

Instructions to Official Agent for completing the *Electoral Financial Return for Candidate*

(Political Process Financing Act, S.N.B. 1978, c. P-9.3, s. 81)



P 04 902
(2014-10-27)

Please read these instructions carefully prior to completing the Return.

A. Submitting the Return

The *Electoral Financial Return for Candidate* (the “Return”) must be submitted within 60 days of the end of the election period.

Please allow 6 – 8 weeks for Elections New Brunswick to issue your reimbursement of election expenses.

Please perform the following steps to ensure your submission is complete:

- Confirm details of
 - contributed property and services,
 - election advertising expenses,
 - used signage, and
 - monetary contributions due to the association

with the official representative of your district association.

- Sign the Declaration in the presence of a Commissioner of Oaths for the Province of New Brunswick.

- Along with the Return, submit the following required documents:**

- Bank statements covering the reporting period;**
- Deposit slips covering the reporting period;**
- Proof of contributions of property and service;**
- Loan, line-of-credit, or other financing agreements, if any; and**
- Expenditure invoices greater than \$100.00.**

Copies of these documents are acceptable.

- Send the Return to Elections New Brunswick by registered mail or courier.
- Submit a photocopy of the Return to your political party’s financial officer.
- Retain a photocopy of the Return and the other documents identified above. You may need to confirm details of the Return when it is examined by Elections New Brunswick.

Once you have been notified by our office that we have completed our examination of the Return, you may choose to archive your records with the registered district association’s permanent records, your party headquarters, or, in the case of an independent candidate, with the candidate. Elections New Brunswick will retain your submission for seven years before sending it to the Provincial Archives.

B. Communications

For assistance in completing the Return, please contact us.

<i>Office:</i>	Elections New Brunswick
<i>Contact:</i>	Nathan Phillips, CA, Assistant Supervisor of Political Financing
<i>Courier/civic address:</i>	102-551 King Street, Fredericton NB E3B 1E7
<i>Mailing address:</i>	P.O. Box 6000, Fredericton NB E3B 5H1
<i>Telephone Number:</i>	506-453-2218 or 1-800-308-2922
<i>Facsimile Number:</i>	506-457-4926
<i>Email address:</i>	nathan.phillips@electionsnb.ca

C. Scope of the Return

For political financing purposes, the **election period** for a provincial election is from the day the writ for the election was issued up to the close of polls on Election Day.

The Return also introduces the concept of a **reporting period**. The reporting period begins with the earlier of the opening of the election bank account and the incurring of the first election expense and ends with the reporting date chosen by the official agent. **In the majority of cases, we recommend that October 31 be chosen as the reporting period ending date.**

The Return is prepared on an “accrual” basis; i.e. both **paid and unpaid amounts** are included.

In addition to election expenses incurred by the official agent during the election period, the Return must also include all **expenditures incurred prior to the election period** for literature, objects or materials of an advertising nature used during the election period. Such expenditures may have been paid by the official representative of your district association or political party. Ensure that these amounts are reported both as a transfer from the district association or party and as an election expense. **Confirm these details with the official representative.**

You may have received an invoice from a supplier which you do not intend to pay. Where an official agent contests or fails to pay any invoice for election expenses allegedly authorized by him or her, the invoice is deemed to be a “**contested claim**”. The supplier may bring an action in court to recover the claim. To provide a record of such contested claims, complete the appropriate schedule.

D. Structured Approach

To make completion of the Return as easy as possible, we recommend that a structured approach be followed by the official agent. This approach will vary depending on the level of sophistication of the records maintained.

For those official agents who maintained a full accounting of the electoral activities in an accounting software package, your level of expertise should allow you to complete the return easily.

For those agents who maintained a “cash journal” spreadsheet in computerized or manual format, the return should be fairly easy for you to complete, too.

For those official agents who did not maintain any accounting records, **we recommend the following approach:**

- a. Bank statements:** Use your bank statements as the primary document from which to prepare the Return. Examine each transaction in the order in which they appear on the bank statements – both deposits and withdrawals – and enter them on the appropriate schedule in the Return. **Work from the bank statements to the Return - not from the Return to the bank statements.** By taking this approach, you should be able to reconcile your bank statement much more easily at the end of the exercise.
- b. Outstanding deposits:** Identify outstanding deposits, if any, at the end of the reporting period. Enter outstanding deposits both on the appropriate “sources of cash” schedule and the bank reconciliation schedule.
- c. Outstanding cheques:** Identify outstanding cheques, if any, at the end of the reporting period. Enter outstanding cheques both on the appropriate “uses of cash” schedule and the bank reconciliation schedule.
- d. Petty cash:** Ensure that all petty cash funds used during the election period are replenished immediately before closing them. This way, the original amount of the petty cash fund will be returned to the official agent for depositing in the election bank account.
- e. Accounts payable:** Identify all accounts unpaid as of the reporting date. Enter them both on the appropriate expense schedule and on the Accounts Payable schedule. This entry will properly “accrue” the expenses.
- f. Election expenses paid by registered district association:** In some cases, election expenses may have been paid by the official representative of your district association or of your political party. Ensure that these amounts are reported both as a transfer from the district association or party and as an election expense. Confirm these details with the official representative.
- g. Donations “in-kind”:** Contributions of property and services during the election period must be included in the election expenses. Contact the official representative of your registered district

association and confirm the details of any such contributions. Record these contributions on Schedule 2 and on the appropriate expense schedule.

- h. Used signs:** Where the official representative of your registered district association has not been reimbursed for the current retail value of signs used in previous elections, enter the value of such signs on Schedule 3, Other Income, and on the appropriate expense schedule.

E. Completing the Return

If preparing the Return by hand, please prepare legibly and in pen.

We recommend, however, that you complete the spreadsheet template that is available on our website at www.electionsnb.ca. The template uses formulas to link all schedules together. This will significantly reduce mathematical errors and speed up the process of completing the Return.

Summary Page

Identification

- Enter the beginning and ending dates of the election period.
- Enter the beginning and ending dates of the reporting period. The reporting period begins with the earlier of the opening of the election bank account and the incurring of the first election expense. The reporting period ends with the reporting date chosen by the official agent. In the majority of cases, we recommend that October 31 be chosen as the reporting period ending date.
- Enter the communication coordinates as requested.
- Indicate with an "X" that the required supporting documents are being submitted with the Return.

Summary of Financial Activity

- Enter the figures on this schedule after you have completed the corresponding Schedule. If completing the Return electronically, formulas have already been entered to bring forward the figures from the Schedules.

Declaration

- The Declaration must be signed by the official agent in the presence of a Commissioner of Oaths for the Province of New Brunswick. The Declaration states that the information contained in the Return is true (the transactions are real and not fraudulent), complete (any and all transactions related to the election are reported), and accurate (calculations are mathematically correct).

Schedule 1: Transfers from Association and Party

Enter the following transactions:

- funds transferred from your registered district association;
- election expenses paid by the official representative of your registered district association; and
- funds transferred from your registered political party.

Schedule 2: Contributions of Property and Services

- Goods and services donated "in kind" to the election campaign must be included in the election expenses of the candidate (see Schedule 7). Donations "in kind" must also be reported as a "contribution of property and services" on this schedule. As provided in subsection 39(3) of the *Political Process Financing Act*, they must be valued at retail, or fair market, value. Each donation requires an invoice marked "Donation" to support the contribution.
- Any person who accepts, for election expenses, a price less than his regular price for similar work, merchandise or services outside the election period is deemed to have made a contribution equal in value to the difference between his regular price and the price accepted [subsection 72(2)]. This contribution must be reported on Schedule 2.
- Personal expenses of the candidate that are not reimbursed by the official agent are deemed to be contributions of property and services [subsection 71(2.2)]. (This requirement does not apply to expenses of the candidate for lodging, food, and transportation.) A link is provided on the spreadsheet to carry forward the figure from Schedule 7.7.
- To ensure all contributions of property and services received during the election period are identified, contact the official representative of your registered district association.

Official receipts for income-tax purposes will be issued by your Party based on the information supplied on Schedule 2.

Schedule 3: Other Income

- Enter the current retail value of signs used in previous elections (and used again in the current election) where the official representative of your registered district association has not been reimbursed for the value of the signs. If you have reimbursed the official representative, there is no income to report.

- Enter other income items; e.g. bank interest earned.

Schedule 4: Loan or Line-of-Credit

Loans, lines-of-credit, and other forms of campaign financing should be arranged by the official representative of your registered district association (or by the official representative of a registered independent candidate) [Guidelines, paragraph 5.36]. In such cases, no loan is reported by the official agent. Rather, funds would be transferred from the registered district association to the official agent and reported accordingly on Schedule 1.

Despite the above recommended practice, campaign financing is sometimes arranged by the official agent of a candidate. Also, financing is sometimes provided personally by the candidate, the candidate's spouse, or other individuals. These persons may provide financing via a loan from personal funds, through advances on a personal line-of-credit, or through the use of a personal credit card.

Note that any loan must bear interest at a current rate of interest; otherwise, the loan is deemed to be a contribution [PPFA, paragraph 2(1)(c)].

- Enter the name and address of the lender and the terms of the loan.

- Enter the name and address of any guarantor of the loan and the terms and amount of the guarantee.

- Normally, the loan amount outstanding at the beginning of the reporting period will be nil.

- Enter each advance from a loan or credit line and each payment on the balance.

- Calculate the balance of the loan or line-of-credit at the end of the reporting period. Ensure this balance agrees with a statement from the lender.

- Complete a separate schedule for each loan being reported.

Schedule 5: Monetary Contributions due to Association

Only official representatives of registered district associations or registered independent candidates, or persons authorized by them, may solicit contributions [section 42]; therefore, official agents and candidates should not solicit, receive, or deposit directly any contributions. However, if contributions are received and deposited directly by the official agent, they must be remitted, along with names and addresses of the contributors, to the official representative of the candidate's registered district association.

- Monetary contributions due to the Association at the beginning of the reporting period would normally be nil.

- Enter the date of deposit, the number of contributions within each deposit, and the amount of the deposit.

- Enter the date, description, and amount of remittances made to the official representative.

- Calculate the monetary contributions due to the association at the end of the reporting period.

Schedule 6: Accounts Payable, End of Reporting Period

- Enter accounts unpaid as of the reporting date, along with the corresponding number(s) of the Schedule(s) where the expense is reported.

Schedule 7: Summary Statement of Election Expenses

- First complete the details of election expenses in Schedules 7.1 through 7.10. Carry forward the balances to this Summary.

- Enter the Election Expenses Limit for the electoral district as provided by Elections New Brunswick on our website.
- If the candidate received 15% or more of the valid votes cast in the electoral district, the candidate is entitled to a reimbursement of a portion of his or her election expenses. Enter the candidate's percentage of valid votes cast, Amount (A), in the electoral district as provided by Elections New Brunswick on our website.
- Enter the candidate's election expenses from Schedule 7 and any contributed property and services from Schedule 2 and calculate eligible election expenses, amount (B), as the difference of the two.
- Enter the potential reimbursement amount, Amount (C), as provided by Elections New Brunswick.
- Calculate the reimbursement of election expenses, Amount (D), as the lesser of (B) and (C).

General Instructions for completing schedules of election expenses

- a. Working from the bank statement, list each cheque number, supplier, the nature of the expense, and the amount of the cheque. List each cheque even if the amount of the cheque is \$100 or less.
- b. If the cheque is payable to a payee different from the supplier, list the payee along with the supplier; e.g. a person may use their credit card to make purchases on behalf of the campaign.
- c. If more than one invoice is paid by the cheque, list separately each invoice of more than \$100 and the total of invoices of \$100 or less. Provide legible, detailed invoices to support all expenses. An invoice should provide all the particulars required for auditing each purchase and the rate or unit price used for computing the amount of the invoice. A statement of account will not be accepted in lieu of an invoice.
- d. Election expenses must include the fair market value of every contribution of goods and services made during an election period. Each donation requires an invoice marked "Donated" to support the expense.
- e. If there is insufficient space in the Schedule, attach a separate sheet with the same Schedule headings and indicate on the Return "See attached Appendix X".
- f. Calculate the total for a Schedule and carry it forward to the corresponding line on the Summary Statement of Election Expenses, Schedule 7.

Schedule 7.1: Election Advertising

Advertising incurred during the election period is an election expense. Election advertising also includes all expenditures incurred before an election period for literature, objects or materials of an advertising nature that are used during the election period for such purposes. Election advertising includes all costs of design, production, and distribution of the advertising, including postage.

- Enter details of advertising costs including the cheque number, the supplier, the nature of the expense, and the amount including taxes.

Signs that were used in previous election campaigns, and that are used again during the current election period, must be assigned a value equal to the current retail value of similar, new signs. This would apply to the signs, wooden frames, posts, etc. This assigned cost is part of the election expenses of the candidate. This practice places all candidates in the same position with respect to their advertising expenses, regardless of whether they were previously a candidate or not.

- To recognize the used signs financially, the official representative of your registered district association should determine the current retail value of similar, new signs and lumber. He or she may get a competitive quote from suppliers of these products. Based on the current retail value, the official agent will issue a cheque to the official representative of the registered district association for the value of the signs posted during the election period.
- Alternatively, if a cheque is not issued by the official agent, report a "book entry" showing an election advertising expense offset by a donation reported as "other income" on Schedule 3.

Schedule 7.2: Office and Administration

- Enter office and administration expenses, including:
 - office rent,
 - utilities,
 - telecommunications,

- printing (other than advertising),
 - paper and office supplies, and
 - rental or purchase of computers, printers, and fax machines, etc.
- If the registered district association paid for items whose value extended from the pre-writ period into the election period, reimburse the official representative of the registered district association for a *pro rata* share of the expenditure.

Example of the 2014 general election: The rent and phone bill for the campaign office for the month of August would be prorated so that the period from August 21 to 31 – 11 out of 31 days – would be reimbursed by the official agent to the official representative of the registered district association. A share of these expenses would also apply for the month of September where 22 out of 30 days are part of the election period. Thus, the 2014 general election period ran for a total of 33 days (11 plus 22).

- Alternatively, you may report the appropriate portion of these expenditures as an election expense on this schedule and as a non-election expenditure on Schedule 8.

Schedule 7.3: Travel, Lodging and Meals

Where an official agent reimburses the travel, lodging and meals of a candidate or any other worker, such expenditures are included as election expenses. The official agent may pay for such travel costs either by reimbursing an individual or by paying a vendor directly for these items.

- Enter the details of travel, lodging, and meals reimbursed to individuals.

In contrast, where an official agent does not reimburse a candidate or any other person for their own reasonable travel expenses incurred out of their own money during a journey for election purposes, these expenses are not considered election expenses and they are not considered contributions of property and services.

(Other personal expenses of a candidate that are not reimbursed are reported on Schedule 7.7.)

Schedule 7.4: Rallies and Meetings (other than Nominating Convention)

- Report expenses such as rental of a hall, food and refreshments, and entertainment. In the case of a supplier who does not usually invoice for their services, such as a musician, we will accept a receipt signed by the musician acknowledging receipt of payment for the service rendered.

Schedule 7.5: Salaries, Wages, and Honoraria

- Report all payments to individuals serving as campaign chairperson, office workers, etc.
- Report all payments to poll workers on Election Day on Schedule 7.6, Election Day Expenses.

Schedule 7.6: Election Day Expenses

- If a poll captain is provided with funds to operate their poll, provide a statement signed by the poll captain acknowledging receipt of the funds, the amount spent, and the amount, if any, returned to the official agent. Include an itemized statement of expenses; e.g. payments to poll workers, drivers and transportation, meals, etc.
- Do not include expenditures related to celebrations held after the close of polls. Such expenditures are reported on Schedule 8, Non-Election Expenditures.

Schedule 7.7: Unreimbursed Personal Expenses of Candidate

A candidate may incur his or her own personal expenses which constitute election expenses up to a total of \$2,000 during the election period; e.g. clothing, child care [subsection 71(1)].

- If the candidate is reimbursed for these personal expenses, report them on the appropriate election expense schedule.
- If the candidate is not reimbursed, report them on this schedule.

(Note that expenses for transportation, lodging, and meals are addressed on Schedule 7.3.)

The candidate is deemed to have made a contribution equal in value to the amount of the expenses reported on this schedule.

- Report this contribution on Schedule 2.

Schedule 7.8: Excessive Nominating Convention Expenses

Reasonable costs incurred in relation to holding a convention for the selection of a candidate for an electoral district during an election period are considered non-election expenditures. If paid by the official agent of a candidate, these expenditures should be reported on Schedule 8.

Reasonable expenses include:

- the cost of renting a hall for the convention;
- the cost of advertising the date, place, time, programme and organizers of the convention;
- the cost of the convening of delegates to the convention;
- the cost of providing refreshments and entertainment for those attending the convention;
- the expenses of up to \$1000 of the candidate selected at the convention; and
- the reasonable expenses of all other candidates at the convention [subsection 67(4)].

All other costs of a nominating convention held during the election period are considered excessive and are deemed to be election expenses of the candidate selected. Such expenses shall be deemed to have been incurred by the official agent of the candidate.

- Report such excessive nominating convention expenses on this schedule.

Schedule 7.9: Other Election Expenses

- Report other election expenses on this schedule; e.g. interest on loans and bank charges during the election period. Non-election expenditures should be reported on Schedule 8.

Schedule 7.10: Claims for Election Expenses Contested by Official Agent

Every person to whom an amount is due for election expenses shall present his claim to the official agent not more than 45 days following polling day. Otherwise, such person shall forfeit the right to recover the claim [subsection 76(1)].

Where an official agent contests or fails to pay any claim for election expenses allegedly incurred by the official agent or by a person authorized by him, the claim shall be deemed to be a contested claim. The claimant may bring an action in any court of competent jurisdiction to recover the claim [subsection 91(1)].

- Report claims for election expenses that you, as the official agent, are contesting on this schedule [subsection 81(1)].

Note that, subsequent to filing this Return, the particulars of any subsequent payment, including a payment in consequence of a judgment of any court, on any claim for election expenses allegedly incurred by an official agent or a person authorized by him and previously listed as contested shall be disclosed forthwith to the Supervisor [section 84].

Schedule 8: Non-Election Expenditures

- Enter the following items as non-election expenditures:
 - Advertising expenses incurred due to vandalism, theft, or destruction and exempted by the Supervisor (see *Electoral Advertising Information and Guidelines* (P 04 943) on our website);
 - Candidate's nomination deposit [paragraph 67(2)(e)];
 - Post-election celebrations;
 - Interest on loans outside the election period;
 - Bank service charges outside the election period;
 - Reasonable costs of nominating conventions (excessive costs are reported on Schedule 7.8) [subsection 67(4)]; and
 - Other post-election expenditures.

Schedule 9: Transfers to Association and Party

- Report transfers of funds to the official representative of your district association or political party; e.g. closing the election bank account during the reporting period.
- Remittances of monetary contributions due to the district association should be reported on Schedule 5.

Schedule 10: Cash Position, Beginning of Reporting Period

The purpose of this schedule is to establish when the official agent opened the electoral bank account. It would usually start with a nil balance. For those agents dealing with a Credit Union or Caisse Populaire, the share account would normally be nil, too, upon opening the account.

- Enter the details relating to the electoral bank account.

In rare cases, an electoral account may have remained open from a previous election.

- If so, enter the balances as of January 1 and ensure the reporting period is identified accordingly on Page 1.

Petty cash would usually be nil unless there was a petty cash fund held over from a previous election.

Schedule 11: Petty Cash

- On this schedule, only report the setting up and closing of petty cash funds.
- Cheques issued to replenish petty cash funds throughout the election period are reported on the applicable expense Schedules.
- Replenish a petty cash fund immediately before closing it. This step is frequently overlooked by official agents. By making this final replenishment, all expenses get reported appropriately.
- The full amount of petty cash fund is then returned to the official agent for deposit.
- After the closure of the petty cash funds, the balance at the end of the reporting period on this schedule should be nil.

Schedule 12: Cash and Bank Reconciliation, End of Reporting Period

The purpose of this schedule is to reconcile the balances in the electoral bank account, the shares in the financial institution (if any), and petty cash (if any) with the cash position calculated by the Return. There should be no difference in the reconciled amounts.

(A) Electoral bank account:

- Enter the date of your most recent bank statement. This would normally be the same date you determined in the Identification section on Page 1 for the end of the reporting period.
- Enter the ending amount from the bank statement.
- Enter deposits that are outstanding at the end of the reporting period; i.e. the deposits are entered on the Return but they did not clear the bank until after the reporting period.
- Enter cheques and other withdrawals that are outstanding at the end of the reporting period; i.e. the cheques and other withdrawals are entered on the Return by they did not clear the bank until after the reporting period.
- Calculate and enter the reconciled bank balance.

(B) Shares in financial institution

- Enter the balance of the share account at the financial institution as of the reporting date.

(C) Petty cash

- Enter the ending petty cash balance from Schedule 11.

(D) Bank and petty cash, end of reporting period

- Add together amounts (A), (B), and (C) and enter the total.

(E) Cash position, end of reporting period

- Carry the ending cash position bank from Page 1 and enter it here.

(F) Difference

- The difference between amounts (D) and (E) should be nil. Make every effort to adjust the Return to balance correctly. If you are unable to balance, please call Elections New Brunswick for assistance.

(Ce document est également disponible en français)