (white) of the receipt you will have three copies remaining. Separate the tax receipts into three separate stacks. There are multiple copies: your copy (green), the Chief Electoral Officer's (CEO) copy (yellow) and a copy that you need to send to your party's office (pink). [14.11]
- Return the completed Form 2-5, unused tax receipts, spoiled or voided tax receipts and the CEO's copy of issued tax receipts to the returning officer. Keep the green copy for your records. [14.12, 14.13]
- Finalize Form 2-3E, Election and Non-Election Expenses for Candidate. Follow the instructions for matching receipts with election expenses claimed. Attach receipts in the same order they are listed. These receipts must be submitted with the report. Make copies for your records before sending. [Chapter 8]
- Finish filling out all supporting forms (disclosure) of Form 2, Candidate's Financial Statements and Supporting Schedules. If you were filling out working copies of these schedules on a regular basis, it's an easy job at this point. [10.3]
- Complete Form 2-3A and 2-3B, Candidate's Contributions. Completion of these forms will require you to sort your copy of tax receipts in accordance with the contribution ranges detailed on the form. [14.14]
- Finish completing the remainder of the Forms [Chapter 15]. Although these schedules do not require audit, they will assist the auditor in the performance of their duties. Here are some things to keep in mind.
  1. Form 2-4 balance Sheet
    - a. cash will equal the balance of your campaign account
    - b. accounts receivable will be the amount of your anticipated election expense reimbursement which can be estimated as the lesser of:
      - i) actual election expenses;
      - ii) the maximum allowable reimbursement for the electoral district

- c. loans receivable (keep in mind that a candidate cannot loan money to any person)
- d. other assets
- e. accounts payable will equal the unpaid and uncontested amounts listed in column 6 of Form 2-3E, as well as any outstanding liabilities for non-election expenses
- f. overdraft or line of credit balance
- g. other liabilities
- h. loans payable (from Form 2-3D).

2. Form 2-3 Financial Return for Candidate Summary of Financial Activity

The balances for a number of lines come from other schedules. For:

- a. election expense reimbursement use the same estimate you entered Form 2-3F;
- b. non-election expenses - this is the total of expenses that did not meet the definition of election expenses.

Provide Form 2-5, your copy of tax receipts, copies of loan agreements, other books and records and bank statements to your auditor. [3.2.5, 3.2.6]

Confirm with your auditor the date on which the audit is expected to be completed keeping the filing deadline in mind.

**2.8 Checklist 8: After Audit is Completed**

Pick up your documents and audit reports from the auditor and review audit report(s). The auditor's report(s) must provide an opinion on each of the following:

- a. Form 2-2
- b. Form 2-3 and the supporting schedules
- c. Form 2-4

Get an invoice from the auditor. You will need to provide Elections Nova Scotia with this invoice in order to receive any reimbursement of audit fees to which you may be entitled. [3.2.8]

Send the forms listed above, the auditor's report(s) and the auditor's invoice to Elections Nova Scotia using the prepaid priority courier envelope provided to you by the returning officer at the time the candidate was officially nominated.

Review Form 2-6, Notification of Disposal of Excess Contributions, required under the *Elections Act*. If you are eligible for reimbursement of election expenses you have one month from the date you receive your final reimbursement to file Form 2-6 with Elections Nova Scotia. If you are not eligible for reimbursement of election expenses Form 2-6 must be filed with Elections

Nova Scotia within two months of the deadline for filing reports of election expenses, tax receipts and contributions. [Chapter 16]

## **2.9 Checklist 9: After Receipt of Reimbursement for Election Expenses**

Your expense reimbursement will be sent in two stages, either to you or to the entity designated by you;

1. 75 percent of amount due
2. Remaining percent of amount due. [9.3]

Settle any unpaid liabilities.

Transfer any excess funds to your EDA or your registered party if there is no EDA in your electoral district. In the case of an independent candidate, excess funds must be made payable to the Minister of Finance, and sent to ENS. [Chapter 16]

Close the campaign account. [4.4 ]

Complete Form 2-6, Notification of Disposal of Excess Contributions by Official Agent and file with Elections Nova Scotia. [Chapter 16]

Congratulations!

## **3. Appointments**

### **3.1 The Official Agent**

#### **3.1.1 Appointment of the Official Agent**

All candidates must have an official agent. (s. 167 (c)) At a minimum, a candidate must have an official agent at the time they file their registration with ENS or nomination paper with the returning officer. An official agent can be appointed prior to the filing of the nomination paper through the registration process. (s. 203(5)(a)) In order to accept political contributions, a candidate **must first** be registered and have appointed an official agent since contributions may only be accepted by the official agent. The Candidate Registration Form 1-1 is included at the end of Chapter 5.

#### **3.1.2 Eligibility to Act as an Official Agent**

In order to accept the appointment as an official agent you must:

- a. be the age of majority and;
- b. an elector;

- c. not be a member of the House of Assembly, a candidate or an auditor acting for a registered party, electoral district association (EDA), a candidate, election officer, or an individual who does not have full capacity to enter into contracts, or an individual who, at any time in the previous seven years, has been convicted of an offence under *the EA* or former *EA*.

There is no legislative requirement that an official agent have a specific educational or financial background, however, you would probably find it beneficial to have:

- a. some basic accounting or bookkeeping skills (or have access to somebody who does);
- b. organizational and communication skills;
- c. a strong desire to do the job correctly and submit required reports on a timely basis.

### **3.1.3 The Nature of the Official Agent's Role**

As the official agent you are responsible for all financial aspects of the candidate's campaign. Your role is comparable to that of a chief financial officer of a company. You must ensure that all staff and volunteers associated with the campaign are conducting themselves and the campaign in accordance with law. You must take responsibility for all election expenses incurred by the campaign and all political contributions received by the campaign. You are responsible for meeting the reporting requirements and reporting deadlines contained in legislation. The public's need for disclosure and transparency shapes the laws governing campaign finance and defines the role of the official agent.

### **3.1.4 The Commitment of an Official Agent**

The time commitment that an official agent makes is a significant one and is an important consideration that must be made prior to accepting the appointment. In a relatively short period, the official agent will help develop a campaign budget, establish the campaign headquarters, incur election expenses, receive political contributions and then wind down the campaign. In addition to their responsibilities during the election period, the official agent must be committed to fulfilling post election reporting requirements. The responsibilities of the official agent change through the stages of the campaign. These activities can be summarized as follows:

#### **1. Before the election:**

- a. understanding the requirements of the *Elections Act* as well as associated reporting requirements
- b. planning and budgeting for the campaign

#### **2. During the election period:**

- a. managing all financial aspects of the campaign
- b. communicating with campaign staff on a regular basis
- c. maintaining accurate books and records

**3. After ordinary election day:**

- a. completing forms and reports
- b. having certain forms and reports audited
- c. filing reports by required deadlines

**3.1.5 Responsibilities of an Official Agent**

The official agent has a wide range of responsibilities, none of which should be taken lightly. Specific responsibilities include the following:

- a. opening and maintaining a campaign bank account;
- b. ensuring that Form 1-1, Candidate Registration Application is filed with Elections Nova Scotia (A completed sample of Form 1 is contained in Appendix A);
- c. keeping and maintaining accurate records of all income, expenses, and transfers;
- d. authorizing all election expenses;
- e. authorizing advertising and promotional materials;
- f. accepting and recording all political contributions;
- g. issuing tax receipts to contributors;
- h. ensuring that the campaign does not exceed the spending limit;
- i. completing all forms required under the *Elections Act* and filing in accordance with required deadlines;
- j. having certain forms and reports audited;
- k. providing the auditor, at all reasonable times, with access to all records, documents, books, accounts, and vouchers of the campaign;
- l. receiving any election expenses reimbursement cheques and using the funds to pay any outstanding liabilities of the campaign;
- m. transferring any excess funds to the electoral district association, registered party, or in the case of an independent candidate, the Minister of Finance once all financial activities of the campaign have concluded;
- n. closing the campaign bank account. (s. 171(1))

**3.1.6 Candidate's Commitment**

Although the financial aspects of a campaign are the domain of the official agent, and are separated from the candidate, it by no means lessens the candidate's or other campaign worker's obligation to ensure the campaign and related activities comply with the legislative requirements. The goal of a campaign is to get the candidate elected. However, the strong desire to achieve this goal should not cloud judgment or act as justification for circumventing the law. Before accepting an appointment as an official agent, you should confirm the commitment of the candidate to comply with the legislative requirements and access your ability as the official agent to perform your functions without interference or obstruction.

## **3.2 The Auditor**

### **3.2.1 The Role of the Auditor**

The auditor provides an independent and objective review of the reports prepared by the official agent. The reliability of information that is disclosed publicly is enhanced and the public's confidence in the electoral process is improved.

### **3.2.2 When Does an Auditor Need to be Appointed?**

The *Elections Act* requires that an auditor be appointed no later than the time that the nomination paper is filed. If for any reason the auditor appointed ceases to act as an auditor for the candidate, another auditor must be appointed immediately. (s. 174)

### **3.2.3 Eligibility to Act as an Auditor**

An auditor must be a public accountant, licensed under the *Public Accountants Act* of Nova Scotia. An auditor cannot be:

- a. an election officer
- b. an official agent of a candidate or registered party
- c. an individual involved in the raising, spending of money or property of a registered party, electoral district association, or candidate
- d. an individual engaged by an EDA to provide bookkeeping services
- e. a candidate (s. 175)

An auditor can be appointed for more than one candidate or for a party and a candidate. It is the responsibility of the auditor to give an opinion on whether the election expenses, political contributions and reconciliation of tax receipts represent fairly, the financial transactions required to be detailed in the reports.

### **3.2.4 The Engagement Letter**

The auditor will provide the candidate with a letter of engagement. This defines the auditor's responsibilities and the scope of the audit. Even though the auditor is appointed by the candidate, it is the official agent that will need to establish a working relationship with the auditor.

### **3.2.5 Reports Requiring an Audit Opinion**

The following forms and reports require an audit:

- a. Form 2-3A, Candidate's Statement of Contributions
- b. Form 2-3, Summary of Financial Activity and supporting schedules;
- c. Form 2-4, Candidate's Financial Statements and Supporting Schedules  
(**Note:** Only the disclosure statement require audit). (s. 229(3), 230(3))



### **3.2.6 Auditor's Access to Books and Records**

The Official Agent provides the auditor with the authority to have reasonable access at all times to all records, books, accounts, vouchers, bank statements, and loan agreements that may be deemed necessary by the auditor in order to conduct the audit. Failure on the part of the official agent to provide access to records must be reported by the auditor. (s.179)

### **3.2.7 Cost of an Audit**

The cost of the audit is established between the candidate and the auditor.

### **3.2.8 Reimbursement for the Cost of an Audit**

There is a provision in the *Tariff of Fees and Expenses* that provides for reimbursement of audit costs. All candidates are eligible for reimbursement under the tariff regardless of the number of votes they receive in the election. The reimbursement (2012 rates subject to change) is made to the official agent of a candidate for:

- a. cost of the audit to a maximum of \$459.50; or
- b. 2% of the candidate's approved election expenses to a maximum of \$7766.5; or
- c. candidate's election expenses. If they are less than \$150, the maximum reimbursement is \$204.

Any audit costs that exceed the tariff amount will be an expense of the campaign. Your total audit cost may be classified as both an election (the excess amount) and non-election expense (the amount covered by the tariff) and therefore, and may be split into 2 columns on Form 2-3E, Election and Non-Election Expenses for Candidate. To receive reimbursement for audit costs you must include a copy of your auditor's invoice with the audited reports you submit to Elections Nova Scotia.

## **3.3 Oath and Appointments by the Official Agent**

During their appointment as an official agent, the official agent may be required to sign various forms if called on and perform certain non-financial functions including:

- a. Form 315, Oath of Secrecy of Official Agent;
- b. Form 316, Appointment of Agent at Large to Represent Candidate at Polls;
- c. Form 520, Appointment of Agent.

Copies of these forms are included in Appendix B.

## **4. Maintaining a Financial Account**

### **4.1 Opening the Campaign Account**

One of the first tasks the official agent will undertake is to open an account in a financial institution. It should be opened as soon as possible after a candidate appoints the official agent. By opening an account as soon as possible, you will have the ability to ensure that all expenses paid and contributions received leading up to the election and all expenses paid and contributions received during the campaign flow through the account. There are some specific requirements regarding the account:

- a. only open one campaign account
- b. the financial institution at which the account is established must be in Nova Scotia. (s.171(1))

The account must be separate from any other account held by the registered party or the EDA. There are no legal requirements regarding the name to put on the account. Below are some examples:

- a. Mary Smith Campaign, Official Agent John Brown;
- b. John Brown, Official Agent for Mary Smith;

### **4.2 Account Must be Used for all Financial Transactions**

It is a legal requirement that all political contributions must be deposited to the campaign account.(s. 238(2)) All election expenses (excluding nominal expenses paid through petty cash) must be paid from the campaign account. (s. 171(1)(a)) Keeping your account up-to-date by depositing political contributions as received and recording expenditures as incurred will:

- a. allow you to know where you are financially, in comparison to your budget. At any given point you should know:
  - i. how much money has already been spent;
  - ii. how much money is available to be spent;
  - iii. how much you have received in contributions;
- b. allow you to make better financial decisions for the remainder of the campaign;
- c. assist your auditor in verifying specific transactions, the timing of transactions, and the accuracy of reporting.

Official agents may choose to include their bank statements and cancelled cheques with their report of election expenses. This is not a filing requirement, however, it does provide Elections Nova Scotia with an additional tool to verify election expenses.

#### **Note on Internal Control:**

**Cheques payable to the Official Agent must be supported by invoices, if a reimbursement is claimed.**

**If the Official Agent receives a stipend, supporting backup approved and signed by an official, other than the Official Agent, of the Electoral District Association is to be provided to ENS as authorization. Examples of documentation are a signed resolution or a letter.**

### **4.3 What is Required to Open an Account?**

Requirements may vary by financial institution. You should confirm requirements with your financial institution.

#### **4.3.1 Type of Account**

You will likely open an account similar to that used by a business or a non-profit organization. Do not open a personal account (i.e. a passbook type account). You want copies of bank statements and you want all cancelled cheques to be returned. You also want a deposit book that will allow you to retain a carbon copy of every deposit. You may consider signing up for internet banking services so you can view the account over the internet. Your bank statements, cancelled cheques, and deposit slips will form an important part of your books and records.

#### **4.3.2 Information About You and the Candidate**

You may be asked to provide additional personal and financial information which may include your date of birth, social insurance number, occupation, home, and business address.

#### **4.3.3 Establishing Signing Authority**

Remember that you, as the official agent, are responsible for the finances of the campaign. There may be cases where an account requires more than one signature on cheques. This cannot impair your ability to fulfill your duties. You must not allow another individual to be the sole signing authority.

#### **4.3.4 Additional Information**

You may be asked to provide a letter from your candidate confirming your appointment as official agent. It is your responsibility to determine the specific requirements of the financial institution you intend to deal with. You should check with the financial institution to attain a list of documentation that is required before you set-up the account.

### **4.4 Closing the Campaign Bank Account**

Neither an official agent nor a candidate may keep a campaign account open between elections. The last transaction of a campaign that would impact the campaign account would be the disposal of excess contributions. This would be done after receiving any election expense reimbursement and paying any outstanding liabilities. The campaign account must be closed in the same time frame for reporting the disposal of excess contributions. This is one month after receipt of election expense reimbursement or two months after filing election expense reports where no reimbursement is due. (s. 268(F))

If a loan remains outstanding after the final report is filed, ENS must be informed of the date that the loan is repaid, and by whom. This information is disclosed in subsequent years following an election, and loans are to be repaid within 2 years of the date of the initial loan.

## **5. Candidate Information and Nomination**

### **5.1 Filing Form 1-1, Candidate Registration- this form is to be used between elections**

You have been appointed as the official agent of a candidate, your candidate has appointed an auditor, and you have opened a campaign bank account. You have all the information necessary to complete Form 1-1, Application for Registered Candidate. Form 1-1 is required under the *Elections Act*. Upon completion it must be filed directly with Elections Nova Scotia. **Do not confuse this with the nomination of a candidate (see below)**. A sample of Form 1-1, Application for Registered Candidate, is contained at the end of this chapter.

The application must be supported by an endorsement by your registered party, unless you are registering as an independent candidate. If you are experiencing difficulty opening the bank account, and have all other components for the Form 1-1, ENS will process the registration, with the understanding that the bank account information will be provided as soon as it is available, normally within a week.

### **5.2 File a Separate Form 1-1 for each Electoral Event**

If there is more than one election (including by-elections) in a year, a separate Form 1-1 must be filed for each electoral event. For example, if an individual was a candidate in a by-election they are required to file a Form 1-1 to become a registered candidate. If later in the year there was a general election, and the same individual was a candidate in a by-election, a new Form 1-1 needs to be filed, if they would like to be registered. A candidate must file Form 1-1 prior to their official agent accepting any political contributions.

### **5.3 Nomination of a Candidate**

In order to become an “officially nominated candidate”, a candidate must file Form 303, Candidate Nomination, with the returning officer.

<p><b>Important Note: A Candidate who is Nominated is deemed to be a Registered Candidate when the forms are accepted by ENS</b></p>
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The form requires a significant amount of information. The official agent should review the form and its requirements well in advance of nomination day. **Do not wait until the deadline for filing nominations to start completing the nomination paper.** The Candidate Guide to Filing a Nomination Form is included in Appendix F.

#### **5.4 Qualifications of a Candidate**

In order to be nominated as a candidate a person must be:

- a. a Canadian citizen;
- b. 18 years of age or older on election day;
- c. not disqualified or ineligible under the *Elections Act*, the *House of Assembly Act* or any other Act (*EA* Section 63)

#### **5.5 Completing the Candidate Nomination (Form 303)**

The Guide for Candidate Nomination and the Candidate Nomination are included in Appendix F.

#### **5.6 Withdrawal of a candidate**

Before the close of nominations, the nomination for election can be withdrawn by a candidate by making a declaration either personally or through their official agent. Form 303 Part K, Declaration of Candidate Withdrawing from Nomination, is used for this purpose. The official agent of a candidate who withdraws is obligated to file all reports required under the *Elections Act* capturing all financial activity of the campaign up to the time the candidate declared their withdrawal. (s. 72)

It is an offence before or during an election to knowingly publish a false statement of withdrawal of one candidate at the election for the purpose of procuring the election of another candidate.

**FORM 1-1**

## **6. Record Keeping**

### **6.1 Record Keeping Requirements (s.235)**

The *Elections Act* requires all contributions to be recorded in a single ledger. (s. 235(2))  
The ledger can be in an electronic format using a spreadsheet, word processing, or an accounting program. (s. 235(3))

In addition to recording contributions in a single ledger, your record keeping for all transactions should be:

- a. accurate;
- b. organized;
- c. timely.

### **6.2 Identifying Transactions**

Your job is to record transactions. A transaction occurs every time:

- a. the campaign receives money, goods, services, or property;
- b. the campaign spends money;
- c. the campaign transfers money;
- d. the campaign makes any transaction related to a loan;
- e. the campaign uses goods or services.

When any of the above activities take place you have something to record. (s. 171)

### **6.3 Accurately Recording Transactions**

Accurate recording means making sure that you track every transaction and that none are missed. It also means that when you record a transaction, you call it what it is and you put it in the right place in your records. There are rules that have to be followed for every transaction you record. You have to pay very close attention to non-cash transactions. Since non-cash transactions do not impact your bank balance they will not be identified when performing a bank reconciliation.

### **6.4 Recording Transactions in an Organized Manner**

You need a method of tracking transactions that will allow you to complete all the necessary forms and reports. There are many ways to accomplish this. You can use a computerized accounting program or a manual bookkeeping system. Either one enables you to stay organized. Use the method that works best for you.

Maintain all papers and documents that support a transaction (i.e. invoices and receipts). This is as simple as keeping a file folder for each type of expense. When an expense is incurred put the supporting documentation in the appropriate file folder.

The *Elections Act* requires the auditor to have access to all books and records of the campaign. (s. 178(2), 179) The auditor is required by Elections Nova Scotia to report any circumstance where they are denied access to books or records or proper records have not been maintained by the official agent.

All campaign transactions must be reported on Forms 2-3 to 2-3F, plus Form 2-5 and Form 2-6. These forms encompass all transactions related to contributions, expenses, loans, and transfers during an electoral event. (s. 229)

## **6.5 Recording Transactions on a Timely Basis**

The sooner you record a transaction, the greater the likelihood that it will be properly recorded. Taking a bit of time on a daily or weekly basis is a good idea and will help you stay organized. If during each day of the election period you incurred two expenses and received two contributions, the daily time requirement to record is minimal. **Waiting until the end of the campaign to record transactions is strongly discouraged.** Not only will it require more time, it will also cause you unnecessary stress. By keeping records up-to-date, you will be able to identify concerns and take corrective action where necessary.

## **6.6 Recording Post Election Transactions**

Once election day is over, the need to record transactions continues. Although you cannot accept political contributions after election day (s. 239(2)(c)) nor can you incur election expenses beyond, you may continue to pay outstanding liabilities and need to keep track of non-election expenses. For example, your candidate may place a “thank-you” advertisement in the local paper. You will need to record this transaction as a non-election expense.

Note: Expenses related to office such as telephone, equipment, and furnishing rentals may be claimed as election expenses up to Election Day.
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## **6.7 Seeking the Assistance of Your Auditor**

If you have difficulty setting up a system you should consult with your auditor. Your record keeping system combined with supporting documentation comprises your “books and records”. Your auditor is not allowed to do your record keeping on your behalf since they are required to objectively review your work as part of the audit. At the same time the auditors input at the start of the campaign will allow the auditor to perform the audit more timely and efficiently and will minimize the costs associated with the audit.



## **7. Election Expenses**

### **7.1 Developing a Campaign Budget**

There is no legal requirement that an official agent create a campaign budget, however, taking the time to create a campaign budget will help the campaign stay “in control” from a financial perspective. The spending limit in an electoral district may permit the candidate to expend in excess of \$60,000. This is a large sum of money, especially, considering that it is spent over a relatively short period. You should consider the revenue you may derive from all potential sources (political contributions, transfers from an EDA or registered party, and possible election expense reimbursement). If your campaign requires a loan you must understand the reporting requirements for loans and carefully consider how a loan will be repaid. Budgeting revenue can be challenging. For example, a candidate’s expense reimbursement is conditional on receiving not less than 10 percent of the valid votes cast. Since the outcome of any election cannot be predicted, the inclusion of reimbursement in a budget should be made cautiously. Based on your projected revenue, you should determine what expenses the campaign can afford. Throughout the budgeting process you should ask how expenses will be paid if your revenue estimates do not materialize.

A candidate’s ability to make up a campaign deficit from their own funds is restricted since a candidate is subject to the \$5,000 contribution limit. (s. 236(3)(6))

### **7.2 Who May Incur Election Expenses?**

Only the official agent of a candidate or of a registered party on behalf of the candidate or registered party, or a representative of such agent authorized in writing may incur election expenses. (s. 261(1)(2))

### **7.3 Understanding Time Periods**

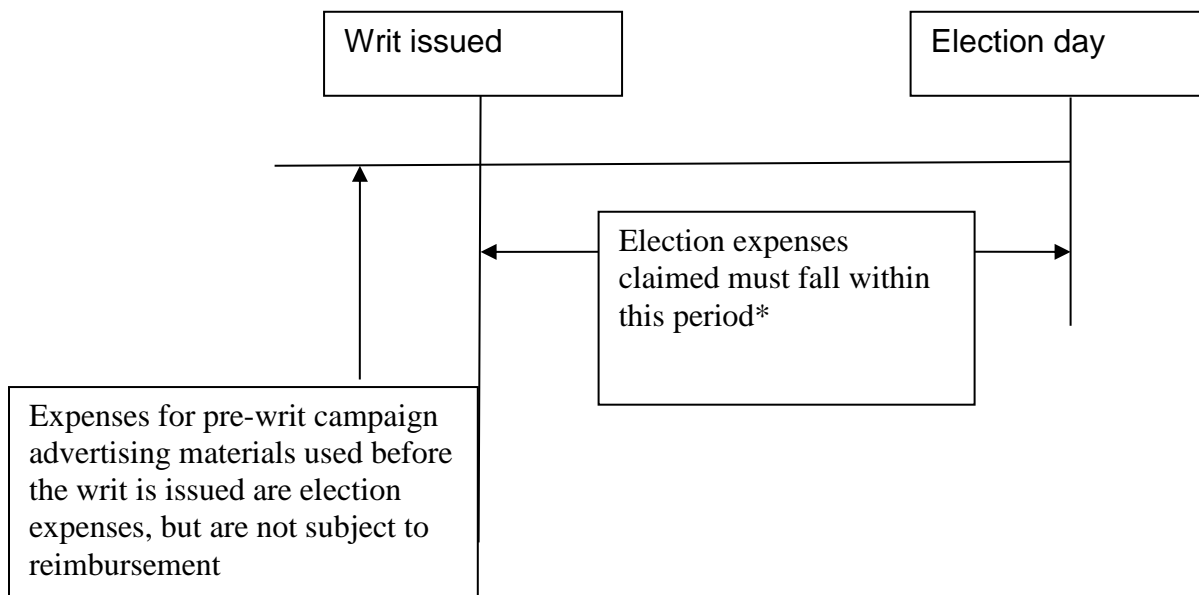
It is essential that you understand time periods in order to keep accurate records and properly classify transactions. The election period is one of the most important concepts you must understand. For example, spending limits and election expense reimbursements are based on expenses incurred during the election period that qualify as “election expenses”. Your ability to accept political contributions ends with the close of polls on election day. (s. 239(2))

### **7.4 The Election Period**

For a general election the election period begins when the writ is issued and ends when the writ is returned (10 days after election day). In most cases, expenses incurred after ordinary election day will not meet the definition of election expenses in the *Elections Act*. For practical purposes, you should view the end of the election period as the time that the polls close (8:00 p.m.) on election day. The graphic below provides a time line of the election period. (s. 2(f), 166(i))

## Election Period

Deadline for filing at ENS- Within eighty days after the day fixed for return of writ of election for a by-election



\*Close out costs for campaign offices are also eligible for reimbursement for up to 7 days after election day. Examples of this are office rent, equipment rentals telephone and internet costs.

### 7.5 What Are Election Expenses

The term “election expenses” means all expenses incurred during an election for the purpose of promoting or opposing directly or indirectly the election of a candidate or the program or policy of a candidate or party and includes expenditures incurred before an election for literature, objects, or materials of an advertising nature used during the election for any of such purposes. (s.166(i))

The *Elections Act* goes on to state specific exclusions. A listing of common election expenses, by reporting category, is included in Section 8.2 of Chapter 8.

The term “during an election” in the *Elections Act* defines a different time period depending on whether the election is a general election or a by-election: (s. 2(f))

- a. For a general election “during an election” includes the declared period between the dissolution of the House of Assembly and when a candidate is elected
- b. For a by-election “during an election” includes the period between the time the vacancy occurs and a candidate is declared elected

## **7.6 What are Non-Election Expenses?**

A candidate’s campaign may incur expenses that are not considered election expenses under the *Elections Act* (and are not eligible for reimbursement) but are nonetheless campaign expenses. A column on Form 2-3E is to be used by the official agent to report non-election expenses. In order to meet this reporting requirement the official agent must segregate non-election expenses.

Non-election expenses occur where goods or services used are:

- a. specifically disallowed as an election expense, or;
- b. expenses incurred outside of the election period (with the exception of advertising materials and office close out costs).

There are also certain expenses that even when incurred during the election period are specifically disallowed. Many of the disallowed expenses incurred, that are not eligible for re-imburement, relate to personal expenses of the candidate. The official agent must become familiar with these expenses in order to not inadvertently report them as election expenses. (s. 166(i)(iv), 261(5))

Expenses incurred that are not eligible for re-imburement include:

- a. the cost of publication in a newspaper editorial, news report or letter, without payment, in the same manner as it would be published outside the election period.
- b. the cost of transmission by radio or television of a broadcast of news or comment made in the same manner as outside the election period;
- c. the publicity costs or costs incurred by a candidate in respect of a convention or in respect of an electoral district for the selection of a candidate. Other convention costs such as a hall rental or costs associated with the convening of delegates is allowable to a maximum of \$1,000;
- d. expenses incurred by a candidate such as food and accommodation which may otherwise be eligible as election expenses that are not reimbursed by the campaign;
- e. the transportation costs of a candidate;
- f. the transportation costs of any person other than the candidate to the degree those costs are not reimbursed by the campaign;
- g. the sum (\$200) deposited with the candidate’s nomination paper;
- h. certain personal expenses of a candidate including but not limited to salary replacement, personal grooming, dry cleaning and child care expenses. Candidate expenses that do qualify as election expenses are subject to a \$1,000 limit;
- i. the expenses associated with a fundraising function;
- j. costs for goods or services consumed after the close of polls (8:00 p.m.) on election day. This includes post-election parties and volunteer appreciation events;
- k. recount costs and legal fees;

- l. the candidate's audit costs;
- m. advertisements after election day including "thank-you" advertisements
- n. cost of liquor for any event, celebration, gift, or otherwise.

### **7.7 Expenses that are Capital in Nature**

Capital assets are assets that provide a benefit over a long term. An example of capital assets would be the purchase of a computer or printer by a campaign. The *Elections Act* does not specifically address the expenditure by a candidate for assets that are capital in nature, however, it would not be reasonable for a candidate to claim the entire cost as an election expense since the reimbursement of election expenses is made from public funds and the asset becomes the personal property of a candidate following the election. The value of a capital asset remaining in the possession of a candidate or person associated with a campaign should be recorded as a non-election expense. A reasonable portion of the cost of the capital asset used during the election period should be reported as an election expense. A reasonable portion is the amount of money that would be charged for the rental of a similar asset over a similar period or the percentage of the estimated useful life of the asset that was used during the election period applied to the cost of the asset.

### **7.8 Requirements for Advertising**

As with other expenses, advertising expenses must be approved by the official agent. In addition, the *Elections Act* requires that any kind of advertising bear the wording "authorized by" the official agent for [name of candidate or registered party] and indicate on whose behalf the advertisement was printed, broadcast, published or distributed. It is important that the official agent be involved in the procurement of advertising materials at the outset to ensure this requirement is met. The official agent should inspect all proofs as well as any completed advertising and verify correctness before the materials are distributed. No person, including a registered party, shall knowingly transmit election advertising to the public in an electoral district on election day before the close of all of the polling stations in the electoral district. (s. 271 to 274)

### **7.9 Pre-writ Advertising Expenses**

Certain advertising and other costs may be incurred prior to the election period and the expenditure must be recorded as an election expense.

These expenses would include:

1. Expenditures for advertising items that are consumed during the election period such as signs, posters, pamphlets and buttons. (s. 166(i))
2. The current cost for signs used in previous elections that are used in the election being reported. (Require inclusion as election expenses but will not be included in calculation of the candidate's reimbursement)
3. The costs associated with developing a website to be used during the election period.

## **7.10 Apportioning Expenses**

Sometimes it may be necessary to apportion an expense as an election expense and a non-election expense. This is required because the definition of "election expenses" relates to a defined time period. Goods and services used outside the election period (for an election purpose) cannot be included as election expenses even though the expenses were only incurred because of an election. The basis used to determine the amount or partial amount of expense that is applicable to each time period must be reasonable.

*Example:*

*A writ is issued mid-month with a 32 day election period. An official agent rents an office to be used as the campaign's headquarters; however, the landlord will only rent the space for full month periods. The campaign ends up incurring two months rent for a 32 day election period. The official agent would record 32/60 rent as an election expense, the other portion (28/60) rent is a non-election expense.*

## **7.11 Can a Registered Party Incur Election Expenses on Behalf of a Candidate?**

Yes, there may be circumstances where a registered party incurs expenses on behalf of its candidates and charges those amounts back to candidates' campaigns. As with all other expenses a determination will have to be made whether the expense is an election expense or a non-election expense. The types of charges from a party back to a campaign may include the following:

### **a. Candidate campaign expense paid by the party**

This could include arrangements for publicity or the provision of workers. The party would pay the expense and then invoice the campaign for the same amount. The invoice issued to the candidate must provide sufficient detail of the charge and the time period to which the charge applies. For example, if a campaign worker who was paid by a registered party worked on a candidate's campaign the invoice would need to show the days and hours of the worker that are allocated to the candidate's campaign versus the days and hours allocated to the campaign of the registered party.

### **b. Goods purchased by a party on behalf of a candidate's campaign**

An example would be a registered party contracting with a printer to produce advertising material such as pamphlets or door hangers. The advertising materials are distributed to candidates and each candidate's campaign is invoiced for the materials. The party's invoice to the campaign must be supported by the unit price of the item from the original supplier and the number of units provided to the candidate's campaign

**c. Registered party costs allocated to candidates**

An example would be costs incurred in developing and delivering a province wide advertising campaign during the election period. The invoice from the party to a candidate must include:

- i. the actual costs of the party's expenditure supported by invoices;
- ii. the total expense being allocated with supporting documentation for the expense and the basis used to allocate that expense to candidates' campaigns.

Allocating expenses based on the number of electors on the List of Electors in each electoral district is an acceptable method of allocation when an expense is allocated to all candidates of a registered party.

**7.12 Can an Electoral District Association Incur Election Expenses on Behalf of a Candidate?**

Yes, an electoral district association (EDA) may incur election expenses of an advertising nature on behalf of a candidate. An EDA can transfer money to a candidate's campaign and the campaign can then use the money to pay for election expenses.

**7.13 Documentation of Election Expenses**

Any payment for election expenses of \$25 or more must be supported by a receipt which provides all the particulars required for auditing each item.

A receipt in support of an election expense must:

- a. provide all particulars necessary for auditing the expense, and;
- b. indicate the rate or unit price used for computing the amount of the charge. (s. 261(1))

The receipt requirement applies to all expenditures including the payment of election workers by a campaign. Since election workers may not have the ability to issue a receipt, the official agent should prepare a receipt on the workers' behalf and have that worker sign the receipt confirming they have received the amount indicated on the receipt from the campaign.

In reviewing and approving election expenses and the reimbursement of election expenses from public funds the Chief Electoral Officer will verify 100% of election expenses reported are supported by receipts or vouchers.

#### **7.14 Time Limit for Vendors to Present Claims for Election Expenses**

The *Elections Act* requires that any person to whom an amount is due for election expenses must present their claim no later than 30 days after Election Day to the official agent. (s. 262(2))

#### **7.15 Maintaining a Petty Cash Fund**

An official agent may authorize campaign workers to pay petty cash expenses incurred during the course of the campaign. These petty cash expenses can be consolidated on Form 2-3E, rather than showing every petty cash expenditure on a separate line. Appendix C provides procedures for operating a petty cash fund and reporting petty cash expenditures as election expenses. You should understand these procedures and communicate them to the person managing the petty cash fund. (s. 261(2))

#### **7.16 Per Diems**

You are not prohibited from paying a campaign worker a per diem amount for expenses, however, the per diem cannot be claimed as an election expense. If the worker receiving the per diem provides receipts, the amount supported by receipts can be claimed, provided the expense associated with the receipts meets the definition of election expenses. (s. 261)

#### **7.17 Unpaid Contested Claims**

There may be situations where you dispute the claim of a supplier or vendor. In these cases the amount is not recorded as an election expense. The particulars of the disputed claim must be reported on Form 2-3E, in the column titles Unpaid and Contested Claims and included with your report of election expenses. The total of unpaid contested claims is entered on Form 2-3F, Financial return for a Candidate. (s. 265)

#### **7.18 Renouncing Remuneration**

No person is allowed to charge a price for election expenses that is different from their regular price for similar goods, work, or services charged outside the election period. Additionally, no person is allowed to renounce remuneration for goods, services, or merchandise. (s. 261(3))

The exception to this rule is a person who provides their vehicle for use in the campaign (as long as it is not part of their employment) or a person (who is not self-employed) providing personal services. (s. 166(i)(ii))

The official agent needs to be aware that the campaign may not enter into a contractual arrangement with an individual. For example, a campaign could not have an individual provide goods or services for a fee on the condition that the individual make a contribution back to the campaign. No person shall enter into an agreement for the provision for payment of goods or services to a candidate, EDA or registered party that includes a term that the person will make a contribution, directly or indirectly, to a candidate, EDA, or registered party. (s. 236(10))

Donations in kind contributions are discussed in detail in Chapter 10. A donation of goods or services that, if purchased, would be categorized as an election expense is the equivalent to renouncing remuneration and is disallowed. Any time something is offered to the campaign free of charge, you must stop and think: if I purchased this item, would it be an election expense? If the answer is “yes”, you must decline the offer. If the answer is “no” you may accept the donation in kind contribution, however, the contributor must be an individual since only individuals may make contributions.

### **7.19 MLAs Running for Re-election**

A Member of the Legislative Assembly (MLA) running for re-election is prohibited from using provincial resources for campaign purposes. This would include the resources and staff associated with a constituency office. If a constituency assistant is working in the campaign then he or she must take a leave of absence from their employment with the Province.

### **7.20 Election Expense Limits**

The *Elections Act* establishes election expense limits for candidates and registered parties which are referred to as spending limits. The spending limit includes the total value of all election expenses incurred during an election period, including advertising materials purchased prior to the election period and consumed during the election period. The amount spent by a campaign must not exceed the spending limit. According to the *Elections Act*, the spending limit for candidates is calculated as follows (based on the annual 2010 index):

- a. \$5.72 per elector in respect of not more than 5,000 electors;
- b. \$4.86 per elector in respect of the number of electors in the electoral district in excess of 5,000 electors and not in excess of 10,000 electors;
- c. \$4.29 per elector in respect of the number of electors in the electoral district in excess 10,000 electors. (s. 260(1))



Since the amounts above are adjusted according to the Nova Scotia consumer price index, they will change from election to election. When a writ is issued, the Chief Electoral Officer will calculate the spending limit for each electoral district and those spending limits will be posted on the Elections Nova Scotia website. (s. 260(3)).

As a point of reference the average spending limit for an electoral district in the 2009 Provincial General Election was \$65,727.84.

## **8. Completing Election Expense Reports**

### **8.1 Forms for Reporting Election Expenses**

The official agent of a candidate is required to report election expenses using Forms 2 through 2-3F.

	Description
Form 2	Report declaration and overview- to be signed by OA
Form 2-1	Application for reporting extension
Form 2-2	Registered Candidate Update Information
Form 2-3	Summary of Financial Activity- Income and Expenses
Form 2-3A	Monetary Contributions
Form 2-3B	Donations in Kind
Form 2-3C	Transfers to and from Party or EDA
Form 2-3D	Loan or Line of Credit, Calculation of Interest benefit
Form 2-3E	Details of Election and Non-Election Expenses
Form 2-3F	Summary of Election Expenses*
Form 2-4	Candidate Balance Sheet

The *Elections Act* requires that the official agent sign an affidavit attesting to the accuracy and completeness of the election expenses reports. This is included on Form 2. (S.229(1))

#### **Form 2-3F Summary of Election Expenses**

This is a summary of detailed information provided Form 2-3F. The Chief Electoral Officer will publish a Summary of Election Expenses Reported on the Elections Nova Scotia website. The published summary shows how much was spent in the election campaign in each category of expenses. (s. 229(4))

#### **Form 2-3E: Detail of Candidate's Election Expenses and Non-Election expenses**

The Record of Candidate's Election and Non-Election Expenses is a detailed listing of each expense item made by category of expenditure. Form 2-3E establishes the relationship between an expense and the supporting documentation (receipt or voucher) for that expense.

### **8.2 Categorizing Election Expenses**

Each expense must be entered into the appropriate expense category on Form 2-3E. For each expense category the common expenses that fall in the category are listed below:

**Column 9: Headquarters Expenses**

- Rent, furniture rental
- utility costs, if any
- costs of communications services and equipment (telephone, internet, cell phones, and other wireless communications)
- costs of office equipment (fax, photocopier, computer)
- costs of stationery items and other office supplies
- costs of insurance for the premises and contents

**Column 10: Worker Remuneration**

Stipends or wages paid to any campaign staff, such as campaign manager, clerical staff, poll agents or captains, drivers, canvassers

- costs of meals, coffee, etc., for workers
- costs of accommodation for workers, if applicable

**Column 11: Publicity/Advertising**

- costs for print advertising, such as newspaper ads
- costs for brochures, flyers, door-hangers or other printed items that are delivered to electors in the electoral district postage costs for delivery of any printed items costs of creation of a website or enhancements to an existing website specifically related to an election
- costs of miscellaneous advertising items, such as buttons, bookmarks, refrigerator magnets
- costs of signs and posters and labour cost associated with placement
- services of consultants or others who work on advertising material
- costs for advertising charged to the campaign by a registered party

**Column 12: Travel**

- gasoline and vehicle costs for campaign workers, including the costs of rental vehicles
- mileage for campaign workers
- costs of travel for any campaign workers who do not live in the electoral district, e.g. the cost of air fare or other mode of transport for workers who are coming from another province

**Column 13: Campaign Functions**

- rental of premises to hold rallies or other functions
- costs of refreshments for rallies, “meet and greet” functions
- costs of entertainment for campaign functions

**Column 14: Other**

- bank service charges
- anything that does not fit into the previous categories

**Column 15: Personal Expenses of Candidate**

- any election expenses that the candidate has paid personally. (s. 261(4)(5)) It is recommended that candidates know the rules before they incur and claim personal expenses.

Remember the following rules about personal expenses:

- Personal expenses are limited to \$1,000 (s. 261(4))
- A candidate cannot personally pay for publicity expenses, which would include advertising of any description, including publicity costs for a nomination convention (s. 261(1))
- Nomination expenses incurred by the candidate are not included
- Living expenses during the campaign are not included (lodging and meals) unless the candidate has been reimbursed by the campaign
- The candidate's transportation costs are not included

Some expense items that a candidate may incur while running for election are **not** considered election expenses, although they are expenses that a candidate might not otherwise incur. They are:

- costs for child or elder care
- wardrobe enhancement
- personal grooming (e.g. hair styling, dry cleaning)
- salary replacement

**Column 16: Non-Election expenses**

- post-election celebrations
- post-election advertising
- liquor purchases

**Column 17: Discounts**

- Difference in price paid vs. market value for purchases such as rentals

**Column 18: Contributed services**

- This is to include the value of services donated

**8.3 Other Columnar Headings on 2-3E**

Column 1: ***Consecutive document number.*** It is critical that receipts and vouchers can be matched to the lines on Form 2-3F. This is done by using the column with the heading "document #".

For example, enter the number 1 in the document # column on the first row. Indicate the date, vendor or payee, description of the expense and the amount of

the expenditure in either Column 5 or Column 6, depending on whether or not the amount has been paid or is unpaid. Enter the same amount in Columns 7-15 according to the category of the expense. Write the number 1 on the related receipt or voucher. Enter the number 2 on the document # column on the second row of Form 2-3F. Indicate the date, vendor or payee, description of the expense and the amount of the expenditure in either Column 5 or Column 6, depending on whether or not the amount has been paid or is outstanding. Enter the same amount in columns 7-15 according to the category of the expense. Write the number 2 on the related receipt or voucher. Continue with consecutive document numbers 3,4,5... until all expenditures have been recorded. Ensure that the related receipts are in numerical order and attach to Form 2-3E.

Elections Nova Scotia will review all expenses reported and verify that **all** expenses are supported by a receipt.

Column 2: The **date of expenditure** is the date on which the expenditure was made (do not record the date that the expenditure was paid). You will be able to verify that all entries (excluding those for advertising materials) fall between the date of the writ and election day.

Column 3: The **payee, name of company or person receiving payment** must be identified. This is the person or company to whom the payment was made. You may summarize certain information. For example, if you hired 25 poll workers for \$30 each, you can record the payee as "poll worker" with an amount of \$750. You should then put all the receipts from the poll workers in an envelope and record the consecutive document number on the envelope. The same approach can be used for expenditures from petty cash.

Column 4: A **description of the expenditure** must be provided. The description should be sufficient to identify the nature of the expense.

Column 5: The **paid** expenses must be identified. The amount will be what is shown on the invoice from the supplier, including HST.

Column 6: **Unpaid and uncontested expenses** are those expenses that have not been paid at the time the report is completed. The official agent acknowledges that the expense is not contested.

Column 7: **Discounts** Each category of expenses must be added and shown in the **totals** row of the report. The total of Columns 7-15 are transferred to Form 2-3F. The totals of Columns 5 and 6 must equal the totals of Columns 7-15.

Where multiple pages of the Form 2-3E are necessary to complete the report, each page should be totaled separately and the page totals summarized on the last page.

Any form that is illegible or contains significant errors may be returned to the official agent or auditor for correction and could delay the issuance of any election expense reimbursement that is due to the candidate. (s. 233(2))

#### **8.4 Deadline for Filing**

Forms 2 through 2-4 must be filed directly with Elections Nova Scotia within **80 days of the return of writ**. The report must be accompanied by the auditor's report.

An official agent who determines that the reporting deadline cannot be met must request an extension from the Chief Electoral Officer in advance of the deadline using Form 2-1 for this request. Extensions are granted at the discretion of the CEO, and may not be extended beyond 30 days. (s. 229(2))

#### **8.5 Questions About a Specific Expense?**

If the official agent is unsure whether a particular expense of the campaign should be reported as an election expense they should call Elections Nova Scotia to seek advice.

#### **8.6 Differentiation Between Paid and Unpaid Expenses**

The official agent is required to identify each expense as "paid", "unpaid and uncontested", or "unpaid and contested". Evidence of whether the expense is paid is part of the election expenses report. This evidence can take the form of a cancelled cheque, a signed receipt on an invoice or a separate receipt, or a credit card receipt. Note that any contested expenses are identified on Form 2-3E Column 16. The official agent may receive an invoice from the candidate's registered party for expenses incurred by the party on behalf of the candidate. If it is the intention of the official agent to pay this invoice through funds received as part of the candidate's election expense reimbursement, then the amount should be shown in Column 6, unpaid and uncontested claims.

#### **8.7 Audit of Form 2-3F, Report of Candidate's Election Expenses, is Mandatory**

Once the official agent has completed the Report of Candidate's Election Expenses, it must be audited by your appointed auditor. You must provide a copy of your auditor's opinion when you submit your report to Elections Nova Scotia. (s. 229(3))

#### **8.8 Review of Candidate's Election Expenses by the Public**

Interested electors, by making arrangements with the Chief Electoral Officer for a six month period beginning with the receipt of election expenses by the Chief Electoral Officer, can review and make copies of the Form 2-3F and supporting documentation (receipts and vouchers). (s. 229(5))

#### **8.9 Inaccurate Reports and Corrupt Practices**

Note that an official agent who willfully:

- a. spends over the election expense limit;
- b. files a false report;
- c. submits a false affidavit;
- d. produces a falsified invoice, receipt or other voucher;

- e. pays a claim after the delivery of the election expense report (except under the procedure set out in S. 229 of the *Elections Act* for payment of contested claims)
- f. is guilty of an offence. (s. 340(1))

Form 2-3E need not be completed on the prescribed form itself but must follow the format, such as an excel worksheet and include the content of the prescribed form and be printed in hard copy.

## **9. Reimbursement of Election Expenses**

### **9.1 Public Funding of Election Expenses**

In Chapter 7 and Chapter 8 you were provided with information that allows you to differentiate between election and non-election expenses, record expenses and report expenses. There are a number of reasons these rules are in place. Spending limits are in place to ensure a level playing field for all candidates in the same electoral district. Other rules such as differentiating between election and non-election expenses arise out of the availability of public funding for expense reimbursement.

The *Elections Act* allows for reimbursement of election expenses with public funds for candidates who receive at least 10 percent of the valid votes cast in the electoral district in the election. (s. 267(1))

### **9.2 Election Expense Reimbursement Limits**

The maximum reimbursement amount is calculated in a manner similar to the spending limit. In section 267(1), the maximum reimbursement is \$1.43 (2010 index) per elector in the candidate's electoral district. This amount is subject to increases based on the CPI for Nova Scotia. The official agent of a candidate will receive the lesser of:

- a. the maximum allowable reimbursement, or
- b. approved election expenses.

The Chief Electoral Officer will publish the maximum reimbursement amount on the Elections Nova Scotia website during the election. (s. 267(5))

### **9.3 Processing of Election Expense Reimbursements**

After the candidate's official agent has had the expense reports audited and submitted the report to Elections Nova Scotia, the report will be reviewed by Elections Nova Scotia in two stages:

#### **1. Preliminary review**

The Chief Electoral Officer will conduct a preliminary review and release 75 percent of eligible reimbursement when the report satisfies the review criteria. The preliminary (s. 267(3)) review will:

- a. confirm that Form 2 has been properly signed and notarized;
- b. confirm inclusion of auditor's report and verification by the auditor that there is no reason to believe that the report is not correct.
- c. confirm that Supporting Form 2-3E has been properly totaled (columns 5 and 6 equals columns 7 to 15)
- d. confirm that receipts have been included with the report and have been referenced to Form 2-3E using the consecutive document number.

## **2. Final Review**

The Chief Electoral Officer will conduct a final review and release the remaining 25 percent of the eligible reimbursement if the report satisfies the review criteria. (s. 267(3)(b))

- a. verify that each election expense claimed (over \$25) is supported by a receipt.
- b. confirm that the expenditure meets the definition of election expenses and confirm that expenses have been properly classified.

Reimbursement of candidates audit costs will be made at the same time as the final election expense reimbursement is made. If the candidate is not eligible for reimbursement of election expense the audit reimbursement will be made when the preliminary review is completed. (see Chapter 3.2.8 for further information)

In addition to the criteria for the preliminary review and final review in order for reimbursement to be made, the official agent must file;

- a. Form 2, Candidate's Financial Statements accompanied by an auditor's report and supporting Forms
- b. Form 2-2, Candidate's Statement of Contributions for Which Official Tax Receipts Issued, accompanied by an auditor's report
- c. Form 2-5 Reconciliation of tax receipts for candidate
- d. Form 2-4 Balance Sheet (s. 230(1)(a))

Election expense reports and associated election expense reimbursements are processed in the order in which they are received. If a report does not meet the review criteria or contains errors, the payment of election expense reimbursement will be delayed. Your attention to the reporting requirements provided in this handbook will ensure the timely reimbursement of election expenses.

## **9.4 Returned Reports**

Should the report fail to meet the requirements of either the preliminary review or the final review the report may be returned to the official agent for revision. In cases when a report is returned to an official agent, a statement of deficiencies will be provided. In other cases, the official agent may be contacted and be asked to provide additional documentation to support his or her claim. (s. 233(2))



## **10. Contributions**

It is essential that you have a good understanding of contributions so you can effectively track and record them in detail. Understanding contributions will contribute to your ability to meet disclosure requirements and issue tax receipts in accordance with law.

### **10.1 Receiving Political Contributions**

#### **10.1.1 Who can Make a Political Contribution?**

Only individuals who are residents of Nova Scotia can make political contributions. No organization shall make a contribution to a registered party, electoral district association, candidate or registered third party. An "organization" means a corporation, partnership or trade union.

#### **10.1.2 Can I Accept a Contribution From an Anonymous Contributor?**

Under no circumstances can an official agent accept an anonymous contribution. If you do get an anonymous contribution it must be either:

1. Returned to the donor, or;
2. Remitted to the Chief Electoral Officer who will transfer it to the Minister of Finance. (s. 241)

Other than a pass-the-hat fundraiser (see Chapter 11, Section 11.1.1), any contribution that cannot be tied to an individual is an anonymous contribution and is prohibited. An example would be a donation jar at a campaign office. (s. 166(d)(iv))

#### **10.1.3 Are there Limits on the Amount an Individual may Contribute?**

Yes, the maximum amount that can be contributed by an individual in a calendar year to a registered party, its electoral district associations and its candidates is \$5,000. For example, an individual could contribute \$2,000 to your candidate, \$1,500 to your party and \$1,500 to an EDA of the party; or an individual could contribute up to \$5,000 to **each** of the registered parties. (s. 236(3))

**Important:**

This contribution limit applies to a candidate who contributes to the candidate's own campaign.

#### **10.1.4 Are There Other Restrictions on Political Contributions?**

1. There is a restriction on cash contributions. An official agent cannot accept more than \$100 in cash from any contributor in a calendar year
2. With the exception of a spouse, a contributor cannot contribute funds that do not belong to them. If an individual contributes funds that do not belong to them,

they must identify the provider or source of the funds as the contributor and that contributor is subject to the disclosure requirements.

#### **10.1.5 What does Cumulative Mean?**

Contributions are reported on a calendar year basis. Except for certain amounts obtained through donations in kind (Section 248(1)) and certain fundraising activities (Chapter 11.1.1), contributions are cumulative at two levels:

Level 1 - the total of all contributions made throughout the calendar year to a candidate from a single contributor. (s. 236(3))

Level 2 - the total of all contributions made to a registered party, its EDA's, and its candidates from a single contributor. (s. 236(3))

For example, an individual could make a contribution of \$40 to a candidate at the beginning of the campaign and make an additional contribution to the candidate of \$30 later in the campaign. The individual's total contributions to the candidate (Level 1) would be \$70. If that individual also made a contribution of \$500 to the candidate's EDA or registered party, the cumulative contributions (Level 2) for the purposes of the \$5,000 contribution limit would then be \$570.

#### **10.1.6 How am I Supposed to Know if a Contributor has Exceeded their Contribution Limit?**

Although the contributor has the responsibility to make sure their contributions to a registered party, its EDAs and its candidates do not exceed \$5,000, there are precautions that an official agent can take to ensure contribution limits are not exceeded:

1. Tell the contributor there is a contribution limit of \$5,000 per calendar year.
2. Ask the contributor if they have already exceeded their contribution limit prior to accepting a contribution.
3. Provide details of the contributions you receive to your party. The tax receipt has a copy specifically designated for your registered party (pink copy).

#### **10.1.7 What if I Have Accepted a Contribution from Someone and Later Determine that they Exceeded their Contribution Limit?**

The contribution may have to be returned. There are complex rules for determining what entity is required to return an excess contribution. If you need to return an excess contribution which had been previously deposited to your contributions account you should:

- a. return the contribution by writing a cheque on your contribution account;
- b. record the course of events that prompted the return;

- c. report the return of the contribution and provide copies of your documentation to Elections Nova Scotia. (s. 250)

## **10.2 Recording Political Contributions**

### **10.2.1 Do I Have to Record all Political Contributions?**

The *Elections Act* requires the official agent to record the full name and residential address of each contributor together with the amount of the contribution. This information is to be recorded in a single ledger (one place). A single ledger can be an electronic document such as spreadsheet, database, word processing program or accounting program. (s. 235)

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.

## **10.3 Disclosing Political Contributions**

### **10.3.1 What is Disclosure?**

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

- a. the full name of the individual who made the contribution;
- b. the individual's full residential address. (do not use a PO Box as an address unless that is the individual's only address);
- c. the total amount of all contributions made by the individual during the reporting period; (s. 240(2))

The Chief Electoral Officer is required by law to publish all candidate, EDA, and registered party disclosure statements by June 30th, following the year being reported. (s. 251(1)). In an election year, a disclosure statement of the candidates is published within 120 days of the retrun of the writ.(s. 251(2))

### **10.3.2 What is the Difference Between Recording and Disclosing a Contribution?**

All contributions must be recorded. All contributions over \$200 by a single contributor or cumulative contributions exceeding \$200 by a single contributor must be disclosed. (s. 240(1)(2))

**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 official agent is setting up their record keeping system.

**10.3.3 Who is Responsible for Disclosure?**

As previously mentioned, a contribution may only be accepted by one official agent. (s. 237(4)) The official agent who accepts a contribution and deposits that contribution is responsible for disclosure. For example, a candidate receives a \$250 monetary contribution from an individual.

The official agent of the candidate accepts the contribution and deposits the contribution to the contributions account. Since the amount of the contribution is over \$200, disclosure is mandatory. The official agent of the candidate is responsible for disclosure. (s. 240(3))

Consider another example in which the same contributor makes a contribution to the candidate's registered party and requests that the party transfers the contribution to the candidate. In this case, the contributor must make the contribution to the official agent of the party. The party can then transfer the funds to the official agent of the candidate. The contribution is accepted by the official agent of the registered party and deposited into the registered party's contributions account. The official agent of the registered party is responsible for disclosure. A transfer from a registered party to a candidate does not constitute a contribution and therefore, does not result in an obligation to disclose. Transfers are discussed in detail in Chapter 12 of this handbook. (s. 253)

**10.3.4 Are There Certain Forms I use for Reporting Disclosures?**

Disclosures are reported on Form 2-3 and supporting Forms 2-3A, 2-3B and 2-3D represent total disclosures required under the *Elections Act*. The schedule on which an item is disclosed is dependent upon the source or type of contribution.

The table below shows the three forms used for disclosing contributions and the type of contribution disclosed on each schedule.

**Supporting Forms for Reporting Disclosures**

<b>Schedule Number</b>	<b>Source of Contribution Disclosed</b>
Form 2-3A	Monetary contributions
Form 2-3B	Donation in kind contributions
Form 2-3D	Contributions from loans

The official agent may consider incorporating draft copies of the supporting Forms to Form 2 into their record keeping system. By recording **ALL** contributions on the appropriate forms at the time the contribution is received the official agent will simplify the task of finalizing their disclosure reports.

A complete copy of Form 2-3 Candidate's Financial Statement and Supporting forms are included in Appendix A.

**Helpful Hint**

The disclosure schedules are also available in an Excel format at <http://www.electionsnovascotia.ns.ca>. An official agent may record their disclosures in an Excel format and file a copy of the Excel file with the Form 2 submission.

## **10.4 Types of Political Contributions**

Political contributions will fall into one of four categories;

1. Monetary contributions
2. Fundraising contributions
3. Donation in kind contributions
4. Loan contributions

### **10.4.1 Monetary Contributions**

Most campaigns will focus on monetary contributions. Monetary contributions may take the form of cash, cheques, or other negotiable instruments (i.e. money orders, bank drafts, debit transactions). As discussed in Chapter 14 of this handbook, monetary contributions received between the time the candidate is officially nominated and the close of polls on Election Day (s. 253(4)), qualify the contributor for a tax receipt. All monetary contributions must be deposited into the campaign account. (s. 238(2))

### **10.4.2 Fundraising Contributions**

There are a number of steps that an official agent must follow in order to properly identify and value fundraising contributions. These steps are detailed in Chapter 11.

### **10.4.3 Donation in Kind Contributions**

#### **10.4.3.1 What is a Donation in Kind?**

A donation in kind is the provision of goods, services, or property for the benefit of a candidate, EDA, or registered party. A donation in kind does not include personal services or the use of a vehicle volunteered by a person and not provided as part of that person's work or in the service of an employer. (s. 166(f)) A donation in kind is a contribution, and, as with all contributions, the individual making the donation in kind

must be eligible to contribute. In order to properly record and disclose a donation in kind, the item donated must be valued. (s. 248)

### **10.4.3.2 Valuing a Donation in Kind Contribution**

Donations in kind are valued at fair market value. (s. 248(1)) Fair market value is the amount something would sell for in an open market between a willing buyer and a willing seller, who are independent of each other. (s. 166(j)) In most cases, the provider of the donation in kind should be able to provide you with documentation confirming the normal selling price (fair market value) of a donated item. For other items, such as items donated for a yard sale, you may need to estimate the fair market value. A donation in kind also results when an item is purchased at a discount where the same discount would not be available to an individual that purchased the same item in an open market. (s. 248(4)) **Note that in all cases the provider must be eligible to contribute.**

The table below shows typical donations in kind and how they are valued.

<b>Donation in Kind</b>	<b>Valuation</b>
Goods, services, or property provided for use or resale	Fair market value of the item, provided the contributor is eligible to contribute (s. 248(1))
Goods, services, or property provided at a discount	The difference between the discounted price and the fair market value, provided the contributor is eligible to contribute (s. 248(4))
Goods, services, or property provided directly to participants in a fundraising event	The fair market value of the goods, services or property given to the participants, provided the contributor is eligible to contribute(s. 248(2))
A volunteer who continues to be paid by their employer	The amount of compensation paid to the employee while they were a volunteer provided the contributor is eligible to contribute (unincorporated) (s. 236(7))

### **10.4.3.3 Renouncing Remuneration**

The *Elections Act* prohibits a person from renouncing remuneration for goods or services that would be considered election expenses. This means that an official agent cannot accept a donation in kind contribution, where if purchased the donated goods, services or property would be an election expense. This provision limits the campaign in terms of the type of donation in kind contribution they can accept. (s. 261(3))

*Example 1: An individual offers to provide the campaign with office space that the campaign can use as a headquarters. The landlord would normally rent the space for \$600 per month. Since rent expense related to the election period is an election expense the official agent could not accept the "free rent" offer.*

*Example 2: A community hall offers a campaign the use of the hall at no charge for an election night party. The community hall is normally rented for \$100 per night. Even though the donation in kind is not an election expense, the community hall is not an individual and is not an eligible contributor. The official agent could not accept the "free use" offer as a donation in kind.*

*Example 3: In Section 11.2.1.2, we used the example of a candidate holding a lobster supper as a fundraiser and determined that the cost per person was \$15. If an individual donated the lobster and that donation made up \$10 of the total cost per person, the individual would have made a donation in kind contribution of \$750 (75 participants at \$10 each). The official agent would disclose the donation in kind contribution on Form 2-3B.*

#### **10.4.3.4 How Can an Indirect Donation in Kind Contribution Arise from a Fundraising Event?**

An individual may provide goods or services directly to participants in a fundraising event held by a candidate. An ineligible contributor (corporation, partnership or union) cannot provide goods or services directly to participants in a fundraising event. (s. 236(5))

*For example, an individual offers to provide a cord of firewood as a door prize in the candidate's golf tournament. The individual does not sell the firewood as an incorporated business. The total retail price of the cord of wood provided to tournament is a donation in kind to the candidate by the individual. If the value of the donation exceed \$200, disclosure is required.*

#### **10.4.3.5 Is There an Exemption for a Donation in Kind of Nominal Value?**

Yes, an individual can make a total of \$50 in donations in kind in a calendar year, which are exempt. The official agent of a candidate must track all donations in kind contributions in order to identify an individual that exceeds the exemption limit and is therefore, subject to disclosure. (s. 166(d)(vii))

#### **10.4.3.6 Are Services Donated by an Individual a Donation in Kind Contribution?**

Services produced by voluntary unpaid labour such as an individual providing voluntary labour during a campaign or doing canvassing on behalf of a candidate are not contributions. The use of a vehicle volunteered by a person

and not provided as part of that person's work in the service of an employer is not a donation in kind contribution. (s. 166(f)(i)) Since an organization cannot make a contribution, an employer that is not an individual cannot pay or furnish a vehicle to a volunteer during the period the individual is volunteering for a campaign. (s. 236(5))

Appendix E provides additional information that will help you understand how to record and disclose expenses or contributions that arise from the use of a vehicle by a volunteer, candidate or campaign.

#### **10.4.3.7 How do I Record and Disclose Donation in Kind Contributions?**

An official agent should set up their record keeping system to record all donations in kind contributions, keeping in mind that a donation in kind will not be triggered by a payment to a vendor in the manner that a normal purchase would. You must track donations in kind and be able to determine if an individual exceeds the \$200 disclosure limit. When you prepare your Form 2, Candidate's Financial Statements and Supporting Schedules, you are required to provide disclosure information for donations in kind on Form 2-3B. All donations in kind valued at more than \$200 require disclosure.

#### **10.4.4 Loan Contributions**

Under the *Elections Act* there are a number of rules related to loans. These include reporting requirements and circumstances where a loan can result in a political contribution. These concepts are detailed in Chapter 13.

##### **10.4.4.1 How can a Contribution Arise From a Loan?**

There are three circumstances in which a loan can result in a political contribution:

1. A loan that is provided at a discounted rate of interest, that is, a rate of interest less than the bank prime rate at the time the loan was made
2. A loan that is repaid by a guarantor or an individual other than the borrower
3. A loan that is not repaid (default)



## **11. Fundraising Contributions**

As discussed in Section 10.4.2 of Chapter 10 there are a number of steps that an official agent must follow in order to properly record, report and disclose contributions from fundraising events.

### **General Rules with regard to fundraising:**

- The principle of transparency of all party activity is to be maintained in order to comply with the intent of the *Elections Act*. Sections 234-251 of *the EA* cover the contribution rules.
- Contributions are to be received only from individuals (no contributions are to be received from an organization). This includes donation of items to yard sales, raffle baskets or auctions. (s. 236(5))
- Records must be kept for your protection if and when your books need to be audited. It is also important to note that ENS has the right to request further information for any financial filing. (s. 233(3))
- Cash contribution of over \$100 cannot be accepted by an Official Agent or designate in a calendar year. (s. 242)
- The individual who is designated to be responsible for receiving payments is to maintain the records in a format that the Official Agent agrees meets the requirements for transparency. (s. 171(1)(d))

**With the exception of approved fundraising events as described below, no other fundraising activity qualifies the contributor for a tax receipt. Under no circumstances may a tax receipt be issued for (s. 254);**

- a. pass the hat contributions;**
- b. sales and auctions of goods, services, or property;**
- c. contributions from lotteries and raffles;**
- d. donation in kind contributions.**

## **11.1 Types of Fundraising Activities**

Fundraising activities may result in contributions and the legal requirement to disclose those contributions. Common fundraising events include, but are not limited to:

### **11.1.1 Pass-the-hat**

Most often used as a fundraising tool at political meetings and gatherings. The hat is passed from person-to-person and they are requested to make a donation. The official agent must make all attendees aware that the maximum contribution that can be made is \$25.

(s. 166(d)(iv))

### **11.1.2 Sale or Auctions**

Funds can be raised through the sale or auction of goods or services. Often this is done in conjunction with a fundraising event such as a dinner or golf tournament. Items sold or auctioned may be purchased by the official agent or be a donation in kind contribution. (s. 166(d)(vi)) Tickets sold for \$25 or more must be recorded, including the name and residential address of the contributor.

In an example of art that is auctioned, the rules are quite clear. If a painting is sold at auction for \$200, and was deemed to have a fair market value of \$50, the individual who made the purchase contributed \$150 to the party, an amount to be counted toward the threshold requiring disclosure, but without a tax receipt.

In an example of a yard sale: On the donation side, this is to include a record of approximate number of items, and a detailed listing of higher value items >\$200, including the names and addresses of the donors of those items that were sold. On the purchaser side, a record of those same high value items sold by individuals, (no organizations), and a summary of the other purchases. This can be in the form of a log, and should be in a format that can be audited, if necessary.

### **11.1.3 Fundraising Events**

These are events that typically require the participants to purchase a ticket or pay a fee and include dinners, barbecues, and golf tournaments. Fundraising events usually have a cost associated with running the event. (s. 166(d)(v))

All costs are to be included in the calculations, including costs such as meals, catering, rentals, prizes, decorations, and printing.

### **11.1.4 Lotteries and Raffles**

Includes raffles, 50/50 draws, and ticketed lotteries. With the exception of a pass-the-hat fundraiser, the rules around other fundraising events are very complex. The official agent must understand the rules for valuing, recording, and reporting contributions of

less than \$50 derived through fundraising events. In addition, only certain fundraising events qualify the participant for a tax receipt. The reported revenue and expenses of the event, along with the names of participants, must be approved by the Chief Electoral Officer prior to the issuance of receipts. The candidate and official agent should carefully consider the inclusion of fundraising events in the campaign.

In the case of the basket raffle, a record of the number of tickets sold at what price is to be maintained. It is also necessary to record the items donated to a basket raffle, including estimated values, which would be subject to review by an auditor, if necessary. Only individuals may contribute items to a basket raffle.

## **11.2 Determine if a Fundraising Activity Results in a Contribution**

In order to determine if a contribution from a fundraising activity results in a contribution you must;

### **11.2.1 Determine the Value of the Contribution**

#### **11.2.1.1 For Sales and Auctions**

For sales and auctions the value of the contribution is:

- a. if the item is purchased by the official agent of the candidate and then sold or auctioned, the contribution is the net profit. Net profit is the difference between the cost of the item and its selling price. If the item is sold for less than cost (negative net profit) there is no contribution; (s. 166(d)(vi))
- b. if the item is a donation in kind that is sold or auctioned the contribution is the difference between the selling price and the fair market value of the donated item. If the item is sold for less than the fair market value there is no contribution attributable to the individual that purchased the item. (s. 166(d)(vii))

Goods, services, or property provided to a campaign as a donation in kind and later sold or auctioned may result in two separate contributions. A contribution attributable to the individual that made the donation in kind contribution and the individual that purchased the goods, services, or property. In either case, if the value of the contribution exceeds \$50, the amount is to be counted toward the threshold requiring disclosure, but without a tax receipt.

#### **11.2.1.2 For Fundraising Events**

For fundraising events, the contribution is the ticket price or fee paid by the individual, less the cost per person of running the event. To determine the cost per person, the official agent must keep track of all costs associated with the event and divide total costs by the number of participants. (s. 166(d)(v))

*Example: A campaign decides to hold a lobster supper and sell tickets. The ticket price is \$40. A total of 75 tickets are sold. The official agent keeps track of all the costs of running the event and determines that the total cost was \$1,125. The cost per person of \$15 is determined by dividing the total cost of \$1,125 by the number of participants (75). The contribution per person is \$25, the price per ticket of \$40 less the cost per person of \$15.*

### **11.2.1.3 For Lotteries and Raffles**

For lotteries and raffles the contribution is the cost of the ticket less the proportionate prize per ticket.

- a. for a 50/50 draw the proportionate prize for each ticket would be 50% of the ticket price, plus other costs, (lottery license and cost actual of tickets) divided by the total number of tickets sold.
- b. for raffles and lotteries the official agent will need to total all costs associated with the lottery (all prize costs, ticket printing costs and advertising costs). The total cost must be divided by the number of tickets actually sold in order to determine the costs associated with each individual ticket.

## **11.3 Based on the Value Determine if the Amount is Exempt as a Contribution**

### **11.3.1 What is an Exemption**

Certain amounts derived from a fundraising event may be exempt as contributions. If the amount is exempt it:

- a. is not cumulative (with the exception of donation in kind contributions) (s. 166(d)(vii)(B));
- b. does not require disclosure. (s. 166(d)(iv,v,vi,vii)(A))

#### **11.3.1.1 Exemption for Pass-the-hat**

As long as no person puts more than \$25 in the hat, amounts derived through pass-the-hat fundraising are exempt. It is incumbent upon the official agent to make people aware of the \$25 limit before the hat is passed. (s.166(d)(iv)) The date of the meeting, number of attendees and gross amount received are recorded by the official agent or financial agent or an individual acting on behalf of the official agent or financial agent in accordance with this Act.

Do not confuse a pass-the-hat fundraiser with an anonymous contribution. A pass-the-hat fundraiser is held in association with a political meeting and is supervised by the official agent. Amounts solicited by passing the hat at a campaign event and the provision of a donation jar in a campaign office are anonymous contributions and are illegal. (s. 241)

### **11.3.1.2 Exemption for Sales and Auctions**

If the net profit as calculated in Section 11.2.1.1, derived from any individual at any single event is less than \$50, the amount is exempt as a contribution.

*Example: A campaign holds an auction at a campaign function. An individual purchases one item at the auction and the official agent determines that the net profit is \$20. That amount is exempt as a contribution. Another individual purchases multiple items at the same auction and the combined net profit associated with all items purchased totals \$75. The amount of net profit associated with the second individual exceeds \$50 and, therefore, is a contribution.*

### **11.3.1.3 Exemption for Fundraising Events**

If the net proceeds as calculated in Section 11.2.1.2 (ticket price less benefit) are less than \$50, the amount is exempt as a contribution.

*Example: Continuing our lobster supper example, Section 11.2.1.2, we determined that the proceeds associated with a single ticket were \$25 and, therefore, exempt as a contribution. However, consider the situation where an individual purchases three tickets for the supper. The proceeds associated with that purchase are \$75. Since the amount is in excess of the \$50 exemption, the individual has made a contribution.*

There is a provision that allows an official agent to elect to make exempt contribution amounts derived from a fundraising event in order to issue tax receipts to the participants. This provision is detailed in Chapter 14.9 of this handbook.

### **11.3.1.4 Exemption for Lotteries and Raffles**

If the ticket price, less the cost per ticket as calculated in section 11.2.1.3 is less than \$50, the amount is exempt as a contribution. Even though the proceeds derived from any one individual from a 50/50 draw will be less than \$50, the official agent is still obligated to identify any individual who purchases a substantial quantity of tickets (in excess of \$50) and identify that individual as a contributor. For other lottery or raffles, the official agent will need to determine the proceeds per ticket in accordance with section 11.2.1.3. In a situation where the proceeds associated with the purchase of a single ticket are less than \$50, the contribution is exempt. The official agent will need to identify, as contributors, individuals that purchased multiple tickets with total proceeds exceeding \$50.

## **11.4 Determine if the Contribution Requires Disclosure**

Since the threshold for exemption for sales or auctions and fundraising events is the same as the threshold for disclosure (\$200), determining if a contribution requires disclosure is relatively easy. As a general rule, if a contribution is not exempt it requires disclosure. The disclosures associated with fundraising events are recorded on Form 2-3A.

## **11.5 Record the Event and Required Disclosure Information**

For each fundraising event you must record the event on a summarized basis on Form 5-1. You are required to record:

- a. the date of the event
- b. the number of participants
- c. the total revenue from the event
- d. the total cost of the event
- e. the net profit (revenue less cost) of the event

## **11.6 Issuing Tax Receipts to Participants in Fundraising Events**

An official agent may be able to issue tax receipts to participants in a fundraising event (i.e. dinner, golf tournament). In order to issue tax receipts, the official agent must report the financial details of the event (revenue, expenses, calculation of benefit, and list of participants) to the Chief Electoral Officer and request approval of the calculation of revenue and expenses. The request to the Chief Electoral Officer is made using Form 5, Statement of Fundraising Event Revenue and Expenses. The official agent should refer to Chapter 13 for detailed instructions on completing and submitting Form 5.

## **12. Transfers**

**With the exception of approved fundraising events as described above, no other fundraising activity qualifies the contributor for a tax receipt. Under no circumstances may a tax receipt be issued for;**

- a. pass the hat contributions;**
- b. sales and auctions of goods, services or property;**
- c. contributions from lotteries and raffles;**
- d. donation in kind contributions.**

### **12.1 What is a Transfer?**

A transfer is the movement of services, money, or property among the related entities of a registered party (s. 166(w)). A transfer is made without consideration provided by the entity receiving the transfer. This means the transferring entity does not receive anything of value in return for the transfer and there is no obligation on the part of the recipient to repay any portion of the amount or value of goods transferred. A transfer will be recorded by the official agent as either an expense or as income. Yet, it is neither an election expense nor a political contribution.

## 12.2 Allowable Transfers by a Candidate

For purposes of transfers a candidate's related entities are its party and its electoral district association.

A candidate may:

- i. give and receive transfers to or from its party; and
- ii. give and receive transfers to or from the electoral district association in which the candidate has been nominated. (s. 213)

A candidate is not permitted to:

- i. give or receive transfers to or from a candidate in another electoral district; or
- ii. give or receive transfers to or from another electoral district association. (a detailed list is provided in s. 214)

The following table shows allowable transfers among a registered party and the entities of that registered party.

Allowable Transfers to and from a Candidate

Entity	Candidate	Party	EDA
Candidate	No, not permitted to another candidate	Yes	EDA of the candidate
Party	Yes	N/A	Yes
EDA	Only the candidate in that EDA	Yes	No, not permitted to transfer to another EDA

## 12.3 Can an EDA or Party Transfer Goods or Services to a Candidate?

When an EDA or registered party provides goods or services to a candidate's campaign those goods or services **must** be invoiced to the campaign. They are not transfers and must be treated as a purchase from any other supplier. They must be included by the candidate in determining compliance with the candidate's spending limit. To the degree they meet the definition of election expenses they may qualify for reimbursement.

## 12.4 Can a Transfer Result in the Need for Disclosure?

No, a transfer is the movement of funds among the entities of a registered party. The transferred funds have already been recorded as contributions (and disclosed) or other types of revenue by the entity receiving the funds.

## **12.5 Am I Required to Record Transfers?**

Yes, transfers must be recorded on Form 2-3C. Both transfers to and from are included on the same form.

The totals recorded on Form 2-3C are transferred to Form 2-3

- transfers from or received are recorded as income
- transfers to are recorded as expenses (s. 227(1)(d))

## **12.6 Is the Disposal of Excess Funds a Transfer?**

At the end of the campaign the official agent must close the campaign account (see Chapter 4.4) and pay excess funds in accordance with Section 268 of the *Elections Act* (see Chapter 16). In situations where the payment is made to an electoral district association or registered party that payment is a transfer.

## **13. Loans**

### **13.1 What are the Reporting Requirements for Loans?**

The reporting requirements for loans are complex. Below is a summary of those requirements:

1. If a candidate borrows money there must be a loan agreement in writing. The agreement must set out the amount of the loan, the term of the loan, the interest rate associated with the loan, the name and address of the lender, and the name and address of any guarantor. (s. 218(1))

For purposes of loans there is no distinction between the candidate as an individual and the campaign. In most circumstances, financial institutions will only make loans to individuals. The loan requirements apply to loans that are made directly to candidates as individuals as well as loans that are made to the campaign.

2. The maximum term of a loan is two years. This term includes any renewal or refinancing. (s. 216(3)(b))
3. The maximum loan term in 2 does not apply if the lender is a financial institution, the candidate's registered party, or the candidate's electoral district association.
4. Copies of all loan agreements must be included with Form 2-3D Loan or Line of Credit.
5. In subsequent years, where there is a balance outstanding on a loan, Form 2-3D Loan or Line of Credit must be filed with the Chief Electoral Officer stating the outstanding balance and detailing any changes to the loan agreement.

A loan that remains outstanding after the official agent files all reports of election expenses, political contributions, tax receipts, and disposal of excess contributions creates a reporting obligation that continues until such time as the loan is repaid. The official agent must understand this extended reporting obligation.



### **13.2 Can a Candidate's Campaign Make a Loan?**

A campaign is prohibited from making a loan. Under no circumstances can a campaign loan money to another candidate, another campaign, another electoral district association, or another registered party. (s. 216(1))

### **13.3 Contributions Arising From Loans**

There are circumstances where a loan may result in a political contribution. As discussed in Section 10.4.4.1 of Chapter 10, there are three circumstances where a loan can result in a political contribution.

#### **13.3.1 Loan Interest Benefit**

If a candidate borrows money at an interest rate less than the bank prime rate that was in place at the time the loan was made, the difference between the interest rate of the loan and the bank prime rate results in a political contribution attributable to the lender. The bank prime rate is posted on the Elections Nova Scotia website. (s. 215(2) and 216(3))

*Example: Mary Smith is a candidate in an election. In order to finance her campaign, Mary's father, Tom, provides her with an interest free loan in the amount of \$4,000. At the time the loan was made the bank prime rate was 3.5%. Mary repays the loan in exactly six months after it was made. The calculation of the interest benefit is as follows;*

**Loan Details:**  
**Amount of loan: \$4,000**  
**Bank prime rate: 3.5%**  
**Loan interest rate: 0%**  
**Term: 6 months**

**Formula for calculating loan benefit:**

**Benefit = loan amount x (annual bank prime rate - rate of loan) x term of loan in months divided by 12**

**Therefore benefit = \$4,000 x (3.5% - 0%) x 6/12 = \$70.00**

The details of the loan along with the calculation of the loan interest benefit is reported using Form 2-3D, Candidate's Statement of Loans or Line of Credit. A loan interest benefit may also result in a disclosure requirement. The name, residential address, and postal code of the contributor must be disclosed on Form 2-3D if the loan interest benefit exceeds \$200. In our example above, Tom would not be disclosed as a contributor of \$70 on Form 2-3B.

### **13.3.2 Repayment of a Loan by Another Person**

If an individual other than the borrower (i.e. the candidate) makes either a single payment on a loan or pays the loan in full that individual has made a political contribution. (s. 215(4))

*Example: We can use our previous example to demonstrate this concept. Consider the situation where after receiving her reimbursement of election expenses Mary could only repay half of the loan (\$2,000). Mary did not want to default on any portion of the loan from her father so she asked her sister Betty if she would repay the other \$2,000. Betty agreed and gave \$2,000 to her father. Betty has made a political contribution of \$2,000. The repayment of the loan by Betty would be disclosed on Form 2-3A.*

There are additional considerations that must be made when an individual other than the borrower makes a payment on a loan. Since that payment is a political contribution, eligibility requirements and contribution limits apply. Keep in mind that a corporation, partnership, or trade union may not make a payment on a campaign loan since they are not eligible to contribute. In our example, Betty must be eligible to make a political contribution (a Nova Scotia resident) and not have accumulated political contributions to her (Mary's) campaign, Mary's registered party, another candidate or EDA of that party, in excess of \$3,000 in the calendar year.

### **13.3.3 Default**

If a loan is not repaid within the time period stipulated in the loan agreement, the borrower has defaulted on the loan. The *EA* states that if a loan payment is more than 6 months past due, then the loan is in default. Where a loan is in default, the lender is deemed to have made a political contribution to the borrower. This provision does not apply to a loan made by a financial institution. (s. 215(5)(6))

*Example: Drawing on our initial example consider the situation where Mary did not have the funds to repay any of the loan from her father, nor would her sister help repay the loan. Mary defaults on the loan. As a result of the loan default Mary's father, Tom, is deemed to have made a political contribution in the amount of \$4,000.*

In this example Mary's father, Tom, must be eligible to make a political contribution (a Nova Scotia resident) and not have made political contributions to his daughter's campaign, her registered party, or another candidate or EDA of that party in excess of \$1,000 in the calendar year.

### **13.4 Deemed Date of Contribution**

A payment of a loan by an individual other than the borrower or the default of a loan can result in a political contribution. Where the loan payment by an individual other than the borrower or the default occurs in a calendar year other than the year in which the loan was made, the resulting political contribution is deemed to be a contribution at the time the loan was made and treated as though the contribution was made on that date. (s. 215(7))

## **14. Tax Receipts**

### **4.1 Deduction for Taxpayer**

The *Income Tax Act* contains a provision allowing taxpayers to deduct from the amount of tax that they would otherwise be required to pay, an amount for political contributions. For 2007 and subsequent years, the amount of that deduction is the lesser of:

- a. 75% of the amount contributed to a maximum tax credit of \$750; or
- b. the amount of tax payable.

### **14.2 Who Can Issue Tax Receipts?**

Only the official agent of a candidate who receives the contribution can issue tax receipts.(s. 253(4)) and only after official nomination.

### **14.3 Where Do I Get Tax Receipts?**

You can get tax receipts from the returning officer in your electoral district. **The returning officer can only issue tax receipts once the candidate is officially nominated.** When the tax receipts are issued, you will be required to complete Form 2-5 Report respecting Tax Receipts. This form will detail the quantity and the serial numbers of the tax receipts issued. You will be required to complete the bottom half of Form 2-5, in full, when the period for issuing tax receipts has concluded. (s. 252(3)(b))

### **14.4 When Do I Complete Form 2-5, Report Respecting Tax Receipts?**

You have 30 days following election day to issue tax receipts for contributions received up to the end of election day. You must return the following to the returning officer in your electoral district within 30 days of election day:

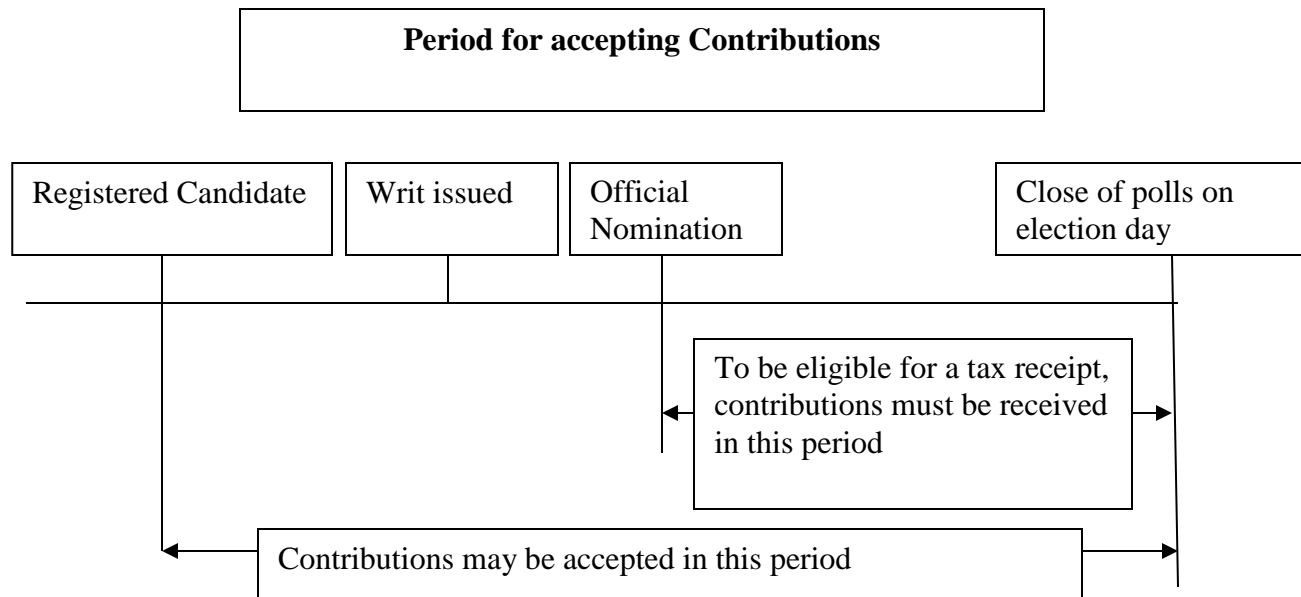
- a. the Chief Electoral Officer copy of the tax receipt for all issued receipts
- b. all unused receipts
- c. all void receipts (all 4 parts of the receipt)
- d. all spoiled receipts (all 4 parts)

The returning officer will complete the second part of Form 2-5, Report Respecting Tax Receipts. Upon completion and verification that all tax receipts issued have been accounted for the returning officer will take your oath to complete the declaration section of Form 2-5. (s. 252(6))

**14.5 When Must a Contribution be Made in Order to Qualify the Contributor for a Tax Receipt?**

An official agent may only issue tax receipts for contributions received from:

- a. the time the candidate is officially nominated; (s. 253(4))
- b. to the close of polls on election day (a contribution that is sent by mail can be accepted by the official agent as long as it is postmarked no later than election day).



Contributions received between the time an individual is declared a candidate by themselves or others to the time an individual is officially nominated do not qualify the contributor for a tax receipt. (s. 253(4))

**14.6 What is the Period for Issuing Tax Receipts?**

The official agent can issue receipts up to 30 days after election day for contributions received by the end of election day. (s. 252(6))

**14.7 What Types of Contributions Qualify the Contributor for a Tax Receipt?**

The types of contributions that qualify the contributor for a tax receipt are:

- 1. Monetary contributions

2. Contributions from fund raising events that have been approved by the Chief Electoral Officer (s. 253(4))

Any other type of contribution does not qualify the contributor for a tax receipt. Examples of types of contributions that do not qualify the contributor for a tax receipt are: (s. 254)

- a. contributions that are exempt
- b. pass-the-hat contributions
- c. sale or auction contributions
- d. contributions through lotteries or raffles
- e. donation in kind contributions
- f. contributions arising from loans
- g. money contributed to a nomination candidate

#### **14.8 How do I Request Approval to Issue Tax Receipts to Participants in a Fundraising Event?**

In order to issue a tax receipt to a participant in a fundraising event you will need to complete Form 5, Statement of Fundraising Revenue and Expense. On this form you will detail the ticket price or fee paid by participants and all costs associated with the event. When you divide total costs by the total number of participants you will know the cost (benefit) per person. The contribution is the ticket price or fee paid, less the cost per participant. The completed form must be sent to the Chief Electoral Officer. Where the calculation of the fundraising revenue and expense is approved by the Chief Electoral Officer, you will be advised and may issue tax receipts in accordance with law.

Due to the short campaign time frame and the defined time period for issuing tax receipts you must complete and submit Form 5 to Elections Nova Scotia immediately following the event.

#### **14.9 Issuing Tax Receipts for Amounts Exempt as Contributions**

The *Elections Act* exempt from being contributions amounts (fee less benefit) under \$50, derived from a fundraising event. This exemption is detailed in 11.4. Since these amounts are exempt as contributions, the amounts do not qualify the participants for a tax receipt, and tax receipts may only be issued for contributions. If you want these participants to receive tax receipts you must elect on Form 5 to treat amounts under \$50 as contributions. You do this by submitting a signed Form 5 and request the CEO of ENS to approve the Form.

If you choose to elect, all amounts (fee less benefit), associated with the fundraising event are contributions and must be treated as contributions. This means the contributions are cumulative and must be added to other contributions by the same individual for purposes of disclosure.

#### **14.10 Completing an Income Tax Receipt**

Complete all fields on the receipt including the date the contribution is received and the date the receipt is issued. Keep in mind that an official tax receipt can ONLY be issued to the individual that made the contribution (s. 255(2)(3)). It is illegal for an official agent to provide a tax receipt to an individual that did not make a political contribution.


*Example: an individual who owns a company makes a contribution (as an individual) and asks for an official tax receipt in the company's name. The official agent cannot make out the tax receipt to the company since it was the individual that made the contribution. Furthermore if the company was incorporated it is not eligible to make a contribution.*

Additionally, a tax receipt should only be issued to one person. You may receive a contribution where a person and their spouse are both shown on the cheque. You will have to determine in which person's name the tax receipt should be issued. In this situation, you are permitted to issue two receipts that add up to the total of the contribution. (s. 253(3), 243(1)) There is a direct relationship between disclosures and tax receipts. Elections Nova Scotia verifies that all tax receipts issued for more than \$200 can be matched to an individual of the same name on the disclosure statement.

You must complete 2 dates on the tax receipt.

1. The date the contribution was received. This is the date on which the contributor made the contribution to the official agent. In the case of a fundraising event it is the date of the event. **Do not** record the date on which the contribution was deposited into the campaign account in this field unless the contribution was deposited on the same date it was received. (s. 255(2)(e))
2. The date the tax receipt was issued. This is the date on which you wrote the tax receipt. It must fall between the date the candidate was officially nominated and 30 days after election day. (s. 255(2)(d))

## 14.11 Distributing the Multiple Part Tax Receipt Form

Elections Act			<SERIAL NUMBER HERE>			
Receipt for a contribution to a candidate at an election of a member to serve in the Nova Scotia House of Assembly.			<b>Official Receipt</b> For Nova Scotia Income Tax Purposes			
<b>Contribution to:</b>	Date Contribution Received		Date Issued			
Print Name of Candidate	Day	Month	Year	Day	Month	Year
<b>Ordinary Polling Day</b>	Day	Month	Year	<b>Amount Received</b>		
				A dollar sign (\$) must be placed in the box immediately preceding the first number of the amount.		
<b>Received From:</b>	Name			Print Name of Official Agent		
	Residential or Business Street Address			Signature of Official Agent		
	Town/City	Province	Postal Code	08/26/09 616 		

Contributor Copy - keep this receipt for income tax purposes

## Sample of Official Tax Receipt

The tax receipt is a multi-part form. The form is distributed as follows:

- Part 1 (White): Contributor copy
- Part 2 (Yellow): Chief Electoral Officer copy (provide to returning officer)
- Part 3 (Pink): Registered party copy (forward to your registered party)
- Part 4 (Green): Official agent copy (keep for your records).

## 14.12 Spoiled or Cancelled Receipts

The official agent must account for all tax receipts issued. It is critical that you do not destroy any spoiled or cancelled receipts. If you have spoiled or voided a receipt it must be returned to the returning officer along with any unused receipts. For spoiled or voided tax receipts the official agent should:

- a. if the receipt has not been issued mark "cancelled" on the receipt and all copies
- b. submit to the returning officer when you complete your tax receipt reconciliation
- c. issue a new receipt.

### **14.13 Lost Tax Receipts**

If a contributor loses a tax receipt and the official agent has not completed their tax receipt reconciliation, the official agent can issue a replacement receipt. The official agent should:

- a. note the serial number of the lost tax receipt on the copies of the receipt they have maintained
- b. issue the replacement receipt noting on the face of the replacement receipt “duplicate receipt replacing receipt # \_\_\_\_\_”
- c. return all copies of the lost receipt to the returning officer.

If the official agent no longer has any blank tax receipts or has already reconciled their tax receipts with the returning officer, an application to the Chief Electoral Officer must be made. The application must contain:

- a. a copy of the official agent’s copy of the receipt
- b. an explanation of the circumstances requiring replacement of the receipt.

Where the Chief Electoral Officer deems appropriate, a replacement receipt will be provided to the official agent for issue to the contributor.

### **14.14 Reporting Contributions for Which Official Tax Receipts have been Issued**

#### **14.14.1 How Do I Report Contributions for Which Official Tax Receipts have been Issued?**

Use Form 2-3A, Monetary Contributions and Fundraising Events.

#### **14.14.2 Does Form 2-3A require an Audit?**

Yes, you must provide a letter from your auditor expressing an audit opinion on Form 2-3A if contributions totaled more than \$5,000.

#### **14.14.3 When and Where Do I File Form 2-3A?**

Form 2-3A must be filed directly with the Chief Electoral Officer at the same time you file your report of election expenses and contributions. Make sure the forms is accompanied by your auditor’s report.



## **15. Completing Form 2, Candidate's Financial Statements and Supporting Forms**

### **15.1 How Do I Complete Form 2, Candidate's Financial Statements and Supporting Schedules?**

This form is due either on March 31 (in the case of a registered candidate in a non-election year) or 80 days following the return of a writ. The Form includes Candidate's Financial Statements and Supporting Forms, and is the form that the official agent of a candidate uses to report contributions, disclosure information, transfers, loans, and other financial information. The Forms have been previously referenced in various chapters of this handbook. A summary of the Forms that make up Form 2 is as follows:

	Description	Recommended order to complete
Form 2	Report declaration and overview- to be signed by OA	9
Form 2-1	Application for reporting extension	Only if late
Form 2-2	Registered Candidate Update Information	Only if registered
Form 2-3	Summary of Financial Activity- Income and Expenses	7
Form 2-3A	Monetary Contributions	2
Form 2-3B	Donations in Kind	3
Form 2-3C	Transfers to and from Party or EDA	4
Form 2-3D	Loan or Line of Credit, Calculation of Interest benefit	1
Form 2-3E	Details of Election and Non-Election Expenses	5
Form 2-3F*	Summary of Election Expenses	6
Form 2-4	Candidate Balance Sheet	8
Form 2-5	Reconciliation of Tax receipts for a Candidate	10
Form 2-6	Notification of disposal of Excess Contributions	11

\* this will be posted on the ENS website

If you have followed the advice provided in this handbook and recorded transactions, including required disclosure information, on a timely basis, completing the remainder of the forms will be a relatively straightforward exercise. Since the totals from a number of forms are carried forward to lines on the summary Form 2-3, it is recommended that you complete the forms in the order shown above. If the balance of the completed form is zero enter the number "0" or the word "NIL" on the form.

### **15.2 Form 2-4 Candidate's Balance Sheet**

These are balances at the year-end or the date you have established as a cut-off for reporting, including banks, investments, accounts payable, loans and your surplus or deficit. The figures for Loan balances (Form 2-3D) and Surplus/(Deficit) must match. Also, it is important to note that the Total Assets must equal Total Liabilities plus surplus/(deficit).

The lines on the Form are:

**Cash:**

This is the balance of cash on hand at the time you complete Form 2-3. In most cases this will equal the amount of your reconciled bank balance. A clear audit trail of any difference between the bank balance and the Cash balance shown must be clearly identified on a supporting reconciliation. This may be done directly on the bank statement or on a separate schedule.

**Accounts Receivable:**

This is the balance of all amounts that are due to the campaign at the time you complete Form 2. Typical amounts that would be owed to a campaign at this point in time would be:

- a. the amount of election expense reimbursement that you are eligible to receive. See below for additional information on how you calculate this amount.
- b. the amount that you expect to receive as reimbursement for audit expenses. Refer back to Section 3.2.8 of Chapter 3 for calculation of this amount.
- c. refund of the candidate's nomination deposit (your candidate must receive not less than 10 percent of the valid vote cast in order to be eligible for a refund of the nomination deposit).

Other accounts receivable in addition to those listed above are also included on this line. A supporting form may be required as backup for this if amount is significant.

**Other Assets:**

If at the time you complete Form 2-4 the campaign has assets other than cash or accounts receivable the amount should be entered on this line along with a description of the asset. An example of another asset would be the cost of a capital asset such as a computer purchased by the campaign that has not been recorded as either an election or non-election expense.

**Accounts Payable:**

Include amounts that are owed by the campaign at the time Form 2 is completed. Accounts payable would typically include;

- a. amounts shown as "unpaid and uncontested" on Form 2-3E;
- b. amounts included on Form 2-3F, Disputed Claims that have not been paid.

**Overdraft/Line of Credit:**

Include on this line;

- a. the amount of any campaign bank account where the balance of that account is negative (i.e. overdraft);
- b. the balance outstanding on any line of credit if that balance has not been reported on Form 2-3D, Loan or Line of Credit

A candidate may use a personal line of credit to pay for election expenses. The balance that is owing on any personal line of credit that was used to pay for election expenses must be reported. For reporting purposes there is no distinction between the campaign and the candidate as an individual.

**Other Liabilities:**

Most campaigns will not have liabilities other than accounts payable, bank overdraft or line of credit and outstanding loan balances. If you do have a liability that is not included in one of those categories the amount and a description of the liability must be included on this line.

**Loans Payable:**

This is the amount of a loan balance outstanding at the time you complete Form 2-3D.

**15.3 Form 2-3 Summary of Financial Activity Financial return for a Candidate:**

This Form is designed to capture the summary of all activity during the period. The amounts you will enter on most lines on this form come from other forms. The lines that are completed directly on Form 2-3 are:

**Section 1: Income and Transfers In**

Monetary and Fundraising-Form 2-3A this line will include a total of monetary contributions including amounts from fundraising activity

Donations in Kind - Form 2-3B This line will include the total of non-monetary donations, and must be offset by recording the amount as an expense. These expenses are not eligible for re-imbusement by ENS.

Transfers from Party or EDA- Form 2-3C Please include amounts on this line.

Proceeds from loans or line of credit- If you have had to open a line of credit or take out a loan, these amounts will be entered here. Form 2-3D provides details for this.

**Other income:**

This will include **Election expense reimbursement:**

At the time you complete Form 2 you will not have received any eligible election expense reimbursement. **You will need to enter the amount of any reimbursement you expect to receive.** In order to determine the amount to enter you should:

- a. confirm that your candidate has received not less than 10 percent of the valid vote cast and is therefore eligible for reimbursement of election expenses;
- b. where your candidate is eligible enter the lesser of:
  - i. the maximum election expense reimbursement for candidates in your electoral district (see Elections Nova Scotia website); or
  - ii. actual election expenses incurred as shown on Form 2-3F

If you do have a source of income that does not fit into one of those categories include the amount and a description of the income source,

**Section 2: Expenses and Transfers Out**

Non-election expenses- from Form 2-3E This is to include all campaign costs that do not meet the definition of election expenses. Examples of these include the cost of a post election celebration, liquor, spending outside the writ period, etc. Refer back to Chapters 7 and 8 if you need to confirm if an expense is an election expense or a non-election expense.

Elections expenses- Form 2-3F These costs include all expenses that meet the definition of election expenses such as advertising, rentals, vehicle, etc.

Transfers to Party or EDA- Please include amounts from Form 2-3C on this line.

Payments on loans or line of credit- If you repay all or a part of a line of credit or loan, these amounts will be entered here. Form 2-3D provides details for this.

Other expenses: Similar to the category of “other income” very few expenses would be reported on this line since the total expenses of the campaign have already been reported as either election or non-election expenses. Where this line is used provide the amount of the expense and a description of the expense.

**15.4 Disclosure Statements Form 2-3A and B (audited) (s. 230(3))**

- a. Form 2-3A: Candidate’s Annual Statement of Political Contributions, Monetary Contributions and Fundraising : Transfer the information from your working copy onto a final copy of Form 2-3 following the rules set out for disclosure described in Chapter 10. Total contributions exceeding \$200 by a single contributor require full

disclosure. Total all other contributions under \$200 and report as a lump sum on the first row of Form 2-3A. Carry the total on this form to Form 2-3.

- b. **Form 2-3B : Candidate's Annual Statement of Political Contributions**  
Donation in Kind Contributions. Record the disclosure information related to all donations in kind. Remember that a contributor is permitted to make exempt donations in kind of \$200 in a calendar year. The total from Form 2-3B does not carry over to any other Form. If you have correspondence from contributors declaring the fair market value of a donation in kind contribution you should attach it to this Form to assist your auditor in confirmation of fair market value. If you did not receive donations in kind from any single contributor that exceed \$200 enter -0- on this Form.
  
- c. **Form 2-3D: Loan or Line of Credit** If you have a loan with an interest benefit, the amount of that benefit is recorded on Form 2-3. Provide the necessary disclosure information related to the individual who provided the loan and the amount of the interest benefit on Form 2-3D. If you have other loan related items requiring disclosure (default or payments by a person other than the EDA) enter the disclosure information related to the person making the contribution on Form 2-3A. If you did not borrow any money during the campaign enter -0- on this Form. This statement also shows the details of loans and the calculation of any interest benefit. If you have difficulty completing this statement you should consult with your auditor. Any loan balance payable is carried over to Form 2-3. Be sure to attach copies of all loan agreements to the Form.

## **15.5 Form 2-3C Transfers**

Form 2-3C : Candidate's Statement of Transfers Received. This is the record of all transfers received from your party or your electoral district association. The totals from the two sections are carried to Form 2-3.

## **15.6 Form 5-1 - Summary of Fundraising Functions:**

This is a listing of all the fundraising events held by the campaign. You have already identified amounts from fundraising that require disclosure and recorded the disclosure information on Form 5-1. If you received a donation in kind which was used for a fundraising event it must be disclosed on Form 2-3B (if required). The total fundraising revenue must be recorded on Form 2-3A. Do not include the fair market value of a donation in kind as a fundraising expense on Form 5-1.

## **16. Disposal of Excess Contributions (s. 268)**

### **16.1 What is Disposal of Excess Contributions?**

A campaign account cannot be left open between elections. Disposal of excess contributions is the term that refers to the final transfer of a campaign surplus. This would be the final campaign account transaction. (s. 212(2)) After excess funds are disposed (transferred), the campaign account must be closed no later than the time by which the candidate is required to dispose of excess contribution (s. 268).

### **16.2 To Whom Do I Transfer Excess Contributions?**

1. Where the political affiliation of the candidate is shown on the ballot paper as a registered party, the excess contributions are transferred to:
  - a. the candidate's electoral district association; or
  - b. in the case that no electoral district association has been established, the official agent of the candidate's registered party. (s. 268(1)(e))
2. Where the candidate is an independent candidate (not affiliated with a registered party) excess contributions must be conveyed to the Minister of Finance. A cheque or money order may be sent to the Chief Electoral Officer, who will in turn forward the funds to the Minister of Finance. (s.268(1)(f))

### **16.3 Is there a Deadline for Transferring Excess Contributions?**

Yes, there is a deadline for disposing of excess contributions.

1. Where the candidate was not eligible to receive reimbursement of election expenses, the disposal must be made within two months of the filing of election expenses. (s. 268(1)(f)(ii))
2. Where the candidate is eligible for reimbursement of election expenses, the disposal must be made within one month of receiving their final election expense reimbursement. (s. 268(1)(f)(i))

### **16.4 Is There a Form for Reporting Disposal of Excess Contributions?**

The disposal of excess contributions is reported on Form 2-6, Notification of Disposal of Excess Contributions. Elections Nova Scotia will send a copy of Form 2-6 to each official agent when;

1. An election expense report is filed and no election expense reimbursement is due to the candidate; or
2. The final payment of election expense reimbursement is made. (s. 232))

Form 2-6 is included in Appendix A.

## **Appendix A**

Forms for reporting election expenses and tax receipts prescribed under the *Elections Act*.

	Description	Recommended order to complete
Form 2	Report declaration and overview- to be signed by OA	9
Form 2-1	Application for reporting extension	Only if late
Form 2-2	Registered Candidate Update Information	Only if reg'd
Form 2-3	Summary of Financial Activity- Income and Expenses	7
Form 2-3A	Monetary Contributions	2
Form 2-3B	Donations in Kind	3
Form 2-3C	Transfers to and from Party or EDA	4
Form 2-3D	Loan or Line of Credit, Calculation of Interest benefit	1
Form 2-3E	Details of Election and Non-Election Expenses	5
Form 2-3F*	Summary of Election Expenses	6
Form 2-4	Candidate Balance Sheet	8
Form 2-5	Reconciliation of Tax receipts for a Candidate	10
Form 2-6	Notification of disposal of Excess Contributions	11
* this will be posted on the ENS website		

### Fundraising

Form 5	Statement of Fundraising Revenue and Expenses	
Form 5-1	Fundraising Summary	

## **Appendix B**

Forms prescribed under the *Elections Act* for oaths and appointments by the official agent

**Form 315 Oath of Secrecy of Official Agent (draft from included, subject to change)**

**Form 520, Appointment of Poll Agent**

**(A separate handbook is available for Poll Agents.)**

**Form 8-1 Return of Contribution**

**Form 8-2 Appointment of Individual to Accept Contribution**



## Appendix C

### i. Establishing and Maintaining a Petty Cash Fund

#### 1. Funding your petty cash

- a. designate a person to be the petty cash custodian. Make sure you have authorized this person to incur election expenses.
- b. write a cheque on your campaign account to the petty cash custodian for \$100.00 (assuming you wanted to create a petty cash fund of \$100.00)
- c. record on your cheque stub "Establish petty cash fund"
- d. the funding of the petty cash fund is not an expense

#### 2. Making disbursements from the petty cash fund

- a. before making disbursements you will need a petty cash voucher. This is a form on which the petty cash expense and amount is noted and the person receiving the disbursement can sign to acknowledge receipt of reimbursement. This form can be produced by you or be purchased. A sample of a petty cash voucher is below.

No. _____	
DATE _____	
DESCRIPTION DES DÉPENSES DESCRIPTION OF EXPENSE	MONTANT AMOUNT
	TAXE TAX
<b>MONTANT TOTAL TOTAL AMOUNT</b>	<b>\$</b>
FACTURER À CHARGE TO _____	
REÇU PAR RECEIVED BY _____	
APPROUVÉ PAR APPROVED BY _____	
<b>BON DE PETITE CAISSE PETTY CASH VOUCHER</b>	

- a. when an individual presents a receipt to the custodian for reimbursement the petty cash voucher should be completed, signed and the disbursement made.

The custodian should also categorize the expense using one of the expense categories contained on Form 2-3E.

- b. attach the receipt to the voucher and keep with the fund.
- c. continue to make disbursements in this manner. At any point in time the amount of cash plus the amount recorded on vouchers should add up to the total amount funded in part 1, in this case  
\$100.00
- d. when the amount of petty cash gets low you will need to replenish the petty cash fund.

### **3. Replenishing the petty cash fund**

- a. add up the vouchers in the petty cash fund and write a cheque to the custodian for that amount. The remaining cash in the fund and the cheque should add up to the amount that was initially funded (i.e. \$100.00)
- b. on your cheque stub record "petty cash replenishment".
- c. record the cheque/expenses on Form 2-3E (assuming all expenses are election expenses). Put all the vouchers in an envelope and treat as you would any other single receipt or voucher. Mark the consecutive number document number on the envelope in order to reference the petty cash receipts to the line on Part III..
- d. continue to replenish in this manner.

### **4. Closing the petty cash fund**

- a. to close the petty cash fund you will repeat step 3 a, however you will not prepare a replenishment cheque
- b. take the remaining cash in the fund and deposit it to your campaign account. Mark on the deposit slip "Close petty cash fund".
- c. record the receipts from part 4 a above on Form 2-3E
- d. this final expense claim plus the amount that was deposited back into your campaign account will equal the amount that was initially put in to fund the petty cash.
- e. neither the initial funding amount (\$100.00) nor the remaining amount that was deposited back into the campaign account are recorded as expenses.

**ii. Use of Automobiles in a Campaign**

**1. A vehicle is provided free of charge to a candidate's campaign by an individual:**

- A donation in kind contribution would need to be recorded. The donation in kind would be valued at fair market value. The donation in kind would be valued at the amount that it would normally cost to rent the same vehicle (i.e. the number of days of vehicle use multiplied by the daily rental rate);
- No tax receipt can be issued donation in kind contribution.
- A candidate cannot claim transportation costs as an election expense.
- Fuel costs paid by the candidate would be a non-election expense

**2. A vehicle is rented by a registered candidate's campaign from an individual:**

- The amounts spent on rent would be recorded as an election expense (reimbursable).
- The rent paid must equal fair market value unless the amount paid was lower than fair market value. In this case, the difference between the market rate and the amount paid would also be recorded as a donation in kind contribution and donation in kind election expense;
- Any money spent by the campaign for fuel would be an election expense (reimbursable).

**3. A volunteer uses his or her own vehicle in a candidate's campaign and does not charge the campaign for its use or for the use of the fuel:**

- The value of the vehicle would not have to be valued and recorded as a donation in kind since this would be the use of personal property by a person in their capacity as volunteer (the vehicle is considered as part of the service provided by a volunteer);
- A vehicle donated by an organization is not permitted as it would be considered an illegal contribution.

## **Appendix D**

### **Loan Agreement Guidelines**

What is a loan? A loan is when money is borrowed by a political entity (a registered political party, a candidate, or an electoral district association) to finance their campaign.

#### **Are there any limitations?**

1. The maximum term of a loan (including a refinanced loan) is 24 months.
2. An individual or organization shall not provide loans to a political entity in excess of \$5,000 in a calendar year.
3. Candidates cannot lend to any person or organization money that has been raised for the purposes of an election.
4. A constituency association may only lend money to its nominated candidate or its registered political party.

*Note: Limitation 2 above is not applicable to loans made by financial institutions, registered political parties, or constituency associations.*

#### **What are the requirements for loan agreements?**

Must be in writing.

Must include:

- the amount
- the annual rate of interest
- the term
- the name and address and signature of the lender
- the name and address of any guarantor
- the details of any agreements made to assign any portion of the election expense reimbursement
- the signature of the borrower authorized to act on behalf of the entity

Must be filed with the Chief Electoral Officer immediately after it is made.

*Note: Line of credit or overdraft agreement must also be filed with the Chief Electoral Officer.*

#### **When is a loan considered a deemed contribution?**

A loan that is uncollected within six months after becoming due and the creditor has not commenced legal collection proceedings.

The difference between the prime interest rate and the interest rate of the loan.

A payment on the loan is made by someone other than the debtor.

## **Appendix E**

### Information regarding opening of a Bank Account

The opening of a bank account is required in order to complete the election process for candidates and electoral district associations (EDA).

The Nova Scotia *Elections Act* does not require that a candidate or an EDA be incorporated. Clauses 2(c), (M) and (N) of *the EA* provide the following definitions:

(c) "candidate" means a person who has been officially nominated as a candidate pursuant to Section 67 and for the purpose of Part II includes a person registered pursuant to this Act;

(m) "electoral district association" means an electoral district association that is

(i) endorsed by the leader of a registered party and includes a trust or a fund established to further the goals of such an association, and

(ii) registered by the Chief Electoral Officer;

(n) "endorsed" means declared by the leader of a registered party as the official candidate of the party or in the case of an electoral district association means designated as an electoral district association by the leader of the registered party;

*The Elections Act* contains numerous provisions which set out in detail the many rights and responsibilities of a candidate and EDA once registered by the Chief Electoral Officer. These rights include, but are not limited to, the ability to receive contributions, make and receive transfers if services, money or property and to enter into loan agreements.

The responsibilities of a candidate and EDA include, but are not limited to, opening a bank account on behalf of the candidate or EDA, maintaining books, records and accounts of their financial transactions, filing reports with the Chief Electoral Officer. They are also required to have an official agent and other officers.

## **Appendix F**

### **Candidate's Guide to Filing a Nomination Form Form 303 candidate Nomination**

**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](http://www.electionsnovascotia.ns.ca)

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