



ELECTIONS BC

A non-partisan Office of the Legislature

GUIDE FOR FINANCIAL AGENTS APPOINTED UNDER THE *ELECTION ACT*

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Introduction

Elections BC is the non-partisan Office of the Legislature responsible for the administration of the provincial electoral process in B.C. and the campaign financing provisions for local government elections.

The *Election Act* sets the rules for the provincial electoral process. This guide is intended for financial agents appointed under the *Election Act* to explain the financing, election advertising, and financial reporting rules in the Act and how those rules apply to registered political parties, registered constituency associations, provincial candidates (including nomination contestants) and political party leadership contestants.

More information about the role of the financial agent and the financing rules under the *Election Act* is available on our Financial Agent Training Site (elections.bc.ca/eftraining).

For election advertising rules as they apply to third party advertising sponsors, you should refer to the Guide to Election Advertising for Provincial Third Party Sponsors.

This guide is intended only as an aid to understanding the *Election Act*. How the Act applies in any particular case will depend on the individual circumstances of the case, and may change in light of new legislation and judicial developments. Where there is inconsistency between this guide and the *Election Act*, the Act will prevail.

You can view the *Election Act* on the Elections BC website (elections.bc.ca) or you can buy a copy of the Act from Crown Publications (crownpub.bc.ca).

Privacy

Elections BC has the authority to collect, use, disclose and dispose of personal information under the *Election Act* and the *Freedom of Information and Protection of Privacy Act*. The information is used to administer provisions of the *Election Act*.

For information about Elections BC's privacy policies, please visit elections.bc.ca/privacy or contact the **Privacy Officer, Elections BC** at 1-800-661-8683, privacy@elections.bc.ca or PO Box 9275 Stn Prov Govt, Victoria BC V8W 9J6.

Financial agents

What is a financial agent?

A financial agent is an individual appointed to administer the electoral financing requirements of the *Election Act*. This includes incurring expenses, accepting political contributions, recording financial transactions and filing the required financial reports with Elections BC. It also includes authorizing election advertising conducted on behalf of candidates and political parties.

[s. 177]

Requirement for a financial agent

The following must have a financial agent:

- a registered political party
- a registered constituency association
- a candidate
- a leadership contestant

Candidates and leadership contestants can be their own financial agents.

An organization or individual may only have one financial agent at a time, but an individual can be a financial agent for more than one organization or individual. This means that the financial agent of a registered political party can also be the financial agent for a candidate and/or registered constituency association.

If the appointment of a financial agent for a registered political party or registered constituency association ends for any reason, the organization must appoint a new financial agent within 60 days, and must inform Elections BC of this change as soon as possible after the appointment. If a new financial agent is not appointed within 60 days, the organization may be suspended by the Chief Electoral Officer.

[s. 175-176]

Appointment of a financial agent

To act as financial agent, an individual must be capable of entering into contracts. The statutory obligations of the financial agent are significant and require certain skills. The financial agent must be capable of managing campaign finances in accordance with the *Election Act*, and it is recommended that the individual appointed be familiar with keeping financial records and filing financial reports.

Who is disqualified from being a financial agent?

- election officials, voter registration officials, or other employees of Elections BC
- individuals who do not have full capacity to enter into contracts (e.g. a minor child)
- individuals who are members of the same firm as the auditor, or who are members of the audit firm, or
- individuals who have been convicted of an offence under the *Election Act* or the *Recall and Initiative Act* within the last seven years

The appointment of a financial agent must be made in writing and must:

- be on a form provided by Elections BC
- include the name, mailing address and telephone number of the individual appointed and the effective date of the appointment
- be signed, as applicable, by a principal officer of the appointing organization or the appointing individual, and
- include a signed consent of the individual appointed to act as financial agent

Once an appointment is made, a copy of the appointment form must be delivered as soon as possible to the Chief Electoral Officer or the District Electoral Officer, as applicable.

If a financial agent becomes disqualified, resigns, or ceases to hold that position for any other reason, the Chief Electoral Officer or District Electoral Officer, as applicable, must be notified immediately. In such cases, a registered political party or registered constituency association must make a new appointment within 60 days. In the case of a candidate or leadership contestant, the individual must make a new appointment or deliver a statement that they will be acting as their own financial agent.

[s. 176]

Financial agent responsibilities

The financial agent is responsible for ensuring that finances comply with the *Election Act*. The financial agent's responsibilities include:

- accepting and recording political contributions
- determining the market value of political contributions of goods and services
- recording and issuing tax receipts for eligible political contributions of money
- recovering, marking void and retaining tax receipts issued for ineligible and prohibited contributions
- ensuring that all political contributions and other income are properly recorded to allow compliance with the reporting requirements of the *Election Act* and the *Income Tax Act*
- ensuring that all permissible loans are properly recorded and reported
- incurring and recording the expenses of the organization or individual
- ensuring that all money received on behalf of the organization or individual is deposited in an account in a savings institution and that all expenditures are made from an account in a savings institution
- establishing a separate bank account for each individual or organization for whom they are acting
- keeping complete and accurate financial records
- ensuring all financial records and receipts are kept in British Columbia for at least five years from the date of filing a report
- filing all applicable financial reports with Elections BC by the legislated deadlines.

For a complete list of all financial reports, see page 60.

The financial agent is not personally responsible for any liability of the organization or individual unless the liability is personally guaranteed by the financial agent.

[s. 177]

Deputy financial agents

A financial agent may appoint deputy financial agents. There is no limit on the number of deputy financial agents that can be appointed. Deputy financial agents may accept political contributions and issue income tax receipts for eligible political contributions of money.

Deputy financial agents may also file reports required under Parts 9 and 10 of the Act if the financial agent is absent or incapable of filing those reports. Deputy financial agents have the same authority and responsibility as a financial agent in relation to accepting political contributions, issuing income tax receipts and filing reports.

The rules about the qualifications and appointment of deputy financial agents are the same as for financial agents.

Appointments of deputy financial agents must be made on forms provided by Elections BC and completed forms must be submitted to Elections BC.

Individuals may also be authorized in writing by the financial agent to incur election expenses or accept political contributions.

[s. 178, 187, 193]

Auditors

Requirement for an auditor

The following must have an auditor:

- a registered political party
- a registered constituency association
- a candidate

If the appointment ends for any reason, a new auditor must be appointed within 60 days.

Leadership contestants may also need to appoint an auditor if their leadership contestant financing report requires an audit.

[s. 179]

Appointment of an auditor

To be appointed, an auditor must be authorized to be the auditor of a company under sections 205 and 206 of the *Business Corporations Act*. This means that the auditor is a Chartered Accountant (C.A.), Chartered Professional Accountant (C.P.A.), or has been certified by the Auditor Certification Board or is a qualified auditing firm.

Who cannot be appointed as an auditor?

- election officials, voter registration officials, or other employees of Elections BC
- individuals who do not have full capacity to enter into contracts (e.g. a minor child)
- an individual who is a member of the same firm as the financial agent, or an auditing firm of which the financial agent is a member
- individuals who have been convicted of an offence under the *Election Act* or the *Recall and Initiative Act* within the last seven years, or
- the financial agent

An auditor may be appointed for more than one organization or individual.

The appointment of an auditor must be made in writing and must:

- be on a form provided by Elections BC
- include the name, mailing address and telephone number of the auditor
- indicate the effective date of the appointment
- be signed, as applicable, by a principal officer of the appointing organization or the appointing individual, and
- include a signed consent of the auditor

As soon as possible after an appointment is made, a copy of the appointment form must be delivered to the Chief Electoral Officer or District Electoral Officer, as applicable.

If the auditor ceases to hold that position or ceases to be qualified to act as auditor, a new auditor must be appointed within 60 days and the appointment form delivered to the Chief Electoral Officer or District Electoral Officer, as applicable.

[s. 179]

When is an audit required?

Generally, the auditor is required to file a report with a financing report if the total political contributions, election expenses or contestant expenses to be reported is \$10,000 or more.

Interim financial reports filed by political parties do not require audits, regardless of the value of political contributions to be reported.

Financial reports for deregistered political parties and constituency associations must be audited except in the following circumstances:

- the constituency association was deregistered because the electoral district was disestablished, or
- the constituency association or political party had \$5,000 or less in expenses and received \$5,000 or less in political contributions since the date of their last annual financial report

The auditor must also file reports as requested by the Chief Electoral Officer, as the Chief Electoral Officer has the authority to request an auditor's report at any time.

See page 67 for more information about audit reports, or refer to our Auditor's Guide, available on the Elections BC website (elections.bc.ca).

[s. 170, 213]

Bank accounts

Requirement for a bank account

Every registered political party, registered constituency association, candidate and leadership contestant must have a separate account in a savings institution. The financial agent must ensure all monetary transactions are processed through the account, including the deposit of all money received on behalf of the organization or individual and the payment of all disbursements made on their behalf.

Organizations or individuals must not share accounts, and the financial agent must ensure that the account is used exclusively for the monetary transactions of the organization or individual for whom the account was established.

Accounts for candidates can be opened at any time, even before the individual has filed their nomination papers with Elections BC. Candidates are encouraged to open an account as early as possible to ensure all financial transactions can be processed through the account.

If a financial agent has difficulty opening a campaign account, there is a letter on the Elections BC website that explains the legislated requirements and that can be printed and taken to the savings institution.

[s. 175]

Name of an account

The *Election Act* does not prescribe how an account for a registered political party, registered constituency association, candidate and leadership contestant should be named. Therefore, the account may be in an appropriate name determined by the financial agent and the savings institution.

Permissible loans and guarantees

A permissible loan is a loan agreement (including a line of credit or account overdraft) that is provided at an interest rate equal to or greater than the current prime rate set by the principal banker to the government by a savings institution (e.g. a bank or a credit union) to:

- a political party
- a constituency association
- a candidate, in relation to that individual's candidacy
- a leadership contestant, in relation to that individual's seeking of the leadership
- a nomination contestant, in relation to that individual's seeking of the nomination

An organization or individual identified above is prohibited from accepting a non-permissible loan provided at a preferential interest rate that is below the current prime rate, or a loan provided by an individual or organization that is not a savings institution.

Please refer to the Elections BC website for a listing of current and historical prime interest rates.

A permissible loan, or a guarantee for a permissible loan, is generally not a political contribution, unless a savings institution does not make commercially reasonable efforts to collect or enforce the loan, in which case the loan is a prohibited political contribution.

[s. 1, 181]

Recording and reporting permissible loans and guarantees

At the time a permissible loan, or a guarantee for a permissible loans is received, the financial agent must record:

- the name of the savings institution making the loan or guarantee
- the amount of the loan
- the rate of interest charged
- the prime rate at the time the rate of interest for the loan is fixed
- the date the loan is due

In addition, the financial agent must record:

- if there has been a default on a permissible loan, the date of the default
- if there has been a call on a guarantee for a permissible loan, the date of the call
- if there has been non-compliance with the terms and conditions of a guarantee for a permissible loan, the date of the non-compliance

All of the above information must be disclosed by the financial agent in the financial reports.

[s. 190]

Volunteers

Volunteers are individuals who voluntarily perform services and who receive no compensation, directly or indirectly, in relation to the services or the time spent providing the services. This means that an individual cannot continue to be paid while they are working as a volunteer. If they do continue to get paid, they are not volunteers and the value of their services is a political contribution, which would be prohibited unless their employer is an eligible individual, and may be an election expense if the services of the volunteer are being provided during the campaign period.

If an individual uses paid vacation time to work on a campaign they will be a volunteer as long as they have not been directed by their employer to provide the services and the employer does not provide any extra vacation or leave.

A professional may provide their services as a volunteer, providing that they are doing so as an individual (e.g. the services are not being provided by a business at a discounted rate).

[s. 180]

General valuation rules

Political contributions and expenses

The following rules apply for the purpose of determining the value of political contributions, election expenses or contestant expenses. The value of any property or services is:

- the price paid for the property or services, or
- if no price is paid or if the price paid is lower than the market value, the market value of the property or services

See page 57 for more information on valuing election advertising.

[s. 185]

Reimbursable election expenses

For the purpose of determining the value of a reimbursable election expense, the general valuation rules above do not apply. Instead, the claim for reimbursement is the lesser of:

- the price paid for the property or services, or
- the market value of the property or services

If the property is a capital asset, the value of the property is the lower of the price paid or the market value of using the property.

See page 38 for more information on reimbursable election expenses.

[s. 215.04]

Determining market value

“Market value” is defined as the lowest price charged for an equivalent amount of equivalent goods or services in the market area at the time they are provided or used.

The price paid or market value of goods or services includes all applicable taxes.

If free property or services are accessible to everyone in the market area, the market value is zero.

The financial agent is responsible to document in the records how the market value was determined. This includes retaining copies of advertisements for equivalent goods or services at the time they are provided or used.

[s. 1]

Political contributions

What is a political contribution?

A political contribution is the amount of money or the value of any property, goods or services provided without compensation by way of donation, advance, deposit, discount or otherwise to:

- a political party
- a constituency association
- a candidate, in relation to that individual's candidacy
- a leadership contestant, in relation to that individual's seeking of the leadership, or
- a nomination contestant, in relation to that individual's seeking of the nomination

Essentially a political contribution is any money, goods or services given to any of the above mentioned political entities. This includes, but is not limited to:

- fees paid for conferences or conventions of a political party, including leadership conventions
- membership fees for a political party or constituency association, and
- any money (but not property or services) provided by an individual who is, or intends to become a candidate, nomination contestant or leadership contestant, in relation to that role

If property or services are provided to any of these political entities at less than market value, or if they are acquired from these entities at greater than market value, the difference between the price paid and fair market value is a political contribution.

[s. 180]

What is not a political contribution?

- goods or services provided to their own campaign by a candidate, nomination contestant or leadership contestant (note: money provided by such an individual is a political contribution)
- services provided by a volunteer
- property of a volunteer, if it is provided or used in relation to the services of the individual as a volunteer
- property or services provided by an election official, voter registration official, or other member of Elections BC's staff in relation to their official duties
- publishing without charge news, an editorial, an interview, a column, a letter or a commentary in a bona fide periodical publication or a radio or television program
- broadcasting time provided, without charge, as part of a bona fide public affairs program
- producing, promoting or distributing a publication for no less than its market value, if the publication was planned to be sold regardless of the election

[s. 180]

Who can and cannot make a political contribution?

Political contributions can **only** be accepted from eligible individuals. An eligible individual is someone who is a resident of B.C. and either a Canadian citizen or permanent resident.

Political contributions **cannot** be accepted from:

- unincorporated organizations, corporations, or partnerships,
- trade unions,
- not for profit or charitable organizations, and
- federal political parties or electoral district associations.

Organizations are not permitted to purchase tickets to fundraising functions held on behalf of political parties, constituency associations, candidates or contestants. Organizations must not reimburse or refund any person for tickets purchased.

Permitted political contributions that were received prior to November 30, 2017, from a contributor that is not an eligible individual (e.g. a contribution from a business or union) cannot be used to incur an election expense for a future election or to sponsor a specified communication that promotes or opposes, directly or indirectly, a registered political party or the election of a candidate, including a communication message transmitted outside a campaign period.

Determining market value of contributed property and services

If property (goods) or services are donated at no cost, the value of the contribution is the market value of the goods or services. The market value is the lowest price charged for an equivalent amount of equivalent property or services in the market area at the time the property or services are provided, including all applicable taxes.

When capital assets are donated, the contribution is the market value of using the property.

In all instances, contributed property and services are political contributions, and therefore can only be provided by an eligible individual and are subject to the applicable contribution limits.

Examples:

1. If an individual provides campaign signs at no charge, the market value would be what a printer would normally charge, including taxes, for those signs.
2. If a landlord provides campaign office space at no charge, they are making a contribution equal to the market value of renting the office space.

Note: If free advertising space in a periodical publication (magazines, newspapers, etc.) or free broadcast time is provided equitably to all candidates in an election, the value of the advertising is considered nil.

[s. 185]

Rules for making and accepting contributions

There are several important rules which apply to making and accepting contributions.

All contributions must be made to the financial agent, deputy financial agent, or to someone authorized in writing by the financial agent. The financial agent must ensure that all money (regardless of the amount) is deposited in an account in a savings institution, and must not accept contributions that are in contravention of the *Election Act*.

Money that a candidate, including a potential candidate, nomination contestant or leadership contestant provides to their own campaign is treated like any other political contribution, and must be recorded and disclosed as such. These contributions are also subject to the applicable contribution limit.

This means that any money a candidate contributes to his or her own campaign must be given to the financial agent. The financial agent is required to ensure that the money is deposited in the campaign account in a savings institution. Funds may be withdrawn from that campaign account to pay any of the candidate's or contestant's campaign expenses.

Nomination contestants can receive contributions on their own behalf.

Cash contributions:

- must be \$100 or less

Contributions by cheque and money order:

- must be signed by the contributor
- must have the contributor's name legibly shown, and
- cheques must be from the contributor's bank account

Credit card contributions:

- must be made with a credit card in the name of the eligible individual making the contribution

Debit or other electronic transfer contributions:

- must be from the contributor's bank account

[s. 186, 187]

Indirect contributions

Indirect contributions are prohibited, as eligible individuals can only make political contributions with their own money, property and services. This means that an individual or organization must not give money, other property, or services to an eligible individual to make as a contribution, or provide "consideration" for making a contribution.

For example, it is prohibited for an eligible individual to purchase a ticket to a fundraising function, and later receive reimbursement for their political contribution. This is an indirect contribution, as the eligible individual is not using their own money for the political contribution.

However, there is an exception for individuals only. An eligible individual can make a political contribution with the money of another eligible individual, but the individual whose money is being used is the contributor and their name and address must be given to the financial agent, and, if applicable, disclosed by the financial agent.

[s. 186]

Contribution limits

The total value of political contributions made by an eligible individual must not exceed the limit, as applicable:

Total political contributions given to:	Registered political party	Registered constituency associations	Candidates or nomination contestants	Independent candidate	Leadership Contestant
Limit	The sum of all political contributions to these entities for each registered political party must not exceed \$1,200*. Fees up to \$350** to attend an annual convention or leadership convention of the party are exempted.			The sum of all political contributions to each independent candidate, (including a registered constituency association) must not exceed \$1,200*	The sum of all political contributions to each leadership contestant must not exceed \$1,200*
Period	Per calendar year			Per calendar year	In relation to a leadership contest

*The \$1,200 limit will be adjusted for changes to the consumer price index each year after 2018

**The \$350 exemption will increase by \$10 each year after 2018

The adjusted contribution limits and exemption amounts will be published on the Elections BC website (elections.bc.ca) at the start of each calendar year.

These limits apply to all political contributions, including contributions received at fundraising functions or donated goods and services.

Contributions made through wills or estates are also subject to the limit. An eligible individual may make a political contribution in a testamentary instrument providing the political contribution is made in one calendar year, and the contributor does not exceed the contribution limit for the year. If the amount of the contribution causes the contributor to exceed the limit (including contributions made prior to the individual's death), the testamentary instrument must be read as if the contribution is for the highest amount that would not cause the individual to exceed the limit for that calendar year.

There are significant monetary penalties for contributors who have exceeded a political contribution limit. Financial agents are encouraged to advise all contributors of the limits in the event that they have made multiple contributions within the same political party.

Examples:

1. Nick makes a \$700 political contribution to ABC Party, and then subsequently that year makes a separate \$500 political contribution to a candidate representing ABC Party.

Has Nick exceeded the political contribution limit?

$$\mathbf{\$500 + \$700 = \$1,200}$$

Answer: No, Nick has not exceeded the contribution limit, as the total amount of contributions is not more than \$1,200.

2. Later that same year, Nick pays \$300 to attend a fundraising function held by ABC Party.

Has Nick exceeded the political contribution limit?

$$\mathbf{\$500 + \$700 + \$300 = \$1,500}$$

Answer: Yes, Nick has exceeded the contribution limit, as total political contributions for the year are more than \$1,200.

3. Instead of a fundraising function in example 2, Nick pays \$300 to attend an annual convention held by ABC Party.

Has Nick exceeded the political contribution limit?

Answer: No, Nick has not exceeded the contribution limit. Although total political contributions for the year are more than \$1,200, the \$300 he paid to attend the annual convention for ABC Party is not subject to the contribution limit.

4. After attending the annual convention in the above example, Nick decides to make a \$600 political contribution to XYZ Party.

Has Nick exceeded the political contribution limit?

Political contributions to ABC Party subject to limit	\$500 + \$700 = \$1,200
Political contributions to XYZ Party subject to limit	\$600
Total for the year	\$2,100

Answer: No, Nick has not exceeded the contribution limit, as the \$1,200 limit is applied to the total amount of political contributions accepted within each political party affiliation. Nick is able to contribute up to \$1,200 to both ABC Party and XYZ Party.

[s. 186.01]

Prior political contributions

Where an eligible individual has made total political contributions of more than \$1,200 prior to January 1, 2018, only up to \$1,200 of that eligible individual contributions can be used to incur an election expense for a future election or to sponsor a specified communication that promotes or opposes, directly or indirectly, a registered political party or the election of a candidate, including communication messages transmitted outside a campaign period.

For example, if an individual contributed \$5,000 in 2016 and 2017, only \$1,200 may be used towards a specified use. The remaining \$3,800 (\$5,000 - \$1,200) cannot be used to pay for election expenses or specified communications.

Any political contributions received from an ineligible contributor (i.e. corporation, trade union or individual residing outside B.C.) before November 30, 2017 cannot be used to incur election expenses or specific communications.

[Bill 3, *Election Amendment Act, 2017*, s. 68]

Anonymous contributions

Anonymous contributions are not permitted unless the contribution is provided in response to a general solicitation for funds (e.g. passing the hat) at a function held by or on behalf of the organization or individual to whom the contribution is provided and the amount contributed has a value of less than \$50.

Anonymous contributions made by mail, dropped off at an office, or provided in any way other than at a function, are prohibited.

Individuals wishing to donate \$50 or more cannot do so anonymously, and should give the contribution directly to the financial agent, place a cheque in “the hat” rather than cash, or put the contribution in an envelope with the date, amount contributed, and the contributor’s name and address printed on the envelope.

An anonymous contribution means that the organization or individual receiving it does not know who made the contribution. An individual cannot request that a contribution be accepted and reported as an anonymous contribution.

The financial agent may want to consider having someone supervise the “passing of the hat” to ensure that no one places a \$50 bill or more in the hat. They should also make it known that if there is a total of \$50 or more contributed anonymously per individual in attendance, the total amount collected by passing the hat will be considered a prohibited contribution.

Prohibited contributions must be returned to the contributor or sent to Elections BC for remittance to the Consolidated Revenue Fund. There are also significant monetary penalties for accepting prohibited anonymous contributions.

Example:

If 30 people attended an event where anonymous contributions were accepted, and \$1,500 was received, the entire \$1,500 would be a prohibited contribution.

- $\$1,500 / 30 \text{ people} = \50 each. The value must be less than \$50 per person.

The total amount of anonymous contributions that a registered political party or registered constituency association can accept is \$10,000 in any calendar year.

The total amount of anonymous contributions that a candidate, leadership contestant or nomination contestant can accept is \$3,000 in any one election or contest.

An organization or individual must not accept an anonymous political contribution if this will exceed the limit. Any amount received in excess of the limit is prohibited and must be sent to Elections BC for payment to the Consolidated Revenue Fund. There are also significant monetary penalties for an organization or individual that accepts anonymous political contributions in excess of the limit.

[s. 186, 188]

Outstanding debts as political contributions

Any debt, other than a debt that arises from a permissible loan, that remains unpaid for six months after it becomes due becomes a political contribution if the creditor does not make commercially reasonable efforts to collect or recover the debt. This applies to debts owed by:

- a political party
- a constituency association
- a candidate, in relation to an election expense, or
- a nomination contestant or leadership contestant, in relation to a contestant expense

Political contributions can only be received from eligible individuals up to the applicable limit. Therefore, debts that are not repaid to organizations or that have an outstanding balance of more than the contribution limit are prohibited political contributions.

[s. 181.01]

Recording requirements for political contributions

The financial agent must record the following information for each political contribution, regardless of the value of the contribution:

- the value of the contribution
- the date the contribution was received
- the full name and residential address of the contributor
- the date of the fundraising function and the type of the contribution, if it is:
 - a ticket sold for more than \$250
 - property/services purchased for more than \$250 above market value
 - property/services with a value greater than \$250 donated for sale
- the date of the convention and the type of contribution, if it is:
 - fee to attend a convention of a political party
 - fee to attend a leadership convention

For all anonymous contributions received, the financial agent must record:

- a description of the function
- the date of the function
- the number of people in attendance, and
- the total amount of anonymous contributions accepted

[s. 190]

Reporting requirements for political contributions

Not all of the information that must be recorded about a political contribution needs to be reported in the financing report.

Where political contributions are required to be disclosed in a report, the report must include the following:

- for each contributor who, during the period covered by the report, made one or more political contributions that in total have a value of more than \$250:
 - the full name of the contributor
 - the residential address of the contributor – this information will not be published by Elections BC
 - the value of the contribution
 - the date the contribution was received
 - the type of contribution
 1. fundraising function ticket sold for more than \$250
 2. property/services purchased for more than \$250 above market value at a fundraising function
 3. property/services with a value greater than \$250 donated for sale at a fundraising function
 4. fees to attend a political party convention
 5. fees to attend a political party leadership convention, or
 6. other contribution received
 - if the type is I-5, the date of the event
- in the case of an indirect contribution provided by an eligible individual on behalf of another eligible individual:
 - the full name and residential address of the individual whose money was used to make the contribution
- for anonymous contributions:

- a description of the function at which the contributions were collected
- the date of the function
- the number of people in attendance at the function, and
- the total amount of anonymous contributions accepted
- for all other contributions:
 - the aggregate value of the political contributions received, and
 - the total number of eligible individuals from whom contributions of \$250 or under were received

On request of the Chief Electoral Officer, a contributor must file with Elections BC a solemn declaration that they have not contravened the requirements of the *Election Act*.

A nomination contestant who becomes a candidate must report all political contributions accepted as a nomination contestant. Nomination contestants should record all of the information required for contributions, as outlined above.

[s. 206]

Political contribution information must be sent to the political party

The financial agent of a candidate endorsed by a registered political party must send a copy of their political contribution records to the party's financial agent within 60 days after General Voting Day for an election.

The financial agent of a registered constituency association of a registered political party must provide their records to the political party by February 15 of the following year.

The party needs the political contributions records from its candidates and registered constituency associations in order to complete the party's disclosure requirements.

[s. 191]

Prohibited contributions

If the financial agent becomes aware that a political contribution was prohibited (e.g. from an organization, individual who resides outside of B.C., or received anonymously by mail), the financial agent must within 30 days:

- return the contribution or its equivalent value, or
- if it is not possible to return the contribution, send it to Elections BC for payment to the Consolidated Revenue Fund

If an income tax receipt was incorrectly issued for a prohibited contribution, the financial agent must:

- make every effort to recover the contributor's copy of any tax receipt issued for a prohibited contribution, mark the receipt void and retain the tax receipt for at least five years, or
- if the tax receipt cannot be recovered, advise the Commissioner of Income Tax

The financial agent is responsible to keep a record of each prohibited contribution, including how it was resolved, and must report the details for each prohibited contribution in the applicable financing report(s).

There are significant monetary penalties for failing to return or remit a political contribution that is made in contravention of the *Election Act*.

[s. 189, 220.08]

Fundraising functions

A fundraising function is an event held for the purpose of raising funds for the organization or individual by whom or on whose behalf the function is held. Not all events where funds can potentially be raised by an organization or individual are fundraising functions. For example, an annual general meeting or social event may not be a fundraising function if raising funds is not the purpose of the event. The financial agent is responsible for determining the purpose of each event and if it is a fundraising function.

[s. 1]

Reporting requirements for fundraising functions

For each fundraising function, the financial agent is required to report:

- a description of the function
- the date of the function, and
- the cost, gross income and the net income or loss arising from the function

Expenses incurred in holding a fundraising function are not subject to election expenses limits unless the function is held during the campaign period and incurs a loss (deficit). If a deficit is incurred, the value of the deficit is an election expense.

If a joint fundraising function is held, only the entities to whom the payments were made, or that incurred the expenses, should report the function.

There are special rules for fundraising functions that define what is and what is not a political contribution. Depending on these rules, a donation at a fundraiser may or may not be considered a political contribution. These rules are explained in this section.

[s. 182]

Specified fundraising function

A specified fundraising function is a fundraising function held for the purpose of raising funds for a major political party (including its constituency associations, candidates and leadership contestants) and is attended by a leader of a major political party, a parliamentary secretary, or a member of the Executive Council.

The details for every specified fundraising function must be disclosed to Elections BC **before** and **after** the event.

At least seven days before a specified fundraising function, the organization or individual who plans to hold the specified fundraising function must file with Elections BC the following information:

- the date and time of the function
- the location name, or if the function is held at a private residence, the address and name of the resident
- the names of the political party leader, parliamentary secretaries and members of the Executive Council that are scheduled to attend the function
- the individual ticket price to attend the function

If the function is being held at a private residence, the individual ticket price must be \$100 or less. If the ticket price is greater than \$100, then the major political party is prohibited from accepting political contributions raised at that function.

Within 60 days after the specified fundraising function, the organization or individual who held the function must file with Elections BC the following information:

- the names of the political party leader, parliamentary secretaries and members of the Executive Council that attended the function
- the number of individual tickets sold for the function
- the total amount of political contributions raised at the function

If the individual or organization that provided the information to Elections BC becomes aware that the information has changed or was not accurately reported, an amendment must be filed as soon as possible.

The information about all specified fundraising functions must be published on the Elections BC website until at least one year after the next general election.

In addition, the information previously filed with Elections BC for a specified fundraising function must also be included in a financial report that requires the details of the fundraising function to be disclosed.

[s. 185.01-185.02]

Ticket sales

Only eligible individuals are permitted to purchase tickets to attend a fundraising function. All organizations are prohibited from purchasing tickets to attend a fundraising function (regardless of the ticket price) and cannot reimburse individuals for tickets that they may have purchased.

A ticket sale is a political contribution if:

- an eligible individual buys a ticket to a fundraising function and the ticket price is more than \$50, or
- an eligible individual buys more than one ticket to attend a fundraising function (regardless of the individual ticket price)

A ticket sale is not a political contribution if:

- an eligible individual buys a single ticket to a fundraising function and the ticket price is \$50 or less.

Note: The rules under the *Election Act* and the *Income Tax Act* differ. Only the portion of the ticket price that exceeds the reasonably estimated cost of the event, on a per person basis, is the eligible political contribution for income tax receipting purposes.

[s. 182]

Examples:

1. Al buys two tickets to a \$45 fundraising dinner held by a registered political party.

Has Al made a political contribution?

Answer: Al has made a political contribution for purposes of the *Election Act* because he purchased more than one ticket for the fundraising function. This means that the money Al paid is recorded and disclosed as a political contribution.

2. Sally buys a single ticket to the same \$45 fundraising dinner.

Has Sally made a political contribution?

Answer: Sally has not made a political contribution for purposes of the *Election Act* because the ticket price is not more than \$50. This means that the money Sally paid is not recorded and disclosed as a political contribution, but it still must be recorded and reported as fundraising income.

3. Assume that the estimated cost of the fundraising dinner that Al and Sally purchased tickets for was \$30 per person.

What is the value of Al and Sally's income tax receipts for this fundraising function?

Answer: Although not all ticket sales are political contributions under the *Election Act*, both Al and Sally can be issued income tax receipts for eligible political contributions under the *Income Tax Act*. The eligible political contribution is equal to the ticket price paid less the reasonable estimated cost per person of the event.

- **Al:** 2 tickets x (\$45-\$30) per ticket = \$30 eligible for income tax receipt
- **Sally:** 1 ticket x (\$45-\$30) per ticket = \$15 eligible for income tax receipt

4. Now assume that the estimated cost of the fundraising dinner that Al and Sally purchased tickets for was \$45 per person.

What is the value of Al and Sally's income tax receipts for this fundraising function?

Answer: Neither Al nor Sally are able to receive an income tax receipt, as the ticket price paid does not exceed the per person cost of the fundraising function.

Auction items and other sales

Some income from goods and services sold at auctions and other sales is a political contribution and some is not. The rules for determining which income is a political contribution are as follows:

- if property or services are donated for sale at a fundraising function and have a total market value of \$250 or less, the property or services are not political contributions if the items are sold at the fundraising function
- if property or services are purchased at a fundraising function at greater than market value, the difference between the price paid and the market value is a political contribution

Note: Income tax receipts are only issued for eligible monetary contributions and cannot be issued for contributions of goods or services.

[s. 182]

Examples:

1. Jerry donates an espresso machine with a fair market value of \$175 for sale at a fundraising function.

Has Jerry made a political contribution? What value?

Answer: No, Jerry has not made a political contribution because the espresso machine was donated for resale and is not worth more than \$250.

2. Assume the espresso machine that Jerry donated is purchased by Jennifer for \$70.

Has Jennifer made a political contribution? What value?

Answer: No, Jennifer has not made a political contribution because the fair market value of the espresso machine is \$175 and any amount paid up to and including market value is not a political contribution.

3. Assume the espresso machine that Jerry donated is purchased by Nancy for \$275.

Has Nancy made a political contribution? What value?

Answer: Yes, Nancy has made a political contribution of \$100. Nancy is also eligible to receive an income tax receipt for her \$100 political contribution.

- \$275 price paid - \$175 fair market value of espresso machine = \$100 contribution

Lotteries and raffles

Individuals and organizations are not permitted to use lotteries, raffles or any other gambling-type activity for political fundraising. It is illegal to conduct these activities without a provincial license, and the Province of British Columbia will not issue such a license for the purpose of political fundraising.

To obtain more information surrounding the requirements for gambling licenses, contact the Gaming Policy and Enforcement Branch.

Income tax receipts

The British Columbia *Income Tax Act* and the *Election Act* both govern income tax receipts and both Acts must be followed.

Income tax receipts can **only** be issued for contributions of money and cannot be given for political contributions of property or services.

Financial agents are not required by the legislation to issue income tax receipts for all eligible political contributions, and can establish a minimum dollar amount for issuing income tax receipts.

Elections BC does not provide income tax receipts. Candidates, registered political parties and registered constituency associations must have their own tax receipts printed. Examples are provided on pages 33 and 34.

If an income tax receipt was inadvertently issued for a prohibited political contribution or a political contribution of property or services, the financial agent must:

- use their best efforts to recover the contributor's copy of the tax receipt
- mark the receipt void
- retain the tax receipt for at least five years
- advise the Commissioner of Income Tax if they are unable to recover the tax receipt, and
- keep a record of any prohibited contributions and how each instance was resolved

[s. 192]

Calculation of income tax credits

The amount of the political contribution personal income tax credit is established by the *Income Tax Act*.

Currently, the maximum annual tax credit is \$500 and a taxpayer must contribute at least \$1,150 to receive the maximum tax credit.

Income tax receipts for contributions to candidates

For candidates, income tax receipts may only be issued for contributions of money received after the candidate has been issued a certificate of candidacy by Elections BC. Contributions received before that date, or after the date of the return of the writ of election are not tax receiptable.

Candidates are entitled to receive income tax receipts for political contributions of money to their own campaign if:

- they contributed money during the eligible period
- the money must be given to the financial agent and deposited into the campaign account

Note: Income tax receipts cannot be issued for expenses paid directly by the candidate out of their own pocket.

Income tax receipts for contributions to registered political parties and registered constituency associations

Registered political parties and registered constituency associations can issue income tax receipts for contributions of money received by the organization at any time. However, a political party or constituency association that was or is suspended, cannot issue income tax receipts for political contributions received while suspended.

Registered political parties and registered constituency associations must not issue income tax receipts on behalf of potential candidates, nomination contestants or leadership contestants.

Income tax receipts for contributions to potential candidates, nomination contestants or leadership contestants

Income tax receipts **cannot** be issued for contributions to potential candidates, nomination contestants or leadership contestants. British Columbia's *Income Tax Act* only permits candidates who have been issued a certificate of candidacy, registered political parties and registered constituency associations to issue income tax receipts.

Registered political parties and registered constituency associations must not issue income tax receipts on behalf of potential candidates, nomination contestants or leadership contestants.

Content requirements for income tax receipts

Income tax receipts must meet the requirements of the *Income Tax Act* and Regulations. If any of the content requirements are missing from an income tax receipt, it will be invalid for tax credit purposes.

All income tax receipts **must** indicate:

- that it is a receipt for British Columbia income tax purposes
- the serial number of the receipt (receipts must be preprinted with sequential serial numbers)
- the amount of the eligible political contribution
- the date on which the political contribution was received
- the name and address of the person making the contribution including, in the case of an individual, the full name of the individual, and
- the signature of the financial agent

Receipts for contributions to **candidates must also** indicate:

- the name of the candidate, and
- the electoral district in which the candidate is seeking election and the date of General Voting Day

Receipts from **registered political parties or registered constituency associations must also** indicate:

- the name of the organization as registered with Elections BC, and
- the identity number assigned to the organization by Elections BC (i.e. the registration number of the organization)

Rules regarding preprinted receipts:

The Commissioner of Income Tax will accept receipts with the signature of the financial agent printed on the receipt. If preprinted signatures are used, financial agents are strongly encouraged to take extra security measures with such receipts.

Using a single receipt for multiple contributions:

The Commissioner of Income Tax will accept a single date as the date received for multiple contributions as long as the receipt clearly indicates the taxation year in which the contributions were received.

Income tax receipts must have at least two parts:

- the original must be given to the taxpayer for attachment to the taxpayer's tax return
- one copy must be kept by the financial agent as part of the financial records, and
- if the receipt is for a contribution to a candidate endorsed by a registered political party, a copy of the receipt must be sent to the party's financial agent with the recorded political contribution details

Replacement receipts:

If a replacement receipt is issued for a previously issued receipt, the replacement must:

- clearly indicate that it is a replacement, and
- indicate the serial number of the original receipt

Sample receipt for candidates

Official Receipt for British Columbia Income Tax Purposes (serial number)

Receipt for a contribution to the campaign to elect _____ (*name of candidate*)

Identity number: _____ (*registration number for candidate*) Issued at: _____

Date received: _____ Date issued: _____

We acknowledge, with thanks, your contribution of: \$ _____

Contributed by (please print):

Name: _____

Street: _____

City: _____

Postal Code: _____

Signature of Financial Agent

Electoral District: _____ Date of General Voting Day: _____

Sample receipt for registered political parties or registered constituency associations

Official Receipt for British Columbia Income Tax Purposes		(serial number)
Receipt for a contribution to _____ <i>(name of registered constituency association or registered political party)</i>		
Identity number: _____ <i>(registration number for constituency association or political party)</i>	Issued at: _____	
Date received: _____	Date issued: _____	
We acknowledge, with thanks, your contribution of: \$ _____		
Contributed by (please print):		
Name: _____		
Street: _____		
City: _____		
Postal Code: _____		
_____ <i>Signature of Financial Agent</i>		

Transfers

Non-reciprocal movements of money, goods or services within a party organization are recorded and disclosed as transfers, rather than as political contributions.

This applies to money, goods or services given or received by a:

- **candidate's** election campaign to or from
 - the registered political party
 - a registered constituency association, or
 - another candidate of the same registered political party
- **registered constituency association** to or from
 - its registered political party
 - any candidate who represents its political party
 - another registered constituency association of the same party, or
 - the independent MLA supported by the constituency association
- **registered political party** to or from
 - its registered constituency associations
 - any candidate who represents the party, or
 - its leadership contestants
- **leadership contestant** to or from
 - their registered political party

Who cannot make or receive transfers?

- **nomination contestants** cannot make or receive transfers in relation to their contest
- **unregistered political parties**, or
- **unregistered constituency associations**

[s. 180]

Recording and reporting transfers

At the time a transfer is received or given, the financial agent must record:

- the date of the transfer
- the entity the transfers was received from or given to
- the value of the transfer

Goods or services that are transferred from one entity to another should be recorded at market value.

All of the above information must be included in the financial report(s) filed with Elections BC.

Expenses

What is an election expense?

An election expense is the value of property or services used during the campaign period by or on behalf of:

- a candidate
- a registered constituency association, or
- a registered political party

to promote or oppose, directly or indirectly, a registered political party, or the election of a candidate.

This definition means that most things used in an election are election expenses, even if the items were purchased before the election was called.

[s. 183]

What is not an election expense?

- services provided by a volunteer
- property of a volunteer if it is provided or used in relation to the services of the individual as a volunteer
- goods produced by an individual as a volunteer from the property of the individual
- services provided by a candidate in relation to that individual's candidacy
- goods produced by a candidate in relation to that individual's candidacy from the property of the candidate
- property or services provided by an election official, a voter registration official or other member of Elections BC's staff in relation to their official duties
- publishing without charge news, an editorial, an interview, a column, a letter or a commentary in a bona fide periodical publication or a radio or television program
- broadcasting time provided, without charge, as part of a bona fide public affairs program, or
- producing, promoting or distributing a publication for no less than its market value, if the publication was planned to be sold regardless of the election

Note: Remember that volunteers are individuals who voluntarily perform the services and who receive no compensation, directly or indirectly, in relation to the services or time spent providing the services. This means that employers cannot continue to pay people while they are working as volunteers.

If an individual uses paid vacation time to work on a campaign, they are a volunteer as long as they have not been directed by their employer to provide the services and the employer does not provide any extra vacation or leave.

Expenses at fundraising functions:

Costs incurred to hold fundraising functions are election expenses not subject to the expenses limits. However, a deficit incurred in holding a fundraising function during a campaign period is an election expense subject to the election expenses limit.

Personal election expenses of a candidate

The following are personal election expenses of a candidate, if they are reasonable:

- payment for care of a child or other family member for whom the candidate is normally directly responsible
- the cost of travelling to, within or from the electoral district

- the cost of lodging, meals and incidental charges while travelling to, within or from the electoral district
- the cost of renting a temporary residence if it is necessary for the election
- election expenses incurred as a result of any disability of the candidate, including the cost of any individual required to assist the candidate in performing the functions necessary for seeking election, or
- any other election expenses specified by Regulation

[s. 183]

Reimbursement of election expenses

Candidates and political parties that receive a specified percentage of votes in an election are eligible to submit a claim to be reimbursed for 50% of incurred election expenses, up to a maximum of 50% of the election expenses limit.

To be eligible for the election expense reimbursement, a candidate or political party must receive:

	In relation to a by-election	In relation to a general election
Candidate	At least 10% of valid votes cast in the electoral district	At least 10% of valid votes cast in the electoral district
Political party	At least 10% of valid votes cast in the electoral district	At least 5% of valid votes cast in the most recent general election

An eligible candidate or political party must submit with the election financing report a claim for reimbursement, including all financial records and receipts supporting the claim. The claim and supporting documentation must clearly identify all reimbursable election expenses.

The value of a reimbursable election expense is the **lower of**:

- the price paid for the property or services, or
- the market value of the property or services, or if the property is a capital asset, the value of using the property

A reimbursement **cannot** be paid for:

- property or services that are provided to a candidate or political party as a political contribution
- property or services that are not used during the campaign period
- a nomination deposit – 100% of the full nomination deposit will be refunded by Elections BC to candidates that receive at least 15% of the vote
- a deficit incurred in holding a fundraising function during the campaign period
- an election expense for property that was reused, and reimbursed in a previous election
- any other election expenses specified by Regulation

Once Elections BC has received the election financing report, including the reimbursement claim and supporting records/receipts, Elections BC will pay to the financial agent an advance of half of the reimbursement claim. The remainder of the reimbursement will be paid as soon as Elections BC has completed a review of the election financing report and supporting records.

The amount of the second reimbursement payment may be adjusted if the financial agent has claimed election expenses that do not qualify for reimbursement. In the event that the initial advance of the reimbursement exceeds the amount the candidate or political party is entitled to, the overpayment must be repaid to Elections BC.

[s. 215.04]

Example:

1. John received sufficient votes in an election to be eligible to submit a claim to be reimbursed for election expenses he incurred. John submitted a claim of \$30,000 in reimbursable election expenses with his election financing report, including all supplementary records and receipts.

When will John receive his reimbursement, and for how much?

Answer:

Upon being satisfied that sufficient information has been provided, Elections BC will pay to the appointed financial agent a reimbursement advance of 50% of the claim.

Total reimbursable election expenses	\$30,000
Maximum reimbursement claim (50% of reimbursable election expenses)	\$15,000
Reimbursement advance payment (50% of claim)	\$ 7,500

The remainder of the reimbursement claim ($\$15,000 - \$7,500 = \$7,500$) will be issued after Elections BC has completed a review of the election financing report and all supporting documentation, and is satisfied that all requirements under the *Election Act* have been met.

The amount of the final reimbursement payment will be adjusted if during the review, Elections BC determines that election expenses that are not eligible for reimbursement have been included as part of the claim.

2. During the review Elections BC determines that John's claim for reimbursement incorrectly includes \$5,000 for goods and services that were donated to his election campaign.

How much will be John's final reimbursement payment?

Answer:

Actual reimbursable election expenses	\$25,000
Maximum reimbursement claim (50% of reimbursable election expenses)	\$12,500
Less: Reimbursement advance payment	\$ 7,500
Final reimbursement payment with adjustment	\$ 5,000

Contestant expenses

A contestant expense is the value of property or services used by, or on behalf of a nomination contestant or a leadership contestant to promote or oppose, directly or indirectly, the selection of the contestant.

A deficit incurred in holding a fundraising function for or on behalf of a contestant is a contestant expense.

Personal expenses of a contestant

The following are personal contestant expenses of a nomination or leadership contestant, if they are reasonable:

- payment for care of a child or other family member for whom the contestant is normally directly responsible
- the cost of travelling to, within or from the electoral district in the case of a nomination contestant, and within B.C. in the case of leadership contestant
- the cost of lodging, meals and incidental charges while travelling

- the cost of renting a temporary residence if it is necessary for the contest
- contestant expenses incurred as a result of any disability of the contestant, including the cost of any individual required to assist the contestant in performing the functions necessary for seeking the nomination or leadership, or
- any other contestant expenses specified by Regulation

What is not a contestant expense?

- services provided by a volunteer
- property of a volunteer if it is provided or used in relation to the services of the individual as a volunteer
- goods produced by an individual as a volunteer from the property of the individual
- services provided by the contestant
- goods produced by the contestant from the property of the contestant
- property or services provided by an election official, a voter registration official or other member of Elections BC's staff in relation to their official duties
- publishing without charge news, an editorial, an interview, a column, a letter or a commentary in a bona fide periodical publication or a radio or television program
- broadcasting time provided, without charge, as part of a bona fide public affairs program, or
- producing, promoting or distributing a publication for no less than its market value, if the publication was planned to be sold regardless of the contest

There are no spending limits for nomination or leadership contestants but if during a campaign period, a candidate for a registered political party incurs nomination contestant expenses that in total exceed 10% of the candidate's election expenses limit, the excess is deemed to be an election expense of the candidate. For this purpose, the personal contestant expenses of the candidate are not to be included as contestant expenses.

[s. 184]

Incurring and paying election and contestant expenses

Election and leadership contestant expenses must only be incurred through the financial agent or an individual authorized in writing by the financial agent.

As a reminder, political contributions received from contributors prior to November 30, 2017, who are not from eligible individuals or in excess of \$1,200 cannot be used for specified uses, including incurring future election expenses or transmitting specified communications to the public.

Note: The financial agent of a political party may incur a leadership contestant expense on behalf of a contestant, but must notify the leadership contestant's financial agent within 60 days after a leader is selected, and the expense must be reported in the leadership contestant financing report.

[s. 193]

Election and leadership contestant expenses cannot be paid unless:

- the individual paying the expense is the financial agent or an individual authorized in writing by the financial agent, and
- they are paid out of the property of the organization or individual for whom it is incurred (i.e. from the applicable bank account or reimbursed from the bank account if someone paid the expense and produces the receipt)

Note: The above requirement for the financial agent or authorized individual to pay the expense does not apply to a candidate's personal election expenses or a leadership contestant's personal contestant expenses. These may be paid directly by the candidate or contestant.

Constituency associations incurring expenses on behalf of candidates

A registered constituency association can only incur election expenses if:

- the expenses are made on its candidate's behalf, and
- the expenses are incurred during the campaign period

Any such expenses incurred by a registered constituency association are attributed to the candidate's expenses limit and must be disclosed as an expense in the candidate's election financing report and as a transfer received from the registered constituency association.

Note: Instead of the registered constituency association incurring expenses on behalf of a candidate, Elections BC encourages the constituency association's financial agent to transfer funds to the candidate's campaign account so the financial agent for the candidate can incur and pay the expense.

[s. 200]

Political parties incurring expenses on behalf of candidates

If a registered political party incurs an election expense for the primary purpose of promoting a particular candidate, the election expense is deemed to be the candidate's expense and must be recorded and disclosed as such, unless the candidate is the party's leader.

Likewise, if the registered political party incurs an election expense for promoting several candidates, the election expense must be divided appropriately and attributed to the applicable candidates.

However, if the election expense is incurred by the registered political party for the primary purpose of promoting the leader of the party, it is a party election expense and not a candidate expense.

[s. 201]

Recording expenses

The financial agent must:

- ensure that all election expenses, contestant expenses and other expenditures are properly recorded to allow compliance with the reporting requirements of the *Election Act*
- ensure that all expenditures are paid from the account in a savings institution (i.e. the bank account)
- make every reasonable effort to ensure that all expenditures greater than \$25 are documented by a statement setting out the particulars of the expenditure (i.e. an invoice, receipt or bill), and
- keep track of political contributions of goods and services that are used by the campaign so that the election expense is properly recorded and reported

Examples:

1. An individual donates printer paper worth \$1,000 to a candidate's election campaign and the campaign uses that paper to create leaflets which are distributed during the campaign period. What must the financial agent record?

Answer: An election expense of \$1,000 for the leaflets and a political contribution of \$1,000 for the paper donated by the individual.

2. Assume that the campaign in Example #1 only used half of the paper to create leaflets. What must the financial agent record?

Answer: The election expense would be recorded as \$500, other expenses would be \$500 and the political contribution from the individual would still be \$1,000.

Recording expenses for nomination contestants

In addition to the above requirements, nomination contestants must keep track of nomination contestant expenses and political contributions of property (goods) and services that are used by the nomination campaign. If a writ of election is issued, during a nomination contest, it may be necessary to report those expenses in the candidates election financing report.

[s. 177]

Expenses limits

There are spending limits for political parties and candidates in an election. Since any election expenses incurred by a constituency association must be on behalf of their candidate and be reported by the candidate, constituency associations do not have a separate election expenses limit.

Election expenses limits are adjusted for changes to the consumer price index (CPI). Adjusted amounts will be published on the Elections BC website and in the *B.C. Gazette* and communicated to registered political parties, registered constituency associations and candidates in an election.

There are no limits to how much leadership contestants can spend, but a political party may impose rules on its leadership contestants.

Nomination contestants do not have spending limits, but if during a campaign period, a candidate for a registered political party incurs nomination contestant expenses that in total exceed 10% of the candidate's election expenses limit, the excess is deemed to be an election expense of the candidate.

[s. 196-200, 204]

Political party election expenses limit

For a general election, the election expenses limit for a registered political party is calculated as \$1.16 per registered voter during the campaign period (the period from when the writ is issued up to the close of voting on General Voting Day).

For a by-election, the total value of election expenses incurred by a registered political party during the campaign period must not exceed \$58,000.

If a campaign period in an electoral district is extended due to the death of a candidate, the expenses limit with respect to the electoral district in question is increased by \$58,000.

There are serious consequences for exceeding these limits.

[s. 198]

Candidate election expenses limit

For a general election or a by-election the election expenses limits for a candidate is \$58,000 for the campaign period.

If a campaign period in an electoral district is extended due to the death of a candidate, the expenses limit is:

- \$58,000 for a candidate who is nominated after the date new election proceedings are started, and
- \$116,000 for a candidate who was nominated before the new election proceedings were started

There are serious consequences for exceeding these limits.

[s. 199]

Constituency association election expenses limit

A registered constituency association cannot incur election expenses on its own behalf. Rather, it may only incur election expenses on behalf of a candidate, and only during the campaign period. If this occurs:

- the constituency association reports the value of the expense as a transfer given to the candidate
- the candidate reports a transfer received and the applicable election expense, and the expense is counted against the candidate's election expenses limit

[s. 200]

Expenses not to be included in expenses limits

The following expenses are not subject to the election expenses limit:

- the nomination deposit of a candidate
- personal election expenses of a candidate
- legal or accounting services provided to comply with the *Election Act*
- services provided by a financial agent or auditor in that capacity
- the cost of any communication that a registered political party or a registered constituency association sends exclusively to its members
- the cost of any communications a candidate sends exclusively to members of their registered political party or registered constituency association
- expenses incurred in holding a fundraising function (unless the fundraising function is held during the campaign period and incurs a net loss, in which case the amount of the loss is an election expense subject to the expenses limit)
- expenses incurred exclusively for the day-to-day administration of a registered political party or a registered constituency association
- interest on a loan for election expenses to a candidate, registered constituency association or registered political party
- the cost of any communications, other than a communication in relation to a fundraising function, transmitted to the public by any means for the primary purpose of raising funds for the organization or individual by whom or on whose behalf the communication was transmitted

- the portion of transportation costs and costs for food, refreshments and communications equipment for which a political party or candidate is reimbursed by media representatives accompanying election tours, or
- the cost of security services, if the individuals engaged in providing the services do not, while providing those services,
 - carry or wear flags, badges or any other thing indicating that the individual promotes or opposes a particular candidate or registered political party, or
 - engage in any campaigning
 - to promote or oppose, directly or indirectly, the election of a candidate, or
 - to promote or oppose, directly or indirectly, a registered political party, including engaging in discussions of a partisan nature

An election expense that is not subject to the expenses limit is still subject to all other provisions of the *Election Act*, and may also be claimed as a reimbursable election expense if it was paid for and used during the campaign period.

[s. 203]

Candidate who incurs election expenses over limit

A candidate whose election expenses exceed the applicable election expenses limit is subject to penalties. However, a candidate may apply to the Supreme Court for relief from these penalties.

Unless relief is granted by a court:

- the candidate must pay to the Chief Electoral Officer a penalty of double the amount by which the election expenses exceed the limit, and
- if the candidate is declared elected as a Member of the Legislative Assembly, the Member ceases to hold office and the seat becomes vacant

Furthermore, financial agents or candidates who incur election expenses in excess of the election expenses limit commit an offence and are liable to a fine of not more than \$10,000 or imprisonment for a term not longer than one year, or both.

[s. 217]

Political party that incurs election expenses over limit

A registered political party whose election expenses exceed the applicable election expenses limit is subject to penalties. A registered political party may apply to the Supreme Court for relief from these penalties.

Unless relief is granted by a court, a registered political party:

- must pay to the Chief Electoral Officer a penalty of double the amount by which the election expenses exceed the limit, and
- must have their registration suspended by the Chief Electoral Officer for a period of six months

Furthermore, financial agents or political parties that incur election expenses in excess of the election expenses limit commit an offence and are liable to a fine of not more than \$10,000 or imprisonment for a term not longer than one year, or both.

[s. 218]

Candidate surplus election funds

If a candidate is eligible to receive a reimbursement for election expenses incurred, the financial agent must use those funds to fully satisfy any loan, debt or financial obligation in relation to the candidate's campaign.

If, after all campaign-related expenditures are paid, there is money left in a candidate's campaign bank account, it must be transferred as follows:

- to the candidate's registered constituency association if there is one
- to the registered political party if there is no registered constituency association and the candidate represented the party, or
- to Elections BC if there is no registered political party or registered constituency association

Funds transferred to Elections BC will be held in trust and paid to the candidate's financial agent if the candidate runs in the next general election or a by-election called before then.

[s. 205, 215.05]

Election advertising

What is election advertising?

For registered political parties and candidates, election advertising is:

The transmission to the public by any means during the campaign period of an advertising message that promotes or opposes, directly or indirectly, a registered political party or the election of a candidate, including an advertising message that takes a position on an issue with which a registered political party or candidate is associated, or canvassing voters on a commercial basis to attempt to influence how they vote.

[s. 1]

Activities that can be election advertising

The definition of election advertising is broad, and in some cases it can be difficult to determine if an item or activity is election advertising. Examples of election advertising activities include:

- television, radio, newspaper or magazine advertisements
- signs, billboards, posters, mailing inserts, bumper stickers, branded clothing, branded objects, displays, exhibitions and public address announcements
- telephone calls, text messages and voicemail messages sent using an automated system (e.g. robocalls)
- newsletters, brochures, or other advertising media that are sent to the public
- Internet pay-per-click ads, banner ads, display ads, pop-up or pop-under ads, pre-roll video ads, promoted search results, etc.
- canvassing voters, in person or by telephone

Activities that are not election advertising

- messages on the Internet that do not and would not normally have a placement cost (examples include: Facebook, Instagram, Snapchat posts, tweets, YouTube videos, and websites)
- the publication without charge of news, an editorial, an interview, a column, a letter, a debate, a speech or a commentary in a bona fide periodical publication or a radio or television program
- the distribution of a book, or the promotion of the sale of a book, for no less than its commercial value, if the book was planned to be made available to the public regardless of whether there was to be an election
- the transmission of a document directly by a person or a group to their members, employees or shareholders
- the transmission by an individual, on a non-commercial basis on the Internet, or by telephone or text messaging, of his or her personal political views

[s. 1]

Election advertising by third party sponsors

A third party sponsor is an individual or organization, other than a candidate, registered political party or registered constituency association that sponsors election advertising during a campaign period, or a pre-campaign period for a fixed-date general election.

Note: the pre-campaign period does not apply for by-elections or general elections not conducted in accordance with section 23(2) of the *Constitution Act*.

Pre-campaign period election advertising is the transmission to the public by any means during the 60 day pre-campaign period by a third party sponsor of an advertising message that directly promotes or opposes a registered political party or the election of a candidate. Pre-campaign period election advertising does not include indirect or issue based advertising messages.

[s. 1, 239]

No election advertising with third party sponsors

Candidates, political parties, constituency associations and their agents must be independent of third party advertising sponsors and must not sponsor election advertising together with any third party advertising sponsor. This means that campaigns and third party sponsors cannot:

- coordinate or cooperate on election advertising
- share strategies or plans
- share campaign material
- distribute each other's materials
- provide or receive direction or suggestions

[s. 239]

No indirect election advertising

An individual or organization must not sponsor election advertising with the property of any other individual or organization, or indirectly through any other individual or organization.

[s. 230]

Requirement for authorization statement on election advertising

Most election advertising must contain an authorization statement which identifies the sponsor's financial agent and provides a B.C. telephone number or mailing address where the financial agent can be contacted about the advertising. For messages sponsored by a registered political party, the name of the party can be used. Candidates may list the name and phone number of their own financial agent, or of the financial agent for the registered political party which they represent. For messages that are sponsored by more than one candidate, each candidate's authorization is required. For example:

Registered political parties

- Authorized by John Smith, financial agent, 604-123-4567
- Authorized by ABC Political Party, 250-987-6543

Candidates

- Authorized by Ray Lee, financial agent, 604-123-4567

Two or more candidates

- Authorized by Anita Singh, financial agent, 604-123-4567; Li Wong, financial agent, 604-987-6543

Note: Certain types of advertising do not need to include the authorization statement. Other types of advertising may fulfill the identification requirement in a modified way. For more information, refer to the next two sections.

[s. 231]

Advertising exempt from authorization statement requirement

The authorization statement is not required for election advertising on the following items:

- clothing (e.g. shirts, sweaters, vests, jackets, hats, etc.)
- novelty items, including wearable novelty items (e.g. buttons, badges, pins, brooches, stickers, wristbands, necklaces, etc.)
- small items of nominal value that are intended for personal use (e.g. pens, mugs, magnets, key-chains, notepads, etc.)

[s. 231]

Authorization policy for advertising on the Internet

Elections BC recognizes that it is not practical for registered political parties and candidates to include the authorization statement within certain election advertising on the Internet due to the space and character limitations imposed by some message formats (e.g. pay-per-click ads).

For Internet election advertising, the authorization statement is not required to be contained within the advertising message if selecting (i.e. clicking, finger-tapping) the advertising message sends the viewer to a website, landing page or profile page which contains the sponsor's required authorization statement.

Authority to remove unauthorized and restricted advertising

If an election advertising message does not have the required authorization statement, Elections BC may require the advertising to be discontinued, or removed and destroyed. Elections BC can remove and destroy unauthorized election advertising without notice.

Similarly, if election advertising or any material that identifies a candidate, registered political party or registered constituency association is located within 100 metres of a building that contains a District Electoral Office or a voting place where advance or general voting is taking place, a District Electoral Officer (DEO), or someone authorized by a DEO, may enter the property and remove or cover/obscure the election advertising or material.

[s. 231, 234]

Where and when election signs may be placed

Important safety note: Placing or erecting election signs by digging or driving stakes into the ground can pose a safety hazard to sign installers and to underground infrastructure (e.g. gas lines and other utilities). Before placing election signs, you may wish to contact BC One Call (1-800-474-6886 or bconecall.bc.ca) to determine if there are risks in your area. This service is free of charge and is not associated with Elections BC.

The timing and placement of election signs are regulated by the *Election Act*, by local municipalities, and for signs on provincial highways, by the *Transportation Act*.

Election signs may not be placed in or within 100 metres of the building where a District Electoral Office is located, or in or within 100 metres of a building where a voting place is located while advance or general voting is being conducted.

Election signs may be placed as follows:

- Public property: contact your municipality to determine if there are by-laws on where and when election signs can be placed on municipal public property.
- Private property: election signs may be placed or removed at the discretion of the property owner, subject to municipal or other by-laws.
- Rental or strata property: election signs must be allowed to be placed on the premises to which a renter's tenancy agreement relates, and must be allowed on the premises of an owner or tenant's strata unit. However, landlords, strata corporations and their agents may set reasonable limits on the sizes and types of election signs which are permitted, and may restrict placement in common areas.

- Provincial highways: the Ministry of Transportation and Infrastructure's election sign policy provides that election signs:
 - must only be installed after the election is called, and must be removed the next working day after General Voting Day
 - Signs not removed by the owners on the next working day following the election will be removed by maintenance contractors. Maintenance contractors will invoice the owner of the signs for the cost of removal.
 - must be farther from the road than standard traffic signs, and must not obstruct, simulate or be attached to any traffic control device (e.g. signs, posts, polls)
 - must not be placed on bridges, overpasses, tunnels or other highway structures
 - must not be placed on the following provincial highways:
 - Highways within Provincial Parks
 - Highway 1, from Horseshoe Bay to Hope
 - Highway 5, from Hope to Kamloops
 - Highway 19, from Duke Point Ferry Terminal to Trans-Canada Highway
 - Highway 19 – Nanaimo Parkway, from Trans-Canada Highway to Island Highway
 - Highway 19, Parksville to Campbell River
 - Highway 91 and 91A
 - Highway 99, from the US border to Horseshoe Bay
 - Highway 17, from Tsawwassen ferry terminal to Highway 99, and
 - Highway 97C, from Aspen Grove to Peachland

Campaigning and canvassing in rental or strata properties

As noted in the previous section, election signs must be allowed to be placed within the premises to which a renter's tenancy agreement relates, and must be allowed on the premises of a strata unit. However, landlords, strata corporations and their agents may set reasonable limits on the sizes and types of election signs which are permitted, and may restrict placement in common areas.

Regarding canvassing, section 30 of the *Residential Tenancy Act* provides that canvassers for political candidates are entitled to reasonable access to rental properties, and must not be unreasonably restricted by landlords. This includes a rental unit located within a strata property. However, for strata properties in general, access may be allowed or restricted depending on the by-laws of the strata corporation.

[s. 228.1]

Restriction on campaigning near election offices and voting places

During a campaign period, the 100 metres surrounding the building where a District Electoral Office is located is a restricted area where individuals and organizations must not post, display or disseminate:

- any campaign period election advertising, or
- any material that identifies a candidate, registered political party or registered constituency association, unless authorized by the District Electoral Officer

Example: Displaying a poster in the restricted area which lists the names of registered political parties or candidates seeking election would require the permission of the District Electoral Officer before posting, even if the ad is neutral (e.g. a notice of an all candidates meeting).

Likewise, while advance or general voting is being conducted, the 100 metres surrounding each building that contains a voting place is a restricted area. Individuals and organizations must not do any of the following in these restricted areas:

- post, display or disseminate:
 - any campaign period election advertising, or
 - any material that identifies a candidate, registered political party or registered constituency association, unless authorized by the district electoral officer

- canvass or solicit votes or otherwise attempt to influence how a voter votes
- carry, wear or supply a flag, badge or other thing indicating that the individual using it is a supporter of a particular candidate or registered political party
- post, display, disseminate or openly leave a representation of a ballot marked for a particular candidate or registered political party

Individuals and organizations are also prohibited from transmitting campaign period election advertising using a loud speaker or public address system within hearing distance of a voting place while advance or general voting is being conducted.

If these rules are contravened, the District Electoral Officer or another election official has the authority to enter the property where the materials are located to remove or obscure these materials.

[s. 234]

Election advertising restrictions on General Voting Day

Individuals and organizations must not sponsor or agree to sponsor, or publish, broadcast or transmit to the public campaign period election advertising on General Voting Day before the close of all voting stations. The following are exceptions to the ban on election advertising on General Voting Day:

- the distribution of pamphlets or the posting of messages on signs, posters or banners
- a notice of an event that the leader of a registered political party intends to attend
- an invitation to meet or hear the leader of a registered political party
- an Internet message that was posted before General Voting Day and that is not changed until after the close of voting
- an Internet message that is for the sole purpose of encouraging voters to vote in the election

[s. 233]

Restriction on rates charged for registered political parties and candidates

Registered political parties, registered constituency associations and candidates must be charged equivalent rates for equivalent election advertising in a periodical publication or on radio or TV. The rate charged must not exceed the lowest rate charged by the individual or organization for equivalent advertising in the same medium during the same campaign period.

[s. 232]

Value of election advertising

The value of election advertising is:

- the price paid for preparing and conducting the election advertising, or
- the market value of preparing and conducting the election advertising, if no price is paid or if the price paid is lower than the market value

The value of election advertising can be prorated or apportioned according to the following principles:

- The full production cost of election advertising must be included in the value. This applies to all election advertising, even if the advertising is used for other purposes before the election, or will continue to be used after the election.
- For broadcasting or distribution costs, include only the portion that is actually used or distributed during the relevant period.
- For election advertising which is co-sponsored by two or more candidates, each candidate must report their share of the advertising. For example, if each candidate paid for half of the advertising, and received half the advertising space, divide the total election advertising expense equally between the candidates.

The value of free advertising space in a periodical publication and free broadcasting time provided to a candidate in an election, if the space or time is also made available on an equitable basis to all other candidates in the election, is considered nil.

The term “periodical publication” includes regularly published Internet newspapers and magazines.

Valuation of re-used election signs and advertising materials

Signs or other advertising materials left over from previous election campaigns may be re-used, but the signs which are re-used must have a value attributed to them for election expenses limit purposes. This value is the market value of buying new signs of the same quality at the time that the signs are being re-used. A quote must be obtained to determine the current cost of making an equivalent number of signs of the same quality. If the signs are used during the campaign period, the value of these signs must be reported in the election financing report as an election expense subject to the spending limit.

The same valuation principle is used when signs require reprinting in order to be re-used or to comply with the authorization statement requirement. In such instances, regardless of the original cost of the signs or the cost of reprinting, the value attributed to them for election expenses limit purposes is their full market value.

Signs that are re-used from a previous election cannot be claimed as a reimbursable election expense.

Examples:

1. A registered political party re-uses 10,000 old signs in their current campaign.
 - original cost of 10,000 signs four years ago = \$20,000
 - current cost of 10,000 new signs of equivalent quality = \$30,000

What is the value of the signs for election expenses limit purposes?

Answer: \$30,000 – the cost of an equal number of new, equivalent signs.

2. A candidate reprints 10,000 old signs for use in the current election, but only uses 5,000 signs. The signs are only posted during the campaign period.
 - original cost of 10,000 signs four years ago = \$15,000
 - current cost for reprinting 10,000 signs = \$3,000
 - cost of reprinted signs = \$15,000 + \$3,000 = \$18,000
 - current cost of 10,000 new signs of equivalent quality = \$25,000
 - current cost of each new sign = \$25,000 / 10,000 signs = \$2.50 per sign

What is the value of the signs for election expenses limit purposes?

Answer: $\$2.50 \times 5,000 = \$12,500$. That is, the new equivalent cost of only those signs that were actually used in the election. The remaining \$12,500 expense is still an expense, but since the signs were not used, it is reported as an “expense not used during the campaign period” in the candidate’s financing report.

Election opinion polls and surveys

Definition of election opinion survey

An election opinion survey is an opinion survey about an election or matter of public discussion in relation to the election, including an opinion survey about an issue discussed publicly in the election.

This includes surveys about:

- what an individual thinks about a particular candidate or election issue
- how an individual intends to vote
- which election issues are most important, etc.

A legitimate opinion survey which is conducted in good faith in accordance with accepted survey standards is not election advertising.

[s. 1]

Ban on publishing new election opinion survey results on General Voting Day

There is a ban on publishing the results of an election opinion survey on General Voting Day if the results have not previously been made available to the public. This includes broadcasting the opinion survey results and transmitting them on the Internet.

[s. 233.1]

Reporting

Summary of reports to be filed with Elections BC

Organization or Individual	Reports Required	Deadline	Late Filing Deadline	Fee for Filing Late	Penalty for not Filing
Registered Political Party	Annual Financial Reports	March 31	Before June 30	\$100	Deregistration
	Election Financing Reports	90 days after General Voting Day	120 days after General Voting Day	\$500	Deregistration
	Interim Financial Reports (only filed by political parties eligible for annual allowance)	30 days after the last day of the reporting period	60 days after the last day of the reporting period	\$100	Deregistration
Registered Constituency Association	Annual Financial Reports	March 31	Before June 30	\$100	Deregistration
	Election Financing Reports	90 days after General Voting Day	120 days after General Voting Day	\$500	Deregistration
Candidates	Election Financing Reports (including nomination contest information if applicable)	90 days after General Voting Day	120 days after General Voting Day	\$500	Loss of seat in Legislature if an MLA; disqualified from being a candidate in next general election; potential deregistration of political party
Leadership Contestant	Contestant Financing Report (not required if acclaimed and no financial transactions)	90 days after a leader is selected, if applicable	120 days after a leader is selected	\$500	Loss of seat in Legislature if an MLA; disqualified from being a candidate in next general election

In addition, the names of all registered political parties, registered constituency associations, candidates and leadership contestants that file late or fail to file a report shall be published in the *B.C. Gazette* and on the Elections BC website.

The *Election Act* allows organizations and individuals to apply to the Supreme Court for relief from their filing obligations.

[s. 216]

Annual financial reports by registered political parties and registered constituency associations

The fiscal year of a registered political party or registered constituency association must be the calendar year. By March 31 of each year, the financial agent must file a financial report respecting the previous calendar year.

The annual financial report must be filed on forms provided by Elections BC, and must include the following information:

- the political contributions the organization accepted during the year
- the total amount of all tax receipts issued for contributions received during the year
- any prohibited political contributions received during the year by the organization but returned to the contributor or remitted to Elections BC
- the details of any fundraising functions held by or on behalf of the organization during the year
- the details of all permissible loans or guarantees received by the organization
- any transfers of money, goods or services made or received by the organization during the year
- any income received and any expenditures made or incurred by the organization during the year, if these are not otherwise disclosed in the report

In addition to the requirements above, a report for a registered political party must include the political contributions made by contributors who, during the period covered by the report, made political contributions to the political party, a registered constituency association for the political party, and/or a candidate for the political party, that, in total, have a value of more than \$250.

Constituency associations must provide the details of all political contributions received during the reporting year to their political party by February 15 of the following year.

Candidates' financial agents must provide the political contribution information to the political party within 60 days after General Voting Day.

For example, if a contributor gave \$100 each to 10 registered constituency associations for the same political party, in the same calendar year, the contributor's information would not appear in the constituency associations' reports because the contribution is not greater than \$250. However, the contributor's information must be disclosed in the political party's annual financial report because the combined total of political contributions is greater than \$250 (10 registered constituency associations x \$100 = \$1,000).

The annual financial report of a registered political party or a registered constituency association must also include the financial information of any organization primarily controlled by the party or constituency association.

The first annual financial report made by an organization must cover the period between the date of the statement of the assets and liabilities form included in the application for registration and December 31.

[s. 207]

Election financing reports by registered political parties and registered constituency associations

Within 90 days after General Voting Day for an election, the financial agent of the following entities must file an election financing report:

- a registered political party that was represented by a candidate in the election, or sponsored election advertising
- a registered constituency association that was represented by a candidate

The election financing report must be filed on forms provided by Elections BC and must include the following information:

- in the case of a report for a registered political party, the election expenses of the political party, showing separately those election expenses that are not subject to the expenses limits and those election expenses that are being claimed as reimbursable election expenses
- the political contributions accepted by the organization from January 1 until the end of the campaign period
- the total amount of all tax receipts issued for contributions received from January 1 until the end of the campaign period
- any prohibited political contributions received by the organization from January 1 until the end of the campaign period, but returned to the contributor or remitted to Elections BC

- the details of any fundraising functions held by or on behalf of the organization from January 1 until the end of the campaign period
- the details of any permissible loans or guarantees received by the organization
- any transfers of money, goods or services made or received from January 1 until the end of the campaign period

The election financing report of a registered political party or a registered constituency association must also include the financial information of any organization primarily controlled by the party or constituency association.

If a by-election is cancelled because a general election is called, a report respecting the cancelled election must be filed. In the case of a political party or constituency association that is required to file reports for both elections, those reports are not required to be filed until the time for filing the report in relation to the general election.

[s. 210]

Election financing reports by candidates

The financial agent of a candidate must file an election financing report within 90 days after General Voting Day. Election financing reports must be on forms provided by Elections BC and must disclose the following information:

- the election expenses, showing separately those expenses that are not subject to the election expenses limit and those election expenses that are being claimed as reimbursable election expenses
- the political contributions provided to the candidate in relation to that individual's candidacy
- the total amount of all tax receipts issued for contributions received
- details about any prohibited political contributions, and when they were returned to the contributor or remitted to Elections BC
- the details of any fundraising functions held by or on behalf of the candidate
- any transfers of money, goods or services made or received from the candidate's registered political party, registered constituency association or from another candidate
- the details of any permissible loans or guarantees received by the candidate
- any surplus campaign funds or any equivalent deficit, as at the day the report is prepared
- any other income or expenses not otherwise disclosed in the report

If the candidate was also a nomination contestant, the candidate election financing report must also include:

- the political contributions provided to them as a nomination contestant, in relation to that individual seeking the nomination
- if the candidate incurred nomination expenses during the campaign period, those nomination contestant expenses that are not included as election expenses

[s. 209]

Election financing reports by nomination contestants

The *Election Act* does not require the filing of nomination contestant financing reports, unless the nomination contestant becomes a candidate. Nomination contestants that do not become candidates are not required to file financial reports with Elections BC.

Financial information about the nomination contest income and expenses must be included in the candidate's election financing report.

If a nomination contest overlaps or falls within the election campaign period and the contestant becomes a candidate for a registered political party, any nomination contestant expenses during the campaign that exceed 10% of the candidate's limit are counted as election expenses.

Example:

The candidate spending limit during the campaign period is \$58,000. Assume that a nomination contest is held during the campaign period, and a nomination contestant who became a candidate spent \$12,000 in the contest.

Ten percent of \$58,000 is \$5,800; the excess must be attributed to election expenses.

Therefore, \$6,200 would be counted towards the \$58,000 candidate expenses limit ($\$12,000 - (10\% \times \$58,000) = \$6,200$).

[s. 209]

Financing reports by leadership contestants

The financial agent appointed for a leadership contestant who is acclaimed is not required to file a financing report if all of the following apply:

- no contestant expenses were incurred by or on behalf of the leadership contestant
- no political contributions were received or accepted in relation to that individual's seeking the leadership
- no loans or guarantees were received by the leadership contestant for contestant expenses
- no fundraising functions were held by or on behalf of the leadership contestant
- no transfers of money or other property were given or received by the leadership contestant

In all other cases, the financial agent must file a financing report within 90 days after a leader is selected.

The financing report must be on forms provided by Elections BC and must disclose the following information:

- the contestant expenses, reported by type
- the political contributions accepted by a leadership contestant, in relation to that individual seeking of the leadership
- details about any prohibited political contributions, and when they were returned to the contributor or remitted to Elections BC
- the details of any fundraising functions held by or on behalf of the leadership contestant
- the details of any permissible loans or guarantees received by the candidate
- any transfers of money, goods or services made or received from the leadership contestant's registered political party

[s. 211]

Interim financial reports by registered political parties

Any political parties that are eligible to receive an annual allowance payment from Elections BC are required to file interim financial reports within 30 days after the last day of the reporting period.

For 2018, interim financial reports must be filed for the following periods:

- January 1, 2018 to June 30, 2018
- July 1, 2018 to December 31, 2018

For 2019 and in all subsequent years, the interim financial reports must be filed quarterly, as follows:

- January 1 to March 31
- April 1 to June 30
- July 1 to September 30
- October 1 to December 31

The interim financial report must be filed on forms provided by Elections BC, and must include the following information:

- the political contributions the political party accepted during the interim reporting period
- any prohibited political contributions received during the reporting period by the organization but returned to the contributor or remitted to Elections BC
- any transfers of money, goods or services made or received by the organization during the reporting period

[s. 207.01]

Auditing of financial reports

If the total value of political contributions, election expenses or contestant expenses to be reported is \$10,000 or more, the financing report must be audited and the financial agent must file a copy of the auditor's report with the financing report. This does not apply for interim financial reports.

The Chief Electoral Officer may require an auditor's report in other cases as well.

The auditor must conduct the audit in accordance with generally accepted auditing standards and perform such tests and other procedures as considered necessary to determine whether the report has been prepared in accordance with generally accepted accounting principles. Financing reports consist of several forms and auditors should note that all the forms are subject to audit as they comprise the report.

An auditor must make additional reports if the auditor has not received all the information and explanations required from the financial agent or if proper accounting records have not been kept by the financial agent.

Financial agents must give the auditor access at all reasonable times to the records and must provide the auditor with any information the auditor considers necessary to enable the auditor to give a report.

It is important that financial agents ensure enough time is provided for the audit prior to the filing deadline.

Auditors should refer to Elections BC's Auditor's Guide for more information.

[s. 213, 214]

Supplementary reports

A supplementary report, or amendment, must be filed with Elections BC within 30 days after the financial agent, or the individual or organization for which a report was filed, becomes aware that information disclosed in the report has changed, or that the report did not completely and accurately disclose the information required.

[s. 212]

Penalties, offences and relief

General

There are significant penalties for failing to comply with the financing rules or for committing offences in relation to election financing.

Penalties include monetary fees, disqualification from being a candidate, loss of a seat as an MLA and the suspension or deregistration of a political party or constituency association.

The *Election Act* also establishes offences and an individual or organization who commits an election financing or election advertising offence is liable to a fine of not more than \$10,000 or imprisonment for a term not longer than one year, or both.

In addition, notice of non-compliance with the *Election Act* may be published in the BC Gazette, or on the Elections BC website.

An individual or organization may apply to the Supreme Court for relief from a penalty or offence under the *Election Act*. Individuals or organizations that are considering applying to the Supreme Court to seek relief may want to consult independent legal counsel about the process.

Failure to file a report

See the table on page 60 for a summary of penalties related to the late filing of reports.

If a **candidate**, who is declared elected as a Member of the Legislative Assembly (MLA), fails to file an election financing report, the Member ceases to hold office and the seat of the Member becomes vacant.

In all cases, if an individual fails to file an election financing report, the individual is disqualified from being nominated, elected or holding office as an MLA until after the next general election. In order to no longer be disqualified, the individual must submit the outstanding report along with a \$10,000 late filing penalty.

The above candidate rules also apply to **leadership contestants** who fail to file contestant financing reports.

A **registered political party or registered constituency association** that fails to file either an election financing report or an annual financial report by the end of the applicable late filing period must be deregistered.

Also, if 50% or 15, whichever is the lesser number, of the candidates representing a **registered political party** do not file their election financing reports by the end of the late filing period, the political party must be deregistered.

A political party, constituency association, candidate or leadership contestant can apply to the Supreme Court for relief from the obligation to file a financing report.

[s. 221-224]

False or misleading reports in relation to candidates or leadership contestants

If an individual is convicted of filing a false or misleading report, the individual is subject to the following penalties at the end of the appeal period if no appeal is made, or at the time the conviction is upheld on appeal:

- a fine of up to \$20,000 or imprisonment for up to two years, or both
- in the case of an individual who is a Member of the Legislative Assembly, the Member ceases to hold office and the seat of the Member becomes vacant
- in all cases, the individual is disqualified from being nominated, being elected or holding office as a Member of the Legislative Assembly until after the next general election

The Chief Electoral Officer must present a report to the Speaker of the Legislative Assembly respecting a Member of the Legislative Assembly who may be subject to penalty for filing false or misleading reports in relation to candidates and leadership contestants as soon as possible after the conviction to which it relates.

[s. 226, 266]

False or misleading reports in relation to political parties or constituency associations

If a registered political party or a registered constituency association is convicted in relation to a false or misleading report, the Chief Electoral Officer must suspend the registration of the organization until such time as the organization is deregistered or the conviction is overturned on the final determination of an appeal.

The Chief Electoral Officer must deregister the organization:

- if no appeal of the conviction is made, at the end of the appeal period, or
- if the conviction is upheld, on the final determination of appeal

An organization or individual convicted of filing a false or misleading report is liable to a fine of up to \$20,000 or imprisonment for up to two years, or both.

[s. 227, 266]

Exceeding election expenses limits

A candidate or political party whose election expenses exceed the applicable election expenses limit is subject to penalties.

A **candidate** who is declared elected as a Member of the Legislative Assembly (MLA), whose election expenses exceed the applicable election expenses limit, ceases to hold office and the seat of the Member becomes vacant.

If a **political party** incurs election expenses that exceed the applicable election expenses limit, the Chief Electoral Officer must suspend the registration of the political party for a period of six months.

In all cases, the **candidate or political party** must pay the Chief Electoral Officer a penalty of double the amount by which the election expenses exceed the limit.

An individual or organization that incurs election expenses in excess of an election expenses limit commits an offence and is liable to a fine of not more than \$10,000 or imprisonment for a term not longer than one year, or both.

A political party, or candidate may apply to the Supreme Court for relief from the penalties for exceeding the election expenses limit.

An application to the Supreme Court must be made within 120 days after General Voting Day unless the overspending is disclosed in a supplementary report, in which case the deadline is 30 days after filing the supplementary report.

[s. 217, 218, 263]

Making or accepting prohibited loans or guarantees

If the Chief Electoral Officer makes the determination that a registered political party, registered constituency association, candidate, leadership contestant or nomination contestant accepted a loan or guarantee that is not in compliance with the *Election Act*, the Chief Electoral Officer must notify the individual or organization of non-compliance within seven days of making the determination, and the related penalty.

An individual or organization that makes or accepts a prohibited loan or guarantee is liable to a monetary penalty of up to 100% of the amount of the loan, as determined by the Chief Electoral Officer.

An application to the Supreme Court for relief from the financial penalty must be made within 30 days after receiving notification from Elections BC of the non-compliance and related penalty.

[s. 220.01]

Making or accepting prohibited political contributions

If the Chief Electoral Officer makes the determination that a registered political party, registered constituency association, candidate, or leadership contestant accepted a political contribution that is not in compliance with the *Election Act*, the Chief Electoral Officer must notify the individual or organization of non-compliance within seven days of making the determination, and the related penalty. This includes:

- contributions over \$100 accepted from specified fundraising functions held at private residences
- contributions from ineligible sources (e.g. from organizations or individuals who are not residents of BC)
- contributions that have not been made through an appointed financial agent, or someone authorized in writing by the financial agent, or been properly recorded in order to allow compliance with the *Election Act*
- cash contributions in excess of \$100
- indirect contributions
- anonymous contributions of \$50 or more, or are not provided in response to a general solicitation for funds (e.g. pass the hat)

An individual or organization that makes or accepts a prohibited political contribution is liable to pay a monetary penalty of up double the amount of the prohibited contribution, as determined by the Chief Electoral Officer.

An application to the Supreme Court for relief from the financial penalty must be made within 30 days after receiving notification from the Elections BC of the non-compliance and related penalty.

[s. 220.02, 220.4, 220.06]

Exceeding the political contribution limits

If the Chief Electoral Officer makes the determination that an **eligible individual** has exceeded the political contribution limits, the Chief Electoral Officer must notify the eligible individual of non-compliance within seven days of making the determination, and the related penalty.

If the Chief Electoral Officer makes the determination that a registered political party, registered constituency association, candidate, leadership contestant or nomination contestant has accepted permitted **anonymous political contributions** in excess of the limit, the Chief Electoral Officer must notify the individual or organization of non-compliance within seven days of making the determination, and the related penalty.

An eligible individual that makes political contributions that exceeds the contribution limit, or individual or organization that accepts anonymous political contributions in excess of the limit, is liable to pay a monetary penalty of up to double the amount that exceeds the limit, as determined by the Chief Electoral Officer.

An application to the Supreme Court for relief from the financial penalty must be made within 30 days after receiving notification from the Elections BC of the non-compliance and related penalty.

[s. 220.05. 220.07]

Failure to return prohibited political contributions

If the Chief Electoral Officer makes the determination that a financial agent has failed to properly handle a prohibited contribution that was made or accepted in contravention of the *Election Act*, the Chief Electoral Officer must notify the financial agent of non-compliance within seven days of making the determination, and the related penalty.

A financial agent that does not properly return or remit a prohibited political contribution and use their best efforts to obtain and void any income tax issued incorrectly, is liable to pay a monetary penalty of up double the amount of the prohibited political contribution, as determined by the Chief Electoral Officer.

An application to the Supreme Court for relief from the financial penalty must be made by the financial agent within 30 days after receiving notification from the Elections BC of the non-compliance and related penalty.

[s. 220.08]

Failure to report a specified fundraising function

If the Chief Electoral Officer makes the determination that a major political party (including its constituency associations, candidates and leadership contestants) has failed to report the required details of a specified fundraising function at least seven days prior to the event, **and** within 60 days after the event, the Chief Electoral Officer must notify the individual or organization of non-compliance within seven days of making the determination, and the related penalty.

An individual or organization that fails to report a specified fundraising function is liable to a monetary penalty of up to \$10,000, as determined by the Chief Electoral Officer.

An application to the Supreme Court for relief from the financial penalty must be made within 30 days after receiving notification from the Elections BC of the non-compliance and related penalty.

[s. 220.03]

Definitions

The following are definitions for some key terms used in this guide:

Auditor	An individual or firm appointed to audit financial reports. [<i>Election Act</i> , s. 179]
Campaign period	The period between when an election is called and the close of general voting for the election. A campaign period is generally 29 days long. [<i>Election Act</i> , s. 1]
Campaign period election advertising	The transmission to the public of a message that promotes or opposes, directly or indirectly, a registered political party or the election of a candidate during a campaign period, including an advertising message that takes a position on an issue with which a registered political party or candidate is associated with or canvassing voters on a commercial basis in an attempt to influence how they vote. [<i>Election Act</i> , s. 1]
Candidate	An individual who stands for election to the Legislative Assembly, and has completed the nomination process and been issued a certificate of candidacy. For the purposes of election financing and election communications, the term candidate also includes an individual who becomes a candidate or who was a candidate in an election. [<i>Election Act</i> , s. 1, 52-68]
Constituency association	An organization formed for an electoral district as the local organization of a registered political party or as the local organization to support an independent Member of the Legislative Assembly for that electoral district. [<i>Election Act</i> , s. 157]
Election advertising	See: campaign period election advertising, or pre-campaign period election advertising.

<p>Election expense</p>	<p>Generally, the value of property or services used during the campaign period by or on behalf of a candidate, registered constituency association or registered political party to promote or oppose, directly or indirectly, the election of a candidate, or a registered political party.</p> <p>[<i>Election Act</i>, s. 183]</p>
<p>Election expenses limit</p>	<p>The maximum amount of election expenses which may be incurred by or on behalf of a registered political party or candidate.</p> <p>[<i>Election Act</i>, s. 198-199]</p>
<p>Eligible individual</p>	<p>An individual who is a resident of B.C. and either a Canadian citizen or permanent resident.</p> <p>[<i>Election Act</i>, s. 1]</p>
<p>Financial agent</p>	<p>An individual appointed by an organization or individual to administer their finances in accordance with the <i>Election Act</i>.</p> <p>[<i>Election Act</i>, s. 175-177]</p>
<p>Fundraising function</p>	<p>Includes a social function held for the purpose of raising funds for the organization or individual by whom or on whose behalf the function is held.</p> <p>A fundraising function held by a major political party may also be a specified fundraising function if the event is attended by the leader of the party, a parliamentary secretary, or a member of the Executive Council.</p> <p>[<i>Election Act</i>, s. 1]</p>

Incur	<p>In relation to an election expense or contestant expense, using property or services in such a manner that the value of the property or services is an election expense or contestant expense; and in relation to an expense, using property or services in such a manner that the value of the property or services would be an election expense if the property or services had been used by or on behalf of a candidate, registered constituency association or registered political party.</p>
Leadership contestant	<p>An individual seeking the leadership of a registered political party, whether or not any other individual seeks that leadership, and for the purposes of the Act includes an individual who becomes a leadership contestant or who was a leadership contestant.</p> <p><i>[Election Act, s. 1]</i></p>
Major political party	<p>A registered political party that is eligible to appoint a representative to the Election Advisory Committee. This includes parties that are represented in the Legislative Assembly or fielded candidates in at least 50% of all electoral districts in the last general election.</p> <p><i>[Election Act, s. 1, 14]</i></p>
Market value	<p>In relation to property or services, the lowest price charged for an equivalent amount of equivalent property or services in the market area at the relevant time.</p> <p><i>[Election Act, s. 1]</i></p>
Money	<p>Includes cash, a negotiable instrument (i.e. cheque, money order) and a payment by means of a credit card.</p> <p><i>[Election Act, s. 1]</i></p>

<p>Political contribution</p>	<p>Generally, a contribution of money, or the value of goods or services provided without compensation to a candidate, leadership contestant, nomination contestant, political party or constituency association.</p> <p>[<i>Election Act</i>, s. 180-182]</p>
<p>Political party</p>	<p>An organization that has as a primary purpose the fielding of candidates for election to the Legislative Assembly.</p> <p>[<i>Election Act</i>, s. 155]</p>
<p>Pre-campaign period</p>	<p>The period beginning 60 days before the start of the campaign period for a fixed-date general election and ending on the day before the writs of the election are issued.</p> <p>Note: The pre-campaign period is not applicable for by-elections or general elections not conducted in accordance with section 23(2) of the <i>Constitution Act</i>.</p> <p>[<i>Election Act</i>, s. 1]</p>
<p>Pre-campaign period election advertising</p>	<p>The transmission to the public by a third party advertising sponsor of a message that directly promotes or opposes a registered political party or the election of a candidate during the 60 day pre-campaign period.</p> <p>[<i>Election Act</i>, s. 1]</p>
<p>Registered</p>	<p>In relation to a voter, a political party, a constituency association or third party advertising sponsor, an individual or organization registered with Elections BC.</p> <p>[<i>Election Act</i>, s. 1]</p>

<p>Specified fundraising function</p>	<p>A fundraising function held for the purpose of raising funds for a major political party (including its constituency associations, candidates and leadership contestants), and is attended by a leader of a major political party, a parliamentary secretary or a member of the Executive Council.</p> <p>[<i>Election Act</i>, s. 1, 185.01, 185.02]</p>
<p>Specified use</p>	<p>The activity of incurring an election expense or sponsoring specified communications that promotes or opposes, directly or indirectly, a registered political party or the election of a candidate, including a message transmitted outside a campaign period.</p> <p>[Bill 3, <i>Election Amendment Act, 2017</i>, s. 68]</p>
<p>Tax receipt</p>	<p>A receipt issued under section 20 of the <i>Income Tax Act</i> for a political contribution of money.</p>
<p>Third party advertising sponsor</p>	<p>An individual or organization, other than a candidate, registered political party or registered constituency association, that sponsors election advertising.</p> <p>[<i>Election Act</i>, s. 1]</p>
<p>Volunteer</p>	<p>An individual who voluntarily performs services and receives no compensation, directly or indirectly, for the services or time spent.</p> <p>[<i>Election Act</i>, s. 180]</p>

Questions?

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