

**Instructions to Official Representative for Completing the  
Annual Financial Return for Registered District Association**  
(Political Process Financing Act, R.S.N.B. 1978, c. P-9.3, s. 60)



**P 04 913  
(2018-02-05)**

Please read this document prior to completing the annual financial return.

A. DUE DATE

**The financial return MUST be submitted no later than March 31st.**

Visit our website at [www.electionsnb.ca](http://www.electionsnb.ca) and click on the “Political Financing” menu for information and electronic spreadsheet templates in Microsoft Excel. To make it easier to complete the financial return, we recommend you use the electronic spreadsheet templates.

B. WHAT YOU NEED TO SUBMIT TO ELECTIONS NEW BRUNSWICK

- The original, signed annual financial return, or the completed electronic template submitted by email;
- Bank statements covering the full calendar year;
- Documents related to any investments and GIC's (Guaranteed Investment Certificates) covering the full calendar year;
- Detailed deposit slips with donors' names, covering the full calendar year;
- From your political party:
  - a. Statements of calculations of contributions and profit-sharing or “Batch Reports”;
  - b. Auction Summary Reports
  - c. Party cheque stubs or Transfer/Batch Reports, documenting shares of contributions transferred from the Party;
- Loan agreements and statements;
- Agreements to waive the right to recover a loan;
- Details of payment on a loan by a surety or guarantor or other individual;
- Detailed schedules of Accounts Receivable and Accounts Payable, if using accrual accounting; and
- Expenditure invoices greater than \$100.

Copies of supporting documents are acceptable.

C. GENERAL INSTRUCTIONS FOR COMPLETING THE ANNUAL FINANCIAL RETURN

1. Generally, the reporting period is the calendar year from **January 1st to December 31st**. Enter the reporting period and complete the rest of the Identification section on page 1.
2. Complete both of the checklists, “Possible Contraventions of the *Political Process Financing Act*”, on page 1, and the “Questionnaire”, on page 2.
3. The official representative of the registered district association may report using either the “cash basis” of accounting or the “accrual basis” accounting. The cash basis only includes those transactions that actually affected bank balances during the year. The accrual basis, on the other hand, is the same as the cash basis but includes transactions that have not yet affected the bank account, such as receivable and payables. Most official representatives will choose the cash basis of accounting.
4. As a matter of proper internal control procedures, expenses should not be paid from cash that has not yet been deposited; however, in the event this did happen, report both the expenses and the full amount of the revenue that should have been deposited.
5. If there is insufficient space in the Transaction Journal or a Schedule, you may insert additional rows or columns. Alternatively, you may indicate “*See attached Schedule*” and attach a separate sheet with the same headings and information.
6. If completing by hand, the information entered on the return must be in ink and must be legible. You have received two paper copies of the financial return; one may be used as a working copy.

7. The Declaration on Page 1 must be dated and signed by the official representative of the registered district association. An electronic image of a signature is acceptable. Alternatively, by typing in the "signature" of the official representative and sending the return by email to Elections New Brunswick, the Supervisor will accept this as an electronic signature.
8. When the return is completed, make two photocopies of the completed return. One copy should be sent to your Party's official representative and the other should be filed with your Association's permanent records. Remember that financial documents must be retained for six years plus the current year.
9. The official representative shall submit the original return and all applicable supporting documentation to Elections New Brunswick. **Please see our communication coordinates at the end of this document.** Electronic images are also acceptable.
10. Any required supporting documentation not submitted with the return will delay our examination.

#### D. GETTING STARTED

1. Assemble the following documents:
  - a. Prior year's financial return;
  - b. All applicable required supporting documentation listed on page 1 of the return.
2. From the prior year's financial return (if applicable, as amended by Elections New Brunswick):
  - Enter reconciled year-end balances in the first row of the Transaction Journal for:
    - the Operating bank account or Funds on deposit with the Party,
    - GIC or Savings Accounts,
    - Accounts Receivable,
    - Loans Receivable,
    - Accounts Payable,
    - Amounts owing from Fundraising Activities and Auctions,
    - Loans and Other Borrowings; and
    - Amounts owing from Contributions and Membership Dues.

#### E. COMPLETING THE TRANSACTION JOURNAL (page 3 of the return)

For those official representatives who do not maintain an accounting system or spreadsheet, we recommend that you use your bank statements as the primary document from which to prepare the annual financial return. Examine each transaction in the order in which they appear on the bank statements – both deposits and withdrawals – and enter them on the Transaction Journal. **Work from the bank statements to the return.**

For official representatives who maintain an accounting system, enter the transactions in chronological order on the Transaction Journal.

Insert as many rows as needed to enter all of your transactions. Please note that the last line of the Transaction Journal contains "=SUM()" formulas that will automatically total the value of the positive and negative amounts entered in each column.

If completing by hand, make extra copies of the blank Transaction Journal pages as needed.

Enter the number and name of your registered district association in the upper left corner of the Transaction Journal.

Enter your operating bank account number, or your political party's account number for your funds on deposit, at the top of the Bank column. Enter your GIC or savings account number at the top of the GIC / Savings column.

For each transaction on the bank statement or from your accounting records:

- a. Enter the Date, Reference number, Source or Supplier, and a Description of each transaction. These are required fields.
- b. Enter the value of the transaction as a Deposit (+) or Withdrawal (-) in the Bank column.
- c. Enter the value of the transaction in at least one other column in the Transaction Journal in order to **classify** it appropriately. Enter it as a positive or negative value so that the Total value at the bottom of the column makes sense. Typical positive and negative transactions are provided for each column; e.g. Contributions and Membership Dues: *Collected (+)* and *Remitted (-)*.

d. If appropriate, the transaction value may be classified in more than one column.

**The following are descriptions of each of the columns available to classify your transactions:**

**GIC (GUARANTEED INVESTMENT CERTIFICATE) OR SAVINGS ACCOUNT**

Enter the value of your investment transactions from a GIC or a Savings Account. These may include the purchase of such an investment or the transfer of funds from or to the operating bank account. Redemption of GICs upon maturity and the interest paid should be entered. The total of the column should match the balance at December 31st as reported by your financial institution(s).

**ACCOUNTS RECEIVABLE**

If using the accrual basis of accounting, ensure accounts receivable at the end of the prior year are entered on the first row of the Transaction Journal. Attach a detailed schedule of the receivables from the prior period's financial return.

Amounts collected on accounts receivable will be entered as a negative amount.

New accounts receivable, such as outstanding ticket sales yet to be deposited at the end of the period, may be accrued and entered as a positive amount. Note that these entries do not affect the Bank column.

The Total of the column should represent the exact amount of any accounts receivable at the end of the period.

**LOANS RECEIVABLE**

Enter money loaned to the Party, other registered district associations, or any other political organization.

Enter amounts collected on these loans receivable as negative amounts.

**ACCOUNTS PAYABLE**

If using the accrual basis of accounting, ensure accounts payable at the end of the prior year are entered on the first row of the Transaction Journal. Attach a detailed schedule of the payables from the prior period's financial return.

Payments made on accounts payable will be entered as a negative amount.

Expenditures incurred and remaining unpaid at the end of the period may be accrued and entered as a positive amount. Note that these entries do not affect the Bank column.

The Total of the column should represent the exact amount of any accounts payable at the end of the period.

**PRIOR-YEAR FUNDRAISING ACTIVITIES AND AUCTIONS**

Prior-year contributions calculated from fundraising activities and proceeds from auctions may not have been remitted in the prior year. Enter any amounts owing at the end of the prior year in the first row of the Transaction Journal.

Remittances of these contributions to the Party will be entered as negative amounts.

If prior-year amounts have been remitted in the current period, the Total of the column should be nil at the end of the period.

**LOANS OR OTHER BORROWINGS [SECTIONS 39 AND 42.01]**

Report all loans, lines of credit, and any other borrowings held at any point in the year. If more than one loan existed, copy and insert an extra column for each loan.

Enter balances, proceeds and repayments of each loan. Include advances and repayments on lines of credit, even though the lines of credit may have been accessed and completely repaid during the period.

Report interest expense associated with a loan as an "Other Expenditure".

For each loan, you also need to complete the Loans schedule on page 4 identifying the:

- Name and address of the lender;
- Date the loan was arranged;
- Terms of the borrowing; e.g. a term or demand loan, interest rate, repayment schedule, etc.;

- Name and address of any guarantor(s) and the amount of any guarantee(s).

Copy the schedule, if necessary, if more than one loan, line of credit, or other borrowing existed.

Please attach documentation supporting all borrowing activity.

**CONTRIBUTIONS AND MEMBERSHIP DUES**

The full amount of monetary contributions received and deposited by the Association must be remitted to the Party for the issuance of receipts.

Enter each deposit of contributions made during the period as a positive amount. It is not necessary to report the names of individual contributors as that information should be included on the deposit slips being submitted with the return and should have been recorded on interim receipts already remitted to the Party.

Enter remittances made to the Party during the financial period as negative values.

Enter the dues collected for membership in the Party as positive amounts. Enter membership dues remitted to the Party as negative amounts.

The Total of the column should equal the balance of monetary contributions and membership dues to be remitted to the Party as of the end of the period.

## FUNDRAISING ACTIVITIES

When a fundraising or political activity is held and the ticket price, entrance fee, and profit per ticket are more than \$10, a portion of the price paid is deemed to be a contribution made by the purchaser of the ticket or payer of the entrance fee.

Alternatively, when a fundraising or political activity is held and the ticket price, entrance fee, or profit per ticket is \$10 or less, no contribution is deemed to be made by the purchaser of the ticket or payer of the entrance fee.

[Beginning in 2018, only the ticket price or entrance fee – not the profit per ticket – will be considered for the \$10 threshold.]

Thus, for each such fundraising activity, it is important to match the revenues and expenses incurred for the activity and enter the following transactions:

- Enter the ticket sales or entrance fees as positive amounts in the column for Activity A, B, or C. Insert additional columns if necessary.
- Enter the direct costs incurred for the activity as negative amounts in the appropriate column.
- Enter any amount that has been remitted to the Party as contributions as a negative amount.

For each activity where it has been determined that the profit per ticket is greater than \$10, attach a statement of the Party's calculations of contributions and profit-sharing or similar "batch report" used to issue receipts for these contributions. If not already received, please contact your Party's financial officer immediately to discuss the fundraising activity and to provide him or her with sufficient detailed information to prepare the calculations.

The total in this column at the end of the year for this event should be \$0.

If you believe the profit per ticket for an activity is \$10 or less, complete the schedule on page 5 proving that this is the case:

- Indicate the title, nature, date held, and location of the activity.
- Enter the fee or ticket description, individual fee or ticket price, the number of participants or tickets sold, and the gross revenue. Space is provided for tickets of different prices.
- Enter details of direct costs incurred for the event.
- Enter the retail value of donated items, even though these are not recorded in the Transaction Journal.
- The template will calculate the direct costs per ticket.
- The template will calculate the profit from the event.
- The template will calculate the profit per ticket sold for each type of ticket.

If the profit per ticket is calculated to be greater than \$10 for any type of ticket, contact your Party's financial officer immediately as described above so that receipts may be issued.

In summary, each fundraising activity must be supported by a statement of calculations of contributions and profit-sharing or similar "batch report" prepared by your Party or by the schedule on page 5.

## AUCTIONS

For a fundraising auction held during the period, enter the proceeds from the auction as positive amounts.

All funds received from an auction should be remitted to the Party. Enter any remittance to the Party as a negative amount.

You should have previously submitted an *Auction Item Detail* report for each auction item to your Party. If not, contact your Party's financial officer immediately.

Attach the *Auction Summary Report* and/or *Batch Report*, as provided by your Party for this auction, to the return.

## **OTHER INCOME**

Any reimbursement made by the official agent of your candidate to the Association for (a) advertisements used both prior to and during the election period, or (b) used signage provided by the Association to the electoral campaign, should be reported as Other Income.

Interest on investments, proceeds from the sale of promotional items, funds transferred from Women's Associations, etc., may be considered Other Income. Note that net proceeds from the sale of a promotional item must be \$10 or less; otherwise, it is considered to be a contribution.

As regulated by the provincial *Gaming Control Act*, "games of chance", such as lotteries, raffles, 50-50 draws, and Chinese auctions, are not permitted to be held by political parties and district associations in New Brunswick. Further, the funds raised from these games of chance are generally not attributable to the ticket purchasers. As a result, the proceeds are considered to be anonymous contributions. Other anonymous contributions come from collections taken or "passing the hat" at meetings.

The PPFA requires that anonymous contributions must be returned to the contributors, if their identity is known, or otherwise remitted to the Supervisor of Political Financing. To remit any anonymous contributions still on deposit, prepare a cheque payable to the *Minister of Finance* and submit it with your financial return.

## **TRANSFERS BETWEEN PARTY AND ASSOCIATIONS**

Enter each transfer of funds from the Party in the column provided; e.g. the share of contributions returned by the Party to the Association.

Enter each transfer of funds to the Party in the column provided; e.g. if applicable to your Party, the portion of election expenses reimbursement shared with the Party. Please note that the remittance of monetary contributions to the Party for receipting purposes is not reported in this column.

For each transfer from or to another registered district association, enter the amount in the column provided; e.g. funds given to a neighboring association to assist with an election campaign's expenses, a redistribution of funds due to a change in electoral district boundaries, etc.

## **EXPENDITURES OTHER THAN ELECTION EXPENSES**

Enter non-election expenditures in the columns provided. Submit invoices or copies thereof for all individual expenditures of more than \$100.

### "Political" Advertising – Limited to \$3,000 [ss. 50(1),(4),(5),(6)]

As per section 50 of the *Political Process Financing Act*, "political" advertising is limited to \$3,000 for the calendar year. Political advertising promotes the political agenda of a political party, district association, or candidate and is distributed on broadcasting undertakings (radio or television) or in newspapers, periodicals or other printed matter.

### "Other" Advertising – Unlimited [ss. 50(2) and (3)]

"Other" advertising is not subject to this limit and includes:

- a. Advertising that is limited to publicizing the date, place, time, scheduled program and organizers of a public meeting or publicizing, or any corrections;
- b. The cost of postage for the mailing of letters, printed material and cards, including Christmas cards,
- c. The production and distribution of newsletters distributed solely to members of a Party and Christmas cards; and
- d. The publication in a newspaper of season's greetings, congratulatory messages or best wishes for community events from the Association.

Submit invoices and a copy of the advertisement supporting all expenditures classified as "Political" and "Other" advertising.

### Nomination Convention [ss. 67(4)]

Enter amounts for holding a nomination convention to select a candidate for election. If the convention is held during an election period, consider whether the costs incurred are reasonable, as detailed in subsection 67(4) of the *Act*. If the costs incurred are not reasonable, then they are deemed to be election expenses of the candidate selected and must be reported under the column for "Election Expenses Paid on Behalf of Official Agent".

### Other Expenditures

Enter all other amounts for meetings, office, travel, charitable donations, banking fees, riding

celebrations, etc. as Other Expenditures.

**TRANSFERS WITH OFFICIAL AGENT**

Enter transfers of funds to the official agent of a candidate as positive amounts.

Enter funds received from the official agent upon closing the electoral bank account as a negative amount.

**ELECTION EXPENSES PAID ON BEHALF OF OFFICIAL AGENT**

Enter election expenses paid on behalf of the official agent; e.g. campaign office rent, telephones, signage, vehicle wrapping, advertising, etc.

You should now have entered all transactions from your bank statements or accounting records.

**F. BANK RECONCILIATION**

Complete the Bank Reconciliation, End of Period, on page 4 for each operating bank account or Party account for funds held on deposit.

**OPERATING BANK ACCOUNT / FUNDS HELD ON DEPOSIT**

Enter the Financial Institution or Political Party where the funds are on deposit.

Enter the Account Number.

Enter the statement ending date and the ending amount from your bank statement, passbook, or electronic statement.

If reporting using the cash basis of accounting, there will be no outstanding deposits or cheques. Otherwise, if reporting using the accrual basis of accounting, enter the following:

Outstanding deposits: Any funds deposited and reported in the current financial period, which have not cleared the bank in the current period, are reported as outstanding deposits and are recorded on the Transaction Journal.

Outstanding cheques: Any cheques issued in the current (or prior) financial period, which have not cleared the bank in the current period, are reported as outstanding cheques and are recorded on the Transaction Journal.

From the amounts described above, calculate and enter the Reconciled Total.

The ending Bank balance from the Transaction Journal should automatically be linked to the Bank Reconciliation. Ensure this has worked properly. If completing by hand, enter the Bank balance from the Transaction Journal.

If the difference between the Reconciled Total and the Bank balance from Transaction Journal is not nil, the return is not yet in balance and more work is required. Go back and check the numbers you entered. If you cannot get the return to balance, seek assistance from your Party's financial officer to balance the return before submitting it to Elections New Brunswick.

**SHARES IN FINANCIAL INSTITUTION**

The value of shares in a financial institution such as a Credit Union or Caisse Populaire (typically \$25 or less) is not required to be reported on the return.

**PETTY CASH**

The amount of a petty cash fund is not required to be reported on the return; rather, enter any cheques creating or reimbursing a petty cash fund in the most appropriate column.

## G. CONTRIBUTIONS OF PROPERTY AND SERVICES

### **CONTRIBUTIONS OF PROPERTY AND SERVICES**

Property and services "donated in kind" to the Association must be reported on the schedule on page 5 and to the Party for receipting purposes; however, do not report on this schedule any such contributions (a) made in relation to a fundraising activity or to an auction, or (b) reported by the official agent of your Association's candidate on his or her electoral financial return.

If you have any questions or require assistance with the completion of the return, please first contact the financial officer of your Party. Secondly, you may contact a Financial Examiner at our office.

## **COMMUNICATION COORDINATES**



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*(Ce document est également disponible en français.)*