

Handbook for the Official Agent of an Electoral District Association



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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. 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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1. Registration, Renewal and Update requirements

One of the first things required when an Electoral District Association (EDA) is formed is to register the organization with Elections Nova Scotia. This is to be done by completing Form 4 as soon as possible. This registration must be renewed annually by filing Form 4-1. If a change is made within the EDA of address, contact information, official agent, financial institution, auditor or officer, the change must be submitted to ENS by completing Form 4-2 within 10 days of the change. This is normally done following the annual meeting of the EDA.

2. Do's and Don'ts- (Registration, renewal and updates)

Do's	Don'ts
Submit your registration, updates and renewals on time	Use a different opening balance for retained earnings than was reported as the closing balance in the previous year
Provide e-mail contact information	Omit any forms- even if there are no values to enter, a "nil" form is required
Submit the financial information before the end of March each year	Forget to sign the forms
Attach copies of bank statements of operating and investment accounts, as of the end of the calendar year	Forget to include the value of the shares (most often when the EDA holds an account with a credit union)
Engage a bookkeeper to assist you in completing the forms (ENS will subsidize the cost)	Wait until the last minute to complete the forms
Verify the amounts of the transfers received or given match the report issued by the party.	Forget to include all details of loans that need to be included in the annual filing.
Keep a copy of all Forms that you send to ENS.	

3. Available assistance

Each EDA may receive financial assistance annually to either hire an independent bookkeeper or purchase approved accounting software. Payments are made in June and December of each year. The *Tariff of Fees and Expenses* made under the *Elections Act* permits the Chief Electoral Officer to reimburse an EDA to a maximum of \$369.27 in a calendar year (2016). This amount will be adjusted annually- please see the website for the most up-to-date value. Section 18 details the process to be followed for this assistance.

4. Overview

In accordance with the *Elections Act*, this handbook highlights the requirements of the office of the Electoral District Association (EDA). The Official Agent for the EDA holds primary responsibility for the completion and submission of reports, including the registration of an EDA, updates to the registration, and the reporting of contributions, expenses and loans required by

law to be submitted to Elections Nova Scotia (ENS). This document is not intended to substitute for the legislation governing EDAs. The handbook and Forms are available at www.electionsnovascotia.ca. An overview of these requirements is outlined in the table below.

Description of submission to be prepared by Electoral District Association (EDA)	Form Number	Due Date	Approval required from ENS
Registration of EDA (s. 194,195)	Form 4	Prior to commencement of activity, including acceptance of donation, incur expense or transfer from party	Yes
Renewal of registration	Form 4-1	March 31	No
Update of Registration (s. 196)	Form 4-2	Due within 10 days of change	No
Fundraising Event- request for approval to issue tax receipts (s. 253)	Form 5	Due 120 days following date of event, or March 31 if event takes place in December	Yes
Contributions (s. 234,235,236,237)	Form 4-3A	Due March 31 for previous calendar year	No
Annual Financial reporting for EDA- Balance Sheet, Income statement, Bank Statement, Loans, Transfers, Donations in Kind (s. 227,228)	Form 4-4 and 4-3 including supporting schedules: 4-3A, 4-3B, 4-3C, 4-3D, 4-3E	Due March 31 for previous calendar year	No
Request for reimbursement of bookkeeping fees or accounting software purchase	Submission of invoice	Either June or December of each year. Often submitted with annual filing.	Yes

All Forms are available on the ENS website.

5. Recording and Disclosing Political Contributions

It is critical that the official agent of an Electoral District Association (EDA) understands their legal obligations to record and disclose political contributions. (*Elections Act* s. 240) This handbook will help the official agent identify revenue or income that is a contribution and highlight the laws regarding disclosure. The official agent must keep accurate and timely records. The *Act* requires that ALL contributions be recorded; however not all contributions must be publicly disclosed (public disclosure is the reporting of the contributor's name, community name and contributions of \$200 or more during a reporting period). Since the annual contribution limit per contributor is cumulative, a contribution may initially appear not to require disclosure but eventually must be disclosed because the contributor makes additional contributions later in the year. (s. 235(4)) We will look at contribution limits in more detail later in this handbook. Taking the time to read this handbook and other reference material will simplify the task of completing the annual reports.

6. Banking Requirements

All contributions received by an EDA must be deposited into a single bank account in the EDA's name, "the contributions account". (s. 209) This does not preclude an EDA from having another high interest bearing account or investment account to which funds could be transferred following their deposit into the contributions account. The contributions account must be established at a financial institution in Nova Scotia. (s. 211)

An EDA is required to include with its annual report the details of all accounts held by the EDA. An EDA is required to provide a bank statement showing the balance of the contributions account at December 31. (s. 227(3)) Attach copies of bank statements to your Form 4 upon your initial registration and the Form 4-3 in subsequent years.

7. Receiving Political Contributions

7.1. Who can make a political contribution (s.236)?

Only individuals, not organizations, who are residents of Nova Scotia can make political contributions. Donations by organizations to political entities in the form of refreshments, food, space in a building, or any other good or service are **not** permitted. An example of this is food provided at an event hosted by a political party, such as a hospitality suite.

Non-residents, organizations, unincorporated groups, federal political parties and political entities from other provinces and territories are prohibited from making contributions.

Individuals must not be reimbursed by their employer or organization for any contribution, including fundraising activities.

7.2. 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;
2. Remitted by cheque payable to the Minister of Finance for the Province of Nova Scotia to the Chief Electoral Officer. (s. 241)

Other than a pass-the-hat fundraiser which will be discussed in Section 12 of this Handbook, 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 fundraising event.

7.3. 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 each registered party, its electoral district associations and its candidates is \$5,000. For example, an individual could contribute \$2,000 to your EDA, \$1,500 to your party and \$1,500 to a candidate affiliated with the party; or an individual could contribute up to \$5,000 to each of the five registered parties. The contribution limit applies to a candidate who contributes to their own campaign. (s. 236(3))

7.4. Are there other limits on political contributions?

1. There is a restriction on cash contributions. An official agent cannot accept more than \$100 in cash from any individual in a calendar year. (s. 242)
2. With the exception of a spouse, a contributor cannot contribute funds that do not belong to them. (s. 243) If a person contributes funds that do not belong to them, they must identify the provider or source of the funds as the contributor and that individual is subject to the disclosure requirements.

7.5. What does cumulative mean?

Contributions are reported on a calendar year basis. Except for certain amounts obtained through donations in kind (Section 11 of this Handbook) and certain fundraising activities (Section 12 of this Handbook) contributions are cumulative at two levels:

Level 1 - \$200 the total of contributions made throughout the calendar year to an EDA from an individual; (s. 240(2))

Level 2 - \$5,000 the total of all contributions made to a registered party, its EDAs and its candidates from an individual. (s. 236(3))

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

7.6. How am I supposed to know if a contributor has exceeded their limit?

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 or would this contribution lead to them exceeding the limit.

7.7. 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 EDA's contributions account you should:

1. Return the contribution by writing a cheque on your bank account;
2. Record the course of events that prompted the return;
3. Report the return of the contribution to Elections Nova Scotia on Form 8-1 (s. 250)

8. Recording Political Contributions

8.1. Do I have to record all political contributions?

The Act requires the official agent to record all contributions in a single ledger (one place). The law allows this to be an electronic document such as a word processing document, spreadsheet, database or accounting program. (s. 235(3)) 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. (s. 235)

9. Disclosing Political Contributions

9.1. What is disclosure?

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

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

The Chief Electoral Officer is required by law to publish all candidate (for a non-election year), EDA and registered party disclosure statements by June 30th following the year being reported. (s. 251)

9.2. 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.

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.

9.3. Who is responsible for disclosure?

As previously mentioned a contribution may only be accepted by one official agent. (s. 237) The official agent who accepts a contribution and deposits that contribution is responsible for disclosure. For example, an EDA receives a \$250 monetary contribution from an individual. The official agent of the EDA accepts the contribution and deposits the contribution to the EDA's contributions account. Since the amount of the contribution is over \$200, disclosure is mandatory. The official agent of the EDA is responsible for disclosure. (s. 240(2))

Consider another example in which the same contributor wants a tax receipt for their contribution. In this case the contributor must make the contribution to the EDA's affiliated party and the registered party can then transfer the funds back to the EDA. 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 an EDA to a registered party or from a registered party to an EDA does not constitute a contribution and therefore does not result in an obligation to disclose. Transfers are discussed in detail in Section 10 of this handbook.

9.4. Are there certain forms I use for reporting disclosures?

Disclosures are reported on schedule Form 4-3A and 4-3B. (s. 240(2)) The schedule on which an item is disclosed is dependent upon the source or type of contribution. All contributions must be identified, including monetary contributions, contributions through fundraising, donations in kind, and contributions from loans.

Helpful Hint

Make working copies of the disclosure forms and enter disclosure information as contributions are received. This will save you time at the end of the year. The disclosure schedules are also available in a PDF fillable format at <http://www.electionsnovascotia.ns.ca>.

10. Transfers

10.1. What is a transfer?

A transfer is the movement of funds that have previously been recorded as political contributions (or other income) among the related entities of a registered party. (s. 166(w)) For purposes of transfers the EDA's related entities are its party and the candidate in its electoral district. (s. 213,214)

An EDA may:

1. Give and receive transfers to or from its party; and
2. Give and receive transfers to or from the registered candidate in their electoral district. (s. 213)

An EDA is not permitted to:

3. Give or receive transfers to or from a candidate in another electoral district; or
4. Give or receive transfers to or from another electoral district association. (s. 214(3))

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

Allowable Transfers by Entities of a Registered Party

Entity	Party	Electoral District Association	Registered Candidate
Party	Not applicable	Yes	Yes
EDA	Yes	No	Only the candidate in the electoral district
Registered Candidate	Yes	Only the candidate's electoral district	No

10.2. Can a transfer result in need for disclosure?

No, a transfer is the movement of funds among the registered party and its entities. The transferred funds have already been recorded as contributions (and disclosed) or other types of revenue by the entity (registered party, candidate or EDA) receiving the funds. Since the entities of a registered party are not eligible to make political contributions there cannot be a disclosure resulting from a transfer.

10.3. Am I required to record transfers?

Yes, transfers both to and from your party or candidate must be recorded on Form 4-3C: (s 227(1)(d)) Please ensure this amount recorded reconciles to the amount reported by the party.

11. Donations in Kind

11.1. What is a donation in kind?

A donation in kind is the provision of goods, services or property by an individual for the benefit of a candidate, EDA, or registered party. A donation in kind does not include personal services of 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). (s166(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)

11.2. How do I value a donation in kind?

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 individuals or organizations that purchased the same item in an open market. (s. 248(4))

The table below shows typical donations in kind and how they are valued. In all cases, the provider must be eligible to contribute.

Donation in Kind	Valuation
Goods, services or property provided for use or resale	Fair market value of the item provided (s. 248(1)(3))
Goods, services or property provided at a discount	The difference between the discounted price and the fair market value (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 provided to the participants (s. 248(2))

11.3. How can an indirect donation in kind arise from a fundraising event?

An individual may provide goods or services directly to participants in a fundraising event held by an EDA. For example, an individual offers to provide each golfer in the EDA's annual golf tournament with three golf balls. The total retail price of all golf balls provided to tournament participants is a donation in kind to the EDA by the individual. (s. 248(2))

11.4. Is there an exemption for a donation in kind of nominal value?

Yes, an individual can make a total of less than \$200 in donations in kind, in a calendar year, which is exempt. The official agent of an EDA must track all donations in kind contributions throughout the calendar year in order to identify an individual whose accumulated contribution exceeds the \$200 exemption limit and is therefore subject to disclosure. (s. 248(5))

11.5. Are services donated by an individual a political 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. An individual working on a campaign must not be paid by their employer during the period they are working for the campaign, since the individual's employer, if an organization, is not permitted to make a contribution. (s. 236(5)) Please note that if the volunteer is providing services that are the same as their normal employment, and would normally be compensated for these activities, then these services are considered a Donation in Kind. For example, if a professional accountant were going door to door for a campaign, this activity would not be considered a donation. However, a professional accountant maintained the financial records for the EDA, they would be making a donation in kind. Another example is the use of a personal vehicle (s. 166(f)(i)). If a volunteer uses his/her vehicle, and that vehicle is not provided in their service of an employer, the use of the vehicle is not considered a donation.

11.6. How do I record and disclose donation in kind contributions?

An official agent should set up their record keeping system to record all donation 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 annual exemption. When you prepare your Form 4 you are required to provide disclosure information for donations in kind on Form 4-3B. All donations in kind valued at \$200 or more require disclosure. The example below will illustrate how donations in kind are to be recorded.

Example: Larry is a self-employed lobster fisherman. He is approached by an EDA and asked if he would donate lobsters for a lobster supper being held as a fundraiser. Larry donates 100 pounds of lobster to the EDA. Normally, Larry would sell the lobster in a mall parking lot for \$5 a pound. Larry's normal selling price establishes the fair market value. Therefore, Larry has made a donation in kind contribution of \$500 to the EDA. (s. 248(3)) Please note that an incorporated company is not permitted to make a donation in kind. (s. 236(5))

12. Contributions through Fundraising

As you read the rules for determining contributions through fundraising, you must keep in mind that only individuals can make contributions. If a payment for a ticket or fee is made by cheque and that cheque has the name of an incorporated company, partnership or trade union it cannot be accepted by the official agent. Also corporate credit card payments should not be accepted.

12.1. Is revenue generated through fundraising events considered to be a political contribution?

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

- dinners
- golf tournaments
- Barbeques

Please note the following fundraising activities are not eligible for a tax receipt:

- lotteries or raffles
- sale or auction of goods, services or property

12.2. How do I determine if a fundraising activity results in a contribution?

Determining a contribution from a fundraising event is not difficult if you follow routine steps.

For all fundraising activities, you must:

- A. Determine the value of the contribution;
- B. Based on the value, determine if the amount is exempt as a contribution;
- C. Determine if the contribution requires disclosure; and
- D. Record the event and required disclosure information.

We will look at each of these steps in greater detail.

A. Determine the value of the contribution

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. The costs of running an event may include rentals, food, beverages, decorations, advertising, ticket printing, entertainment and any other costs

attributable to an event. Example: Continuing our example, in 11.6, a total of 60 tickets are sold for the lobster supper, at a price of \$50 each for total sales of \$3,000. The total cost of running the event was \$1,320 which results in a cost per person of \$22. Therefore, the contribution per person is \$28 (\$50 - \$22). (s. 246(2)(4))

B. Based on the value determine if the amount is exempt as a contribution

There are certain rules for determining if an amount derived from a fundraising event is exempt as a contribution. If the amount is exempt it:

- a) Is not cumulative (with the exception of donation in kind contributions)
- b) Does not require disclosure if less than \$50.00. (s. 166(d)(v))

Exceptions are as follows:

- c) 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))

Helpful Hint

Do not confuse a pass-the-hat fundraiser with an anonymous contribution. A pass-the-hat fundraiser is held in association with a meeting and is **supervised** by the official agent. An unsupervised donation jar at a meeting or in a campaign office does not qualify as a pass-the-hat fundraiser. Amounts put in a donation jar are anonymous contributions and are illegal.

- 1) A single fundraising event: If the net proceeds (ticket price less benefit) are less than \$50 the contribution is exempt. (s. 246(2))

C. 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.

Example: In our example from 11.6 above, consider the circumstance where a local individual purchases 10 tickets for the lobster supper and gives them to employees. Recalling that the contribution per ticket for the lobster supper was \$28, a purchase of 10 tickets results in a contribution of \$280 (10 x \$28).

For the lobster supper event the official agent would have to isolate any individual that purchased two or more tickets and provide disclosure.

D. 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; and
- e) The net profit (revenue less cost) of the event.

The disclosures associated with fund raising events are recorded on Form 4-3A.

Helpful Hint

When the fundraising event is over and you have completed the summary on Form 5-1, it is recommended that you complete Form 4-3A to record the disclosures related to the event. By completing this at the conclusion of the event you will have all the necessary information related to that event, for your year-end reporting.

13. Loans

13.1. What are the reporting requirements for loans?

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

- a. If an EDA either lends or 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 name and address of the lender and the name and address of any guarantor (s. 218(1))
- b. The maximum term of a loan is two years and \$5,000. The two year term includes any renewal or refinancing (s. 216(3)(b))
- c. The maximum term of two years does not apply if the lender is a financial institution, an EDA or a registered party
- d. A loan agreement must accompany Form 4-3D
- e. In each subsequent year following the date of the original loan, where there is a balance outstanding on a loan, Form 4-3D must be filed with the Chief Electoral Officer stating the outstanding balance and detailing any changes to the loan agreement.

13.2. Are there restrictions respecting to whom an EDA can loan money?

An EDA can only lend money to its registered candidate or its registered party. (s. 216(2)) There are no restrictions on the borrowing of money by an EDA, however an EDA that borrows money must be aware of the deemed contribution rules described below.

13.3. Can a loan also be a political contribution?

There are circumstances where a loan can become a contribution. Generally, a loan that is repaid within the loan agreement terms is not a political contribution. However, certain events or circumstances may cause the loan to become a political contribution. These are:

- a. Where a loan is received at an interest rate less than the bank prime rate, the difference between the bank prime rate and the interest rate paid is a contribution. The bank prime rate is posted on the Elections Nova Scotia website
- b. Where a loan is wholly or partly unpaid six months after becoming due the outstanding amount is a contribution by the lender (this does not apply to financial institutions) (s. 215(5))
- c. If the loan is repaid by any person other than the borrower, including any guarantor, the amount repaid is a contribution by the individual making the payment. (s. 215(4))
- d. Should either of the events in a. or b. occur the contribution is deemed to be a political contribution at the time the loan was originally made. (s. 215(7))

13.4. *What happens if a loan contribution puts the lender over the contribution limit?*

The rules regarding repayment of excess contributions apply. The EDA may have to repay the lender the excess portion of the contribution. (s. 250(1))

13.5. *What is the difference between a loan and a transfer?*

A loan has a clear expectation of repayment whereas a transfer does not. Often an EDA provides funding to a candidate to assist with a campaign. The candidate may return money to the EDA if there are excess funds at the end of the campaign. In cases where the return of funds is unconditional and depends only on whether or not the candidate has a campaign surplus, the funding provided by the EDA is recorded as a transfer by both the EDA and the candidate. If the candidate is required to repay the funds, whether or not there was a campaign surplus, the amount is a loan.

14. Tax Receipts

14.1. *Who can issue tax receipts?*

Only the official agent of an officially nominated candidate and the official agent of a registered party can issue tax receipts. (s. 252(3)) Official Agents of EDA's cannot issue tax receipts. (s. 253(3)).

Can the party issue tax receipts on behalf of the EDA?

- a. Monetary contributions: A registered party through its official agent cannot issue a tax receipt for a contribution received by an EDA and deposited to the EDA's contributions account (see section 5 of this handbook). However, if the EDA has the contributor make the contribution to the party then the party would disclose the contribution and could issue a tax receipt. The registered party could then make a transfer of funds back to the EDA. The depositor of a contribution is the entity that is required to report and disclose the contribution and the only entity (if permitted) that can issue a tax receipt. Under the *Act* a contribution may only be accepted by one official agent. (s. 238(1))
- b. Fundraising events: Certain fundraising events may qualify the participant for a tax receipt. In order to issue tax receipts for events held by an EDA, the official agent of the EDA must complete Form 5, Statement of Fundraising Event Revenue and Expenses. On this form the official agent provides a calculation showing the difference between the

ticket price or fee paid by a participant and the cost of the event per participant (benefit). The form must be submitted to the Chief Electoral Officer within 120 days of the event. **The Party is the only entity who may issue a tax receipt, so the form must be submitted through the party.** The form will be returned to the EDA, **through the party**, and if the calculation is approved, the party may issue tax receipts on behalf of the EDA. The EDA is required to report the fundraising event on Form 5 and provide the required disclosure information on Form 4-3. The function of the registered party is only a tax receipting function and does not result in the obligation to disclose.

The *Act* exempts contributions amounts (fee less benefit) under \$50. As exempt contributions, the amounts do not qualify the participants for a tax receipt. If you want these participants to receive tax receipts you must elect on Form 5 to treat amounts under \$50 as contributions. (s. 246(2))

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 (see Section 7 of this handbook) and must be added to other contributions by the same individual for purposes of disclosure.

15. Audit and Review Engagement Requirements

The audit and review requirements for EDAs vary depending on the amount of political contributions or total revenue received during the calendar year. The table below summarizes audit and review requirements:

Requirement	Contributions	Reports subject to audit/review
None	Under \$10,000	Not applicable
Audit	Over \$10,000 and under \$20,000	All disclosure Form 4-2 and Form 5
Review engagement	Over \$20,000*	Form 4 and all supporting schedules

*total income over \$20,000 excluding transfers

15.1. Audit requirement

An audit of political contributions as disclosed on Form 4-3 and Form 5 is required if total combined contributions in a calendar year exceed \$10,000. If contributions are less than \$10,000 in a calendar year an audit is not required. (s. 227(4))

15.2. Review Engagement Requirement

In addition to the audit requirement for contributions, an EDA is required to provide a review engagement report with respect to schedules if the EDA has total income excluding transfers in excess of \$20,000 in a calendar year. (s. 227(5)) The review engagement must be performed by a public accountant. (s. 173)

16. Filing Requirements.

- a. Annual Report of Electoral District Association (Forms 4-1 and 4-2 through 4-4):

1. On this report the EDA provides their Official Agent's name and address as well as bank account information related to all financial accounts held by the EDA (s. 227, 228)
2. Attach to this report a copy of the bank account statements showing the balances of the accounts reported at December 31 of the year being reported. (s. 227(3))

This report must be filed with the Chief Electoral Officer not later than March 31 following the calendar year being reported (s. 228)

- b. Electoral District Association's Financial Statements and Supporting Schedules. This report must be filed with the Chief Electoral Officer not later than March 31 following the year being reported if a review engagement report is not required (s. 227(2))

17. Completing Form 4 Series and Form 5

17.1. How do I complete Form 4s?

Form 4s are the forms that the official agent of an EDA uses to report status, contributions, transfers, loans and other financial information. A summary of the schedules that make up these forms is as follows:

Form number	Description	
Form 4	Registration of an Electoral District Association	To be used when an EDA is first established (s. 194(1))
Form 4-1	Renewal of an EDA	To be completed annually or when there are any changes to Officers, Official Agent, Auditor, Bank or location of records (s. 170,228)
Form 4-2	EDA Update Information	To be completed annually (s.196(1))
Form 4-3	Statement of Income and Expenses	To be completed annually (s. 227(1)(b))
Form 4-3A	Statement of Monetary contributions and fundraising events	To be completed annually (s. 227(1)(e) and 240(2))
Form 4-3B	Statement of Donation in Kind	To be completed annually (s. 240 and 227(1)(c))
Form 4-3C	Statement of Transfers to and from an EDA	To be completed annually (s. 227(1)(d))
Form 4-3D	Statement of Loan or Line of Credit	To be completed annually (s. 227(1)(f))
Form 4-3E	Summary of Expenses	To be completed annually (s. 227(1)(b))
Form 4-4	Balance Sheet	To be completed annually (s. 227(1)(a))

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. The totals from a number of schedules are carried forward to lines on the Income Statement and Balance Sheet. If there is no activity for any of the categories described, please enter the number "0" or the word "NIL" on the form.

17.2. Form 4 Series

- a. Form 4-4 Balance Sheet: This is the Statement of Assets, Liabilities and Surplus. These are balances at your year end including bank accounts, investments, accounts payable, loans and your surplus or deficit. Please include all assets including real estate or other tangible assets owned by the EDA. The only prescribed Form that supports the Balance Sheet is for the Loan Form 4-3D.

- b. Form 4-3: Statement of Income, Expense and Transfers. The amounts you will enter on most lines on this schedule come from other schedules. The lines that are completed directly on Form 4-3 are cross-referenced on the form for your convenience. The Supporting Forms for the Statement of Income are 4-3A, 4-3B, 4-3C, 4-3D, and 4-3E. All of the supporting Forms should be completed before you complete Form 4-3.
- c. Form 4-3 commonly referred to as Disclosure Statements must be audited if total contributions exceed \$10,000.
 - i. Form 4-3A: Disclosure of monetary contributions and fundraising events. Transfer the information from your working copy onto a final copy of Form 4-3A and Form 4-3. Total contributions exceeding \$200 by a single contributor require full disclosure. Total all contributions under \$200 and report as a lump sum on the last row of Form 4-3A.
 - ii. Form 4-3B: Disclosure of donations in kind. 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 4-3B is entered in the Income Statement, Form 4-3, as both income and expense. If you have correspondence from contributors declaring the fair market value of a donation in kind contribution you should attach it to this schedule to assist your auditor in confirmation of fair market value.
 - iii. Form 4-3D: Disclosure of loans. If you have a loan with an interest benefit the amount of that benefit is recorded on Form 4-3. Provide the necessary disclosure information related to the individual or organization that provided the loan and the amount of the interest benefit on Form 4-3D. 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 4-2.
- d. Form 4-3C - Transfers

Both transfers to and from are included on the same form, and the totals are to be entered on Form 4-3.

17.3. Form 5 Statement of Fundraising Revenue and Expenses

This Form should be completed for all fundraising activity held by the EDA. The contributions by the individuals who attend these functions are to be entered on the Income Statement, Form 3 and the Disclosure Statement Form 4-3A, if required. Donations in Kind must be included on Form 4-3B.

18. ENS Assistance for EDAs

18.1 What assistance is available to EDA official agents?

Assistance from ENS is available to EDAs, candidates and registered parties to help them meet their obligations under the *Elections Act*. Assistance is in the following forms:

- a. Advice and assistance:
 - 1. Practical assistance by telephone or email

2. Feedback on reporting
 3. Information circulars posted on the Elections Nova Scotia website
- b. Training:
1. In person for registered party official agents following new registrations
 2. Candidate training during an election
 3. Video training on various topics available on the ENS website
- c. Publications:
1. Handbooks and guides and information circulars
 2. Brochures on various topics including: contributions, tax receipts and fundraising
- d. Financial assistance:
1. Reimbursement subsidy of candidate election expenses
 2. Subsidy for audit fees incurred by candidate's campaigns
 3. Subsidy for EDA's costs of an independent bookkeeper services or accounting software purchase

18.2 What does the term "independent bookkeeper" mean?

In order to be eligible for reimbursement the bookkeeping services must be provided by an individual who is independent of the EDA. The individual providing the bookkeeping services cannot be:

- a. A member of the EDA
- b. A director or officer of the EDA
- c. A chief financial officer of a candidate, an EDA or a registered party
- d. Any individual involved in raising, spending or having custody of money or property of a candidate, EDA or registered party.

The EDA must be in good standing with the Chief Electoral Officer and have filed all reports, documents and information required by law.

18.3 How do I get reimbursed for bookkeeping services?

In order to get reimbursement you must file copies of your bookkeeping invoices with Elections Nova Scotia. The invoice must show EDA name, period covered, and fees charged by the bookkeeper. The invoices may be sent to Elections Nova Scotia at any time during the year. Payments will be made by Elections Nova Scotia to the EDA in June and December of each year for all approved amounts claimed and received prior to the cheque issuance date.

18.4 How does an EDA get approval to purchase accounting software?

All expenditures for the purchase of accounting software must be approved before the software is purchased. To receive approval, you must write a letter to Elections Nova Scotia indicating the type of accounting software you would like to purchase and the cost. Be sure to include a return address with your request. You will be notified in writing of the approval status of your request. Where the proposed accounting software purchase is approved, you are required to provide a copy of the invoice to Elections Nova Scotia in order to receive reimbursement.

Reimbursements will be made at the same time (June and December) as the reimbursements for bookkeeping services.

18.5 *Can an EDA receive reimbursement for both bookkeeping services and the purchase of accounting software in the same calendar year?*

The tariff limits reimbursement to \$369.27 (2016) per year for any combination of bookkeeping services and approved accounting software. For example, an EDA may make a claim for actual bookkeeping fees incurred in the first part of the year of \$200. Later in the year the EDA seeks and receives approval to purchase accounting software at a cost of \$200. The maximum reimbursement that the EDA could receive for the purchase of the accounting software would be \$169.27. Additional bookkeeping charges incurred in the later part of the year would not be eligible for reimbursement since the EDA has already reached the annual maximum of \$369.27.

Appendix A

No Requirement that an EDA be Incorporated

Although incorporation does provide advantages to an entity, the Nova Scotia *Elections Act* (the “Act”) does not require that an EDA be incorporated in order to perform its functions.

Clauses 2(m) and (n) of *the Act* provide the following definitions:

- (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;

Section 194 (attached) of *the Act* describes the application process for registration as an electoral district association and Section 195 (attached) outlines the application review process.

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

The responsibilities of an EDA include, but are not limited to, opening a bank account on behalf of the EDA, maintaining books, records and accounts of their financial transactions, filing annual financial reports with the Chief Electoral Officer and providing the Chief Electoral Officer with updates to the information required in the application process upon any changes in that information. They are also required to have at least two principal officers and an official agent.

The requirement that an EDA be incorporated may be an internal mechanism of a registered party but *the Act* provides the application process for an EDA to be registered in Nova Scotia and this does not include incorporation.