



ELECTIONS BC
A non-partisan Office of the Legislature

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ELECTOR ORGANIZATION NEWSLETTER

August 2018

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Introduction

Welcome to the August 2018 edition of the Elector Organization Newsletter published by Elections BC. This edition will focus on fundraising functions and election expenses for the day-to-day administration of the elector organization.

What is a fundraising function?

A fundraising function includes a social function held by, or on behalf of, an elector organization to raise money, including campaign funds and operating funds.

Tickets and entry fees

If a fundraising function is held to raise money for campaign use, only eligible individuals may purchase a ticket or pay an entry fee to the function. An eligible individual is someone who is a resident of British Columbia and a Canadian citizen or a permanent resident. Organizations and ineligible individuals must not pay for tickets or entry fees to campaign fundraising functions.

Ticket purchases and entry fees are campaign contributions if an eligible individual buys more than

\$50 worth of tickets. If an eligible individual buys \$50 or less worth of tickets, it is not a campaign contribution.

Campaign contributions from ticket sales must be deposited into the campaign account of the elector organization. The proceeds from ticket sales that are not campaign contributions may be deposited into either the campaign account or the operating account of the elector organization.

However, funds deposited into an operating account can never be used for an election campaign.

Contributions at fundraising functions

During any fundraising function, an elector organization is able to receive additional contributions. Campaign contributions may be received by the financial agent or an individual they have authorized in writing to receive campaign contributions. Campaign contributions must be deposited into the campaign account and the person receiving the contribution must ensure they record the required contributor information.

Elector organizations may also receive non-campaign contributions from any individual or organization at the fundraising function. There are no limits or source restrictions for non-campaign contributions. However,

these must be deposited into the elector organization's **operating account** and must never be used for an election campaign.

The financial agent or authorized individual should keep detailed records of all contributions including recording the type of contribution made (i.e., whether the contribution is a campaign contribution or non-campaign contribution).

Auctions

Elector organizations may hold auctions during fundraising functions to raise money for campaign use. Any property or services donated to the elector organization to be sold at these auctions is a campaign contribution and the fair market value of the property or services counts towards the eligible individual's contribution limit.

If an item is sold at auction for its market value or less the price paid is not a campaign contribution. The proceeds of such sales may be deposited into either the campaign account or the operating account of the elector organization.

When items are sold at campaign-related auctions for more than their market value, the amount of the payment up to the market value of the item is not a campaign contribution and that portion of the proceeds of sale may be deposited into either the campaign account or the operating account of the elector organization. The proceeds of sale above the market value of the item is a campaign contribution and must be deposited into the campaign account and counts towards the eligible individual's contribution limit.

“Funds deposited into an operating account can never be used for an election campaign”

Fundraising function expenses

Expenses in relation to a fundraising function held before October 21, 2018 must be paid from the campaign account even if the function is not campaign-related. The cost of the function, including venue rental, refreshments, entertainment, etc. are not election expenses, but must be reported in the elector organization's disclosure statement.

The cost of items promoting the event, such as signs, posters, mass emails, etc. are election expenses and, if incurred during the campaign period, must be attributed to the expense limit(s) of the elector organization's endorsed candidate(s).

Day-to-day administration expenses

All expenses incurred by an elector organization from April 27, 2018 to October 20, 2018 for the day-to-day administration of the elector organization must be paid from the campaign account and be reported in the elector organization's disclosure statement. Such expenses include, but are not limited to, salaries and wages, office rent, utilities and insurance, accounting and legal services, office expenses and travel.

These expenses are election expenses but are not subject to the spending limit.

If an elector organization has an outstanding debt for day-to-day administration expenses incurred prior to April 27, 2018, the debt may be paid from the operating account.

For more information about the campaign financing rules for elector organizations, please contact Elections BC using the information below.

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